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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
KEENELAND PARK

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B	Land Subject to Annexation	B-1
C	Initial Rules	C-1
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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KEENELAND PARK is made this 3rd day of OCTOBER, 2013, by Beazer Homes Indiana LLP, an Indiana limited liability partnership ("Declarant").

Article I Creation of the Community

1.1. Purpose and Intent.

This Declaration of Covenants, Conditions and Restrictions for Keeneland Park ("Declaration") establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance and preservation of Keeneland Park as a planned community. An integral part of the development plan is the formation of the Keeneland Park Homeowners Association, Inc., an Indiana nonprofit corporation, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the Governing Documents (as defined in Article II below).

This Declaration is not intended to create, nor shall it be construed or deemed to create, a condominium pursuant to Indiana law (IC 32-25-1 et seq.).

1.2. Binding Effect.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article II below) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Community (as defined in Article II below), their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Community.

All provisions of the Governing Documents shall apply to all owners and to all occupants of their dwellings, as well as their respective tenants, guests and invitees. Any lease on a dwelling shall provide that the lessee and all occupants of the leased dwelling shall be bound by the terms of the Governing Documents.

Article II Definitions

Unless otherwise specified, the capitalized terms in this Declaration and the attached exhibits shall be defined as follows:

"Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract, or agreement.

"Articles of Incorporation" or "Articles": The Articles of Incorporation for Keeneland Park Homeowners Association, Inc., as filed with the Secretary of State for the State of Indiana.

"Association": Keeneland Park Homeowners Association, Inc., an Indiana nonprofit corporation, its successors or assigns.

"Base Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.

"Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Indiana corporate law.

"Builder": Any Person which purchases one or more Units for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person's business.

"By-Laws": The Code of By-Laws of Keeneland Park Homeowners Association, Inc., attached as Exhibit "D," as they may be amended.

"Common Area": All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

"Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles. Common Expenses shall not include any expenses incurred during the Declarant Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Members representing a majority of the total Class "A" vote of the Association.

"Community" or "Keeneland Park": The property described in Exhibit "A" and any additional property made subject to this Declaration in the future by amendment or Supplemental Declaration in accordance with Article IX.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard may be more specifically determined by the Board and the DRC (as defined in Section 4.2(a) herein).

"Declarant": Beazer Homes Indiana LLP, an Indiana limited liability partnership, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a Recorded instrument executed by the immediately preceding Declarant; provided, there shall be only one Declarant at any time.

"Declarant Control Period": The period of time during which the Declarant is entitled to appoint at least a majority of the members of the Board of Directors as provided in the By-Laws.

"Design Guidelines": The design and construction guidelines and application and review procedures applicable to the Community promulgated and administered pursuant to Article IV.

"Exclusive Common Area": A portion of the Common Area primarily benefiting one or more Units as more particularly described in Article XII.

"Governing Documents": A collective term referring to this Declaration, any Supplemental Declarations, the By-Laws, the Articles, the Design Guidelines, the Rules and any applicable permits, licenses or approvals issued by any governmental agency for the Community, as they may be amended.

"Master Plan": The land use plan for the development of the Community, as it may be amended from time to time, which plan includes the property described on Exhibit "A" and all or a portion of the property described on Exhibit "B" that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article IX.

"Member": A Person subject to membership in the Association pursuant to Section 6.2.

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

"Mortgagee": A beneficiary or holder of a Mortgage.

"Mortgagor": Any Person who gives a Mortgage.

"Neighborhood": A group of Units designated as a separate Neighborhood for purposes of sharing Exclusive Common Areas and/or receiving other benefits or services from the Association which are not provided to all Units within the Community as provided in Section 6.4. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Association provides benefits or services to less than all Units within a particular Neighborhood, then the benefited Units shall constitute a sub-Neighborhood for purposes of determining and levying Neighborhood Assessments for such benefits or services.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association, if any, having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 6.4.

"Neighborhood Assessments": Assessments levied against the Units in a particular Neighborhood to fund Neighborhood Expenses, as described in Section 8.2.

"Neighborhood Association": A condominium association or other owners association, if any, having concurrent jurisdiction (subject to this Declaration) with the Association over any Neighborhood. Nothing in this Declaration shall require the creation of a Neighborhood Association for any Neighborhood.

"Neighborhood Expenses": The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Units within a particular Neighborhood, which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may be authorized pursuant to this Declaration or by any Supplemental Declaration applicable to such Neighborhood.

"Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold

under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

"Record," "Recording," or "Recorded": To file, filing, or filed of record in the Office of the Recorder, Hamilton County, Indiana, or such other place which is designated as the official location for recording deeds and similar documents affecting title to real estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

"Rules": Those use restrictions and rules affecting the Community, which may be adopted, modified and repealed as set forth in Article III. The initial Rules are set forth on Exhibit "C."

"Special Assessment": Assessments levied in accordance with Section 8.4.

"Specific Assessment": Assessments levied in accordance with Section 8.5.

"Supplemental Declaration": An instrument Recorded pursuant to Article IX which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

"Unit": A portion of the Community, whether improved or unimproved, depicted as a separately identified lot or parcel on a Recorded subdivision plat, which may be independently owned and conveyed and is zoned or otherwise intended for development, use, and occupancy as a residence for a single family. The term "Unit" refers to the land, if any, which is part of the Unit, as well as to any structures or other improvements on the Unit. In the case of a building within a condominium or other structure containing multiple dwellings for independent ownership, each dwelling shall be deemed to be a separate Unit. Vacant land or land on which improvements are under construction shall be deemed to be a single Unit until a subdivision plat, survey, or condominium instrument is Recorded subdividing the land into more than one Unit.

Article III Use and Conduct

3.1. Restrictions on Use, Occupancy, and Alienation.

The restrictions set forth in this Section 3.1 may be amended only in accordance with Section 18.2.

(a) General. Units shall be used only for residential, recreational, and related purposes consistent with the Governing Documents. The provisions of this Article III shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of the Community or its use of any Units which it owns within the Community.

(b) No Business Use. No business, trade, or similar activity shall be conducted within the Community except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the

Community; and (iv) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Leasing a Unit shall not be considered a business or trade within the meaning of this subsection.

(c) Leasing of Units. "Leasing," for purposes of the Governing Documents, is defined as regular, exclusive occupancy of a Unit by any Person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Units may be leased only in their entirety. No fraction or portion of a Unit may be leased. All leases shall be in writing.

An Owner leasing his or her Unit shall provide notice of any lease, together with a copy of the lease and such other additional information as the Board may require, to the Board, or to such Person designated by the Board to receive such notice and information, no later than 10 days after the execution of the lease. The Owner must make available to the lessee copies of the Governing Documents.

(d) Subdivision of a Unit and Time-Sharing. No Unit shall be subdivided or its boundary lines changed; provided, Declarant, its successors and assigns, and Builders, with Declarant's approval, may subdivide, re-subdivide, change the boundary lines of, and replat Units and the Common Area in a manner consistent with the Community scheme of development, for so long as Declarant or any Builder owns any portion of the Community.

No Unit shall be made subject to any type of timesharing, fraction-sharing, interval ownership or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years.

(e) Occupants Bound. All provisions of the Governing Documents shall apply to all occupants, guests, and invitees of any Unit. Every Owner shall cause all occupants, guests, and invitees of his or her Unit to comply with the Governing Documents and shall be responsible for all violations and losses to the Area of Common Responsibility caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

3.2. Framework for Regulation.

The Community has been established and is administered pursuant to the Governing Documents that have a legal and binding effect on all owners and occupants of property in the Community, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. All owners and occupants, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents.

3.3. Rule Making Authority.

The initial Rules applicable to the Community are attached as Exhibit "C" to this Declaration. Subject to the terms of this Article III, the Rules may be modified in whole or in part, repealed or expanded as follows:

(a) Subject to the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the Rules set forth on Exhibit "C." The Board shall send notice by mail to all Owners concerning any such proposed action at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

(b) Alternatively, the Members, at a meeting duly called for such purpose as provided in the By-Laws, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Rules by a vote of Members representing at least 51% of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(c) A rules change adopted under this Section 3.3 shall take effect 30 days after the date on which written notice of the rules change is given to the Owners.

(d) Nothing in this Article III shall authorize the Board or the Members to modify, repeal or expand the Design Guidelines or other provisions of this Declaration. In the event of any inconsistency between the Design Guidelines and the Rules, the Design Guidelines shall control. In the event of a conflict between the provisions of the Declaration and the Rules, the provisions of the Declaration shall control.

(e) The procedures required under this Section 3.3 shall not apply to the enactment and enforcement of administrative rules and regulations governing use of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment in the enactment, amendment, and enforcement of such administrative rules and regulations.

3.4. Owners' Acknowledgment and Notice to Purchasers.

All Owners and occupants of Units are given notice that use of their Units is limited by the Rules as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into and recording a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit may be affected and that the Rules may change from time to time. A copy of the current Rules and all administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

3.5. Protection of Owners and Others.

Except as may be specifically set forth in this Declaration (either initially or by amendment) or in Exhibit "C," neither the Board nor the Members may adopt any rule in violation of the following provisions:

(a) Similar Treatment. Similarly situated Owners and occupants shall be treated similarly.

(b) Displays. No rule shall abridge an Owner's right to display political, religious, or holiday symbols and decorations on his or her Unit of the kinds normally displayed in single-family residential neighborhoods, nor shall any rule regulate the content of political signs. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside structures on the Unit, including reasonable limitations on size and number. Owners may display one "For Sale" or "For Rent" sign on their Units provided such signs are a similar size and quality as those used by local real estate brokers and agents which shall in no event exceed six square feet of surface area.

(c) Household Composition. No Rule shall interfere with an Owner's freedom to determine household composition, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on Unit size and facilities and its fair share use of the Common Area.

(d) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(e) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(f) Alienation. No rule shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit; provided, the Association or the Board may require minimum and maximum lease terms. Minimum and maximum lease terms may vary by Neighborhood. Unless otherwise determined by the Board, the minimum lease term for a Unit shall not be less than one year. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(g) Abriding Existing Rights. No rule shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Rules in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.

(h) Reasonable Rights To Develop. No rule or action by the Association or Board shall unreasonably interfere Declarant's right to develop, market and sell property within the Community.

(i) Interference with Easements. No rule may unreasonably interfere with the exercise of any easement.

Article IV Design and Landscaping

4.1. General.

All site work, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit are subject to standards for design, landscaping, and aesthetics adopted pursuant to the Design Guidelines and the approval procedures set forth in this Article IV.

No Owner, other than Declarant or a Builder authorized by Declarant, may obstruct or rechannel drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant, authorized Builders, and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

No prior approval is necessary to repaint the exterior of existing structures using the most recently approved color scheme for such structures or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require prior approval.

Any dwelling constructed on a Unit shall be designed by and built in accordance with the plans and specifications of a licensed architect unless otherwise approved by the Declarant or its designee.

Approval under this Article IV is not a substitute for any approvals, consents, permits or reviews required by any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

This Article IV shall not apply to the Declarant's design and construction activities or to the Association's activities during the Declarant Control Period.

4.2. Design Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Community, acknowledges that, as the developer of the Community and as an Owner of portions of Community as well as other real estate within the vicinity of the Community, Declarant has a substantial interest in ensuring that the improvements within the Community enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article IV ("Work") shall be commenced on such Owner's Unit unless and until Declarant or its designee has given its prior written approval for such Work, which approval may be granted or withheld in the Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article IV shall continue so long as Declarant owns any portion of the Community or any real

property adjacent to the Community, unless earlier terminated in a written instrument executed and Recorded by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article IV to a design review committee appointed by the Association's Board of Directors ("DRC"), or a committee comprised of architects, engineers or other persons who may or may not be Members of the Association. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article IV, the jurisdiction of the foregoing entities shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Design Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article IV, the Association, acting through the DRC, shall assume jurisdiction over design matters hereunder. The DRC, when appointed, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the DRC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the DRC or Declarant's rights under this Article IV terminate, the Association shall have no jurisdiction over design matters.

(c) Fees; Assistance. For purposes of this Article IV, the entity having jurisdiction in a particular case (i.e., the Declarant or the DRC) shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such Persons in the Association's annual operating budget as a Common Expense.

4.3. Guidelines and Procedures.

(a) Design Guidelines. Declarant has prepared the initial Design Guidelines, which may contain general provisions applicable to all of the Community as well as specific provisions which vary from Neighborhood to Neighborhood. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Design Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Design Guidelines as long as it owns any portion of the Community or has a right to expand the Community pursuant to Section 9.1,

notwithstanding a delegation of reviewing authority to the DRC, unless Declarant also expressly delegates the power to amend the Design Guidelines to the DRC. Upon termination or delegation of Declarant's right to amend, the DRC shall have the authority to amend the Design Guidelines with the approval of the Board. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Community. In Declarant's discretion, such Design Guidelines may be Recorded, in which event the Recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(b) Procedures. No Work shall commence on any portion of the Community until an application for approval has been submitted to, and approved by, the Reviewer. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall, within 30 days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the Reviewer fails to respond in a timely manner, approval shall be deemed to have been given, subject to Declarant's right to veto approval by the DRC pursuant to this Section 4.3. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of Declarant's rights under this Article IV, the DRC shall notify Declarant in writing within three business days after the DRC has approved any application relating to proposed Work within the scope of matters delegated to the DRC by Declarant. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the DRC and the applicant.

If construction does not commence on a project for which Plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article IV, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Article IV will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances.

The Reviewer may authorize variances from compliance with any of the Design Guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section 4.5, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability.

The standards and procedures established by this Article IV are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article IV is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design.

Declarant, the Association, the Board, the DRC, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, or any injury, damages, or loss arising out of the manner or quality

of approved construction on or modifications to any Unit. In all matters, the Board, the DRC, and any members thereof shall be defended and indemnified by the Association as provided in Section 7.6.

4.7. Certificate of Compliance.

Any Owner may request that the Reviewer issue a certificate of compliance certifying that there are no known violations of this Article IV or the Design Guidelines. The Association shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

Article V Maintenance and Repair

5.1. Maintenance of Units.

Each Owner shall maintain his or her Unit and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and the Governing Documents, unless such maintenance responsibility is otherwise assumed by, or assigned to, the Association pursuant to this Declaration, any Supplemental Declaration or other covenants applicable to such Unit. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.5. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.2. Maintenance of Neighborhood Property.

Any Neighborhood Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants.

Upon resolution of the Board, Owners within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Neighborhoods which are similarly situated shall be treated the same.

The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this Section 5.2 shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section 5.2 shall not constitute discrimination within a class.

5.3. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Unit is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Unit and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section 5.3 shall apply to any Neighborhood Association responsible for common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Unit. Additional Recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such Neighborhood and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

Article VI The Association and its Members

6.1. Function of Association.

The Association is the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association also is the primary entity responsible for administration and enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Indiana law.

6.2. Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3 and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be

exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting.

The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any.

Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2; provided, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.9.

In any situation where there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The sole Class "B" Member shall be the Declarant. So long as the Class "B" membership exists, no votes shall be exercised for Units owned by the Class "B" Member. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under the Governing Documents, are specified in the relevant provisions of the Governing Documents. The Class "B" Member is authorized to appoint the members of the Board of Directors during the Declarant Control Period, as specified in the By-Laws. After termination of the Declarant Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the By-Laws.

The Class "B" membership shall terminate two years after expiration of the Declarant Control Period pursuant to the By-Laws unless the Declarant voluntarily terminates such membership earlier by Recording a written notice of termination. Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to one vote for each Unit which it owns.

6.4. Neighborhoods.

Any Neighborhood, acting either through a Neighborhood Committee elected as provided in the By-Laws or through a Neighborhood Association, if any, may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods, or may request that the Association provide special services for the benefit of Units in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Units within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment.

Exhibit "A" to this Declaration, and each Supplemental Declaration submitting additional property to this Declaration may initially assign the property submitted thereby to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or

newly created. So long as it has the right to subject additional property to this Declaration pursuant to Section 9.1, Declarant may unilaterally amend this Declaration or any Supplemental Declaration to redesignate Neighborhood boundaries; provided, two or more existing Neighborhoods shall not be combined without the consent of Owners of a majority of the Units in the affected Neighborhoods.

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

The Declarant and its designees may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests.

Upon the Declarant's written request, the Association shall reconvey to the Declarant any unimproved real property that the Declarant originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

The Association is responsible for management, operation, and control of the Common Area, subject to any covenants set forth in the deed or other instrument transferring the property to the Association. The Association may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. The Association may permit use of Common Area facilities by persons other than Owners and occupants of Units and may charge use fees, in such amount as the Board may establish, for such use.

7.2. Maintenance of Area of Common Responsibility.

The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

- (a) the Common Area and all improvements and structures situated thereon;
- (b) landscaping within public rights-of-way within or abutting the Community;
- (c) any ponds, streams and/or wetlands located within the Community which serve as part of the drainage and storm water retention system for the Community, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein;
- (d) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association; and
- (e) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and to be maintained by the Association unless and

until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association's obligation to maintain the Area of Common Responsibility shall include, but not be limited to, the obligation to undertake any monitoring, maintenance, repair, replacement or other action required by any applicable permits, licenses or approvals issued by any governmental agency for the Community.

There are hereby reserved to the Association easements over the Community as necessary to enable the Association to fulfill such responsibilities. The Association shall maintain the facilities and improvements within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Declarant as long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof.

7.3. Insurance.

(a) Required Coverages. The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies the Association obtains shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building codes and ordinances;

(ii) commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage)

shall have a limit of at least \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) directors and officers liability coverage;

(v) commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) such additional insurance as the Board, in its business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

In addition, the Association shall, if so specified in a Supplemental Declaration applicable to any Neighborhood, obtain and maintain property insurance on the insurable improvements within such Neighborhood which insurance shall comply with the requirements of Section 7.3(a)(i). Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner of each Unit insured.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (1) premiums for property insurance on Units within a Neighborhood shall be a Neighborhood Expense and (2) premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Exclusive Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in Hamilton County, Indiana.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment pursuant to Section 8.5.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Indiana which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the Association's name as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Community covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. In the event the Common Area damaged or destroyed is Exclusive Common Area, Members representing at least 75% of the Units to which the Exclusive Common Area is assigned must also agree not to repair or reconstruct the Exclusive Common Area.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy a Special Assessment to cover the shortfall.

7.4. Compliance and Enforcement.

(a) Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in Article IX of the By-Laws. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspending an Owner's right to vote; provided, however, an Owner's right to vote may not be suspended for nonpayment of Assessments unless such Assessments have been delinquent for at least sixty (60) days;

(iii) suspending any Person's right to use any recreational facilities within the Common Area; provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(iv) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(v) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of Article IV and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Design Guidelines from continuing or performing any further activities in the Community; and

(viii) levying Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

(b) In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in Article IX of the By-Laws:

(i) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);

(ii) Recording a notice of lien against a Unit for assessments due under this Declaration without the requirement of the signature of or any further consent of the Owner; and

(iii) bringing suit at law or in equity to enjoin any violation, to recover monetary damages or to foreclose a lien.

(c) In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation and may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Specific Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all Units within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

(d) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

(e) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

(f) The Association, by contract or other agreement, may enforce applicable city and county ordinances, if applicable, and permit any city or county agency having jurisdiction over the Community to enforce ordinances within the Community for the benefit of the Association and its Members.

7.5. Implied Rights; Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6. Indemnification of Officers, Directors and Others.

To the fullest extent permitted by Indiana law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under the Articles and Indiana law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7. Security.

The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant are not insurers and that each Person using the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

7.8. Powers of the Association Relating to Neighborhood Associations.

The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

7.9. Provision of Services.

The Association may provide or provide for services and facilities for the Members, their guests, lessees, and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing services provided, in its discretion, unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Owners or Units as a Common Expense, or provided to all Owners or Units within a Neighborhood as a Neighborhood Expense, based upon non-use or any other reason.

7.10 Relations with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring property to contribute funds for, among other things, shared or mutually beneficial property or services or a higher level of Common Area maintenance.

7.11 Facilities and Services Open to the Public.

Certain facilities and areas within the Community may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: roads, greenbelts, trails and paths, parks, docks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Area of Common Responsibility or the Board may so designate at any time thereafter. Use by the public may be made subject to the payment of user fees. The Board may adopt rules and regulations governing the public's use of any services, facilities, or areas within the Community.

Article VIII Association Finances

8.1. Budgeting and Allocating Common Expenses.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units, as authorized in Section 8.6.

The Association is hereby authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.6 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.7(b)), which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least 30 days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by Members representing at least 75% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.03 of the By-Laws, which petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment. The failure to obtain a quorum of the membership at such meeting shall not prevent the budget from becoming automatically effective.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

8.2. Budgeting and Allocating Neighborhood Expenses.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4 and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Units in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Units in the Neighborhood which are subject to assessment under Section 8.6 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Units in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood at least 30 days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by Owners of a majority of the Units in the Neighborhood to which the Neighborhood Assessment applies. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Units in such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

If the proposed budget for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Owners of Units in the affected Neighborhood to disapprove the revised budget as set forth above.

8.3. Budgeting for Reserves.

The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the Neighborhood Expense budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.4. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment for a Common Expense shall require the affirmative vote or written consent of Owners representing more than 50% of the total votes in the Association and any Special Assessment for Neighborhood Expenses shall require the affirmative vote or written consent of more than 50% of the total votes allocated to Units which will be subject to such Special Assessment. Any Special Assessment shall also require the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Notwithstanding the foregoing, Special Assessments that are less than or equal to 25% of the current Base Assessment may be imposed without the affirmative vote of the Members to which such Special Assessment applies.

8.5. Specific Assessments.

The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Unit, upon request of the Unit Owner, pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.9). Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners of Units in the Neighborhood and an opportunity for such Owners to be heard before levying any such assessment.

8.6. Authority To Assess Owners: Time of Payment.

Declarant hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Article VIII and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is conveyed by Declarant to an Owner or Builder, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article VIII, whichever is later. The first annual Base Assessment and Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.7. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Community, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Indiana law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Neighborhood Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether any such assessment has been paid or remains unpaid. Such certificate shall be conclusive evidence of payment and shall be binding on the Association and the Members. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Make Contribution to the Association. During the Class "B" membership, Declarant shall have no obligation to pay assessments (whether Base, Neighborhood, Special or Specific) on Units which it owns. Declarant shall have the right, but not the obligation, to make a contribution to the Association by paying assessments on Units it owns in the same manner as any other Owner or by paying the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. This contribution may, at the election of Declarant, be made in the form of a loan to the Association. Regardless of Declarant's election, Declarant's contribution hereunder may be made in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class "B" membership, Declarant shall pay assessments on its unsold Units in the same manner as any other Owner.

8.8. Lien for Assessments.

The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges, fines (subject to the limitations of Indiana law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessments shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessments, its pro rata share of the assessments that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

8.9. Exempt Property.

The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by Declarant that are included in the Area of Common Responsibility;

(b) Any property dedicated to and accepted by any governmental authority or public utility;
and

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

8.10. Capitalization of Association.

Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-half of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

Article IX Expansion of the Community

9.1. Expansion by Declarant.

Until all property described on Exhibit "B" has been subjected to this Declaration or 20 years after the this Declaration is Recorded, whichever is earlier, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the real property described in Exhibit "B." The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, Recorded instrument executed by Declarant.

Such annexation shall be accomplished by Recording a Supplemental Declaration describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the Recording of such Supplemental Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the property set forth in Exhibit "B" in any manner whatsoever.

9.2. Expansion by the Association.

The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the consent of the Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

Such annexation shall be accomplished by Recording a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon Recording unless otherwise provided therein.

9.3. Additional Covenants and Easements.

The Declarant may subject any portion of the Community to additional covenants and easements by Recording a Supplemental Declaration, concurrent with or after the annexation of the subject property, setting forth such additional covenants and easements. Any such Supplemental Declaration shall require the written consent of the owner(s) of the subject property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effect of Filing Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

The Declarant reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Section 9.1, for the purpose of removing any portion of the Community from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community and does not reduce the total number of Units then subject to this Declaration by more than 10%. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant.

10.2. Marketing and Sales Activities.

Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities and shall not be subject to fees or rental charges.

10.3. Right To Develop.

Declarant reserves for itself and its employees, agents and designees a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

Every Person that acquires any interest in the Community acknowledges that the Community is a planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such Person holds an interest, or (b) changes in the Master Plan as it relates to property outside the Neighborhood in which such Person holds an interest.

10.4. Right To Approve Additional Covenants.

No Person shall Record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and Recorded by Declarant.

10.5. Right To Approve Changes in Community Standards.

No amendment to or modification of any Rules or Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.6. Right To Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed and Recorded by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.7. Exclusive Rights To Use Name of Development.

No Person shall use the name "Keeneland Park" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Keeneland Park" in printed or promotional matter where such term is used solely to specify that particular property is located within Keeneland Park and the Association shall be entitled to use the words "Keeneland Park" in its name.

10.8. Termination of Rights.

The rights contained in this Article X shall not terminate until the earlier of (a) 20 years from the date this Declaration is Recorded, or (b) Recording by Declarant of a written statement that all sales activity has ceased.

10.9. Amendment.

This Article X, and any other provision of this Declaration that reserves or grants Declarant any right or privilege, may not be amended without the written consent of the Declarant, so long as Declarant owns any property within the Community or has the right to subject additional property to this Declaration pursuant to Section 9.1.

Article XI Easements**11.1. Easements in Common Area.**

Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to:
 - (i) adopt rules pursuant to Article III regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Area (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to Article IX of the By-Laws;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - (iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facilities situated upon the Common Area;
 - (v) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of such use fees as the Board may establish; and
 - (vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.
- (d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated Exclusive Common Areas, as described in Article XII.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

11.2. Easements of Encroachment.

There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not

more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

Notwithstanding the foregoing, Declarant reserves for itself and its employees, agents and designees, a right of access and use and an easement over and upon all of the Community (but not through a structure) to the extent reasonably necessary for the purpose of installing and maintaining roads, trails, pathways and walkways for the enjoyment, use, access, and development of the Community. This shall include, but not be limited to, the right to locate a portion of such roads, trails, pathways and walkways on a Unit for a distance that exceeds three feet from the common boundary for the benefit of the Declarant, the Association and its Members, provided such encroachment does not eliminate the ability of the Owner of such Unit to construct or maintain a dwelling on the Unit. The Declarant further reserves for itself, the Association and the Members, a right of access and use and an easement over such roads, trails, pathways and walkways. Such encroachment, and any use of such roads, trails, pathways and walkways shall not be deemed a trespass.

11.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. There are hereby reserved to the Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Community (but not through a structure) to the extent reasonably necessary for the purpose of monitoring, replacing, repairing, maintaining and operating cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; wetlands and drainage systems; street lights and signage; all Common Area improvements; and all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and for the purpose of installing any of the foregoing on property which the Declarant or the Association owns or within easements designated for such purposes on recorded plats of the Community. This shall include, but not be limited to, the right to temporarily place construction materials and debris on Units and the Common Area.

Declarant specifically grants to the local water supplier, electric company, and natural gas supplier easements across the Community for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) Specific Easements. There is hereby reserved to the Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibit "A" or "B."

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section 11.3 shall be promptly repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant of such Unit.

11.4. Easements to Serve Additional Property.

The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of the exercise of this easement.

11.5. Easements for Maintenance, Emergency and Enforcement.

Declarant grants to the Association easements over the Community as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

11.6. Easements for Wetlands and Water Feature Maintenance and Flood Water.

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any portion of the Community abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section 11.6.

Declarant further reserves for itself, the Association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 100 feet of bodies of water and wetlands within the Community, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) alter in any manner and generally maintain the bodies of water and wetlands within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

Article XII Exclusive Common Areas

12.1. Purpose.

Certain portions of the Common Area may be designated as Exclusive Common Area and assigned for the exclusive use or primary benefit of one or more Units within the Community. By way of

illustration and not limitation, Exclusive Common Areas may include common driveways, entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes and other portions of the Common Area. At the election of the Board, all costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area may be allocated among the Units to which the Exclusive Common Area is assigned and assessed as either a Specific Assessment or a Neighborhood Assessment as appropriate.

12.2. Designation.

Initially, any Exclusive Common Area shall be designated as such in the Supplemental Declaration submitting such property to the Declaration, in the deed conveying such area to the Association, a Supplemental Declaration or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Exclusive Common Area to additional Units and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area and Exclusive Common Area may be reassigned upon approval of the Board and the vote of a majority of the total Class "A" votes in the Association, including a majority of the Class "A" votes for the Units affected by the proposed assignment or reassignment. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent.

12.3. Use by Others.

Upon approval of a majority of Owners of Units to which any Exclusive Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the expenses attributable to such Exclusive Common Area.

Article XIII Party Walls and Other Shared Structures

13.1. General Rules of Law to Apply.

Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Article XIII, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

13.2. Maintenance; Damage and Destruction.

The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

13.3. Right to Contribution Runs With Land.

The right of any Owner to contribution from any other Owner under this Article XIII shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

Article XIV Limitation on Litigation

Except as provided in this Article XIV, the Association shall not commence a judicial or administrative proceeding without the approval of Owners representing at least 75% of the Class "A" votes in the Association. This Article XIV shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Article XIV shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Article XV Mortgagee Provisions

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Community.

15.1. Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or Occupant which is not cured within 60 days; or
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

15.2. Other Provisions for First Lien Holders.

To the extent not inconsistent with Indiana law:

- (a) Any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on

Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

15.3. No Priority.

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.4. Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Article XVI Changes in Ownership of Units

Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

Article XVII Changes in Common Area

17.1. Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least 75% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance

with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

17.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section 17.2 shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

17.3. Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to Hamilton County, Indiana or to any other local, state, or federal governmental or quasi-governmental entity.

Article XVIII General Provisions

18.1. Duration.

(a) Unless terminated as provided in Section 18.1(b), this Declaration shall have perpetual duration. If Indiana law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided herein.

(b) Unless otherwise provided by Indiana law, in which case such law shall control, this Declaration may not be terminated within the first 20 years after the date of Recording without the consent of all Unit Owners. Thereafter, it may be terminated only by a Recorded instrument signed by Owners of at least 75% of the total Units within the Community and by the Declarant, if the Declarant owns any portion of the Community. Nothing in this Section 18.1 shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

18.2. Amendment.

(a) In addition to specific amendment rights granted elsewhere in this Declaration, during the Declarant Control Period, the Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or

guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state, or federal governmental agency.

In addition, during the Class "B" membership, the Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment is consistent with the overall plan of development for the Community.

(b) Except as otherwise specifically provided Section 18.2(a) above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of not less than 75% of the total number of Units within the Community and the consent of the Declarant, so long as the Declarant has the unilateral right to subject additional property to the provisions of this Declaration pursuant to Section 9.1, any such amendment shall also require the Declarant's written consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision.

(c) No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon Recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

18.3. Severability.

If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

18.4. Cumulative Effect: Conflict.

The provisions of this Declaration shall be cumulative with the provisions of any applicable Supplemental Declaration. Nothing in this Section 18.4 shall preclude any Supplemental Declaration or other Recorded declaration, covenants and restrictions applicable to any portion of the Community from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, or the provisions of any other articles of incorporation, by-laws, rules, or policies governing any Neighborhood, the Governing Documents shall control. If there are conflicts between any of the Governing Documents and Indiana law, Indiana law shall control. If there are conflicts between or

among any of the Governing Documents, then the Declaration, the Articles, and the By-Laws (in that order) shall control.

18.5. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 18.2. Exhibit "C" attached to this Declaration is incorporated by this reference and amendment of such exhibit shall be governed by the provisions of Article III. All other exhibits are attached for informational purposes and may be amended as provided therein.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 3rd day of October, 2013.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR KEENELAND PARK

“Declarant”

Beazer Homes Indiana LLP,
an Indiana limited liability partnership

By: [Signature]
(signature)

Steve Cook
(printed)

Its: VP Land Acquisition and Land Development
(title)

STATE OF INDIANA)
) SS:
COUNTY OF HAMILTON)

Before me, a Notary Public in and for said County and State, personally appeared Steve Cook, the Agent, of Beazer Homes Indiana LLP, an Indiana limited liability partnership, who having been duly sworn acknowledged the execution of the foregoing for and on behalf of said entity.

Witness my hand and Notarial Seal this 3 day of October, 2013.

My Commission Expires:

7/30/17

Treva Bailey
Notary Public Residing in Hamilton County, Indiana

Treva Bailey
(Printed Signature)

I affirm, under penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. Donald E. Williams

This instrument prepared by, and upon recording return to, Donald E. Williams, Attorney-at-Law
Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204.

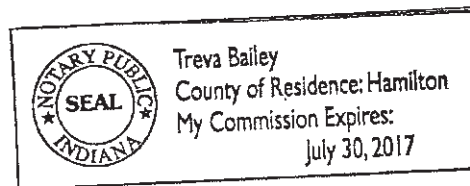


EXHIBIT "A"

Land Initially Submitted

Section 1 of Keeneland Park, the Secondary Plat thereof recorded as Instrument No. 2013-
62466, Plat Cabinet 5, Slide 131, in the Office of the Recorder of Hamilton County,
Indiana

A-1

EXHIBIT "B"**Land Subject to Annexation**

Part of the South Half of the Southeast Quarter of Section 3, Township 18 North, Range 3 East of the Second Principal Meridian, Hamilton County, Indiana being more particularly described as follows:

Commencing at a Harrison monument at the Southeast Corner of said Southeast Quarter; thence on the East line of said Southeast Quarter North 00 degrees 12 minutes 02 seconds East (assumed basis of bearings) 165.50 feet to the Southeast Corner of the land described in Instrument #200000019916 in the Office of the Recorder of Hamilton County, Indiana, being the Point of Beginning; thence on the perimeter of said land the following three (3) calls: 1) North 89 degrees 42 minutes 20 seconds West 1338.82 feet; 2) South 00 degrees 09 minutes 25 seconds West 177.77 feet; 3) South 89 degrees 46 minutes 09 seconds West 1264.20 feet to a rebar with a plastic cap stamped "WEIHE ENGR. 0012" at the Southwest Corner of said Southeast Quarter; thence on the West line of said Southeast Quarter North 00 degrees 10 minutes 32 seconds East 1310.14 feet to a mag nail with washer stamped "WEIHE ENGR. 0012" at the Northwest Corner of the South Half of said Southeast Quarter; thence on the North line of said South Half North 89 degrees 39 minutes 42 seconds East 2603.54 feet to a mag nail with washer stamped "WEIHE ENGR. 0012" at the Northeast Corner of said South Half; thence on the East line of said Southeast Quarter South 00 degrees 12 minutes 02 seconds West 1149.53 feet to the Point of Beginning, 73.17 acres, more or less

B-1

EXHIBIT "C"**Initial Rules**

The following restrictions shall apply to all of the Community until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Article III of the Declaration.

1. General. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibit "A" or "B," offices for any property manager retained by the Association or business offices for the Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

2. Restricted Activities. The following activities are prohibited within the Community unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Any activity which violates local, state, or federal laws or regulations is prohibited within the Community; however, the Association shall have no obligation to take enforcement action in the event of a violation.

(b) Parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats, and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages is prohibited; provided, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for any period of time reasonably necessary to provide service or to make a delivery to a Unit or the Common Area. In addition, Declarant and authorized Builders may park and use construction vehicles, trailers, and other equipment on a Unit or Common Area for purposes relating to the construction, development, marketing, and sale of property without complying with this subsection. For purposes of this Section 2(b) "commercial vehicles" shall include, without limitation, semi-trucks, semi-trucks and trailers, wreckers or tow trucks, hydraulic or mechanical lift vehicles (excludes handicap lifts), cranes, trucks or vans with chemical storage chemical storage for landscaping or pest treatment, oversized trucks greater than one ton of has more than six wheels, vans or buses for commercial which seats twelve or more passengers and any vehicle with prominent advertising (e.g., vehicles "wrapped" bumper to bumper or side to side with advertising, advertising painted on portions of the vehicle or other signage or decals). Notwithstanding the foregoing, the term "commercial vehicle" shall not include any government or emergency vehicle such as police, sheriff, marshall, fire, rescue or ambulance;

(c) Raising, breeding, or keeping animals, livestock, or poultry of any kind is prohibited, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. However, pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise physically restrained or confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law.

(d) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Unit;

- (e) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;
- (f) Outside burning of trash, leaves, debris or other materials, except during the normal course of constructing a dwelling on a Unit;
- (g) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;
- (h) Use and discharge of firecrackers and other fireworks;
- (i) Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site;
- (j) No Owner, other than Declarant or a Builder authorized by Declarant, may obstruct or rechannel drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant, authorized Builders, and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.
- (k) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;
- (l) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit is prohibited without prior approval pursuant to Article IV.
- (m) Any construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, is prohibited except in strict compliance with the provisions of Article IV of this Declaration, the Design Guidelines, and the Rules. This shall include, without limitation, signs, permanent basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; swimming pools and other water features; docks, piers and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind; and satellite dishes and antennas. Children's playsets are permitted within the backyard of a Unit without being subject to the provisions of Article IV of the Declaration or the Design Guidelines. In addition, portable basketball hoops are not subject to the provisions of the Article IV of the Declaration or the Design Guidelines, however, Rules may be adopted regarding the use of portable basketball hoops (e.g. the Association could require the removal of portable basketball hoops that are broken or have fallen into disrepair);
- (n) The display of signs of any kind on any Unit except as provided in Section 3.5(b) of the Declaration and as may be required by legal proceedings or by a governmental entity (e.g., a building permit or a foreclosure notice). Notwithstanding the above, Declarant and Builders authorized by Declarant may erect or display signs, banners, flags, balloons, or other things in connection with development, construction, marketing, and sales activities. In addition, the Board may erect or display signs that it deems reasonable and appropriate in its discretion, subject to the Community-Wide Standard.

(o) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge; and

(p) Sprinkler or irrigation systems or wells of any type which draw upon water from creeks, streams, wetlands, or other ground or surface waters within the Community, except that Declarant and the Association shall have the right to draw water from such sources.

3. Prohibited Activities. The following activities are prohibited within the Community:

(a) Structures, equipment or other items on the exterior portions of a Unit which have become rusty, dilapidated or otherwise fallen into disrepair;

(b) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community, or any portion thereof, as determined in the Board's discretion;

(c) Treated pine, fabric or chain link fences of any kind; and

(c) Accumulation or storage of combustible materials or debris on Units, except to the extent reasonably necessary during the construction of a dwelling on the Unit. This Rule shall not preclude the storage of reasonable amount of firewood on a Unit provided that it is stacked and stored in a safe manner and location.

EXHIBIT "D"

By-Laws

INDS01 1420980v1

D-1

**KEENELAND PARK HOMEOWNERS ASSOCIATION, INC.
CONSENT OF THE INCORPORATOR**

The undersigned, being the sole incorporator of **Keeneland Park Homeowners Association, Inc.**, a non-profit corporation duly organized and existing under the laws of the State of Indiana (the "**Corporation**"), pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, hereby affirmatively adopts the following resolutions:

RESOLVED, that a copy of the Articles of Incorporation and the original Certificate of Incorporation issued by the Secretary of the State of Indiana be spread of record in the Minute Book of the Corporation; and

RESOLVED, FURTHER, that the following persons shall serve as Directors of the Corporation until the next annual meeting of the Board of Directors of the Corporation, or until their successors are duly elected or appointed and qualified:

Steve Cook
Lisa Hupfer
Jennifer Lewis

Effective as of October 3, 2013.



Steve Cook, Incorporator

**ARTICLES OF INCORPORATION
OF
KEENELAND PARK HOMEOWNERS ASSOCIATION, INC.**

The undersigned incorporator, desiring to form a corporation pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, executes the following Articles of Incorporation:

**ARTICLE I
NAME**

Section 1.01 Name. The name of this Corporation is KEENELAND PARK HOMEOWNERS ASSOCIATION, INC.

**ARTICLE II
PURPOSES AND POWERS**

Section 2.01 Type of Corporation. This Corporation is a mutual benefit corporation.

Section 2.02 Primary Purposes. The purposes for which this Corporation is formed are to own, manage, maintain, reserve, repair and reconstruct the Common Area, provide architectural control of the Lots at Keeneland Park, and exercise all of the power and privileges and perform all of the duties and obligations of the Corporation as set forth in the Declaration.

Section 2.03 Additional Purposes. In addition, the Corporation is formed for the promotion of the health, safety and welfare of the residents of Keeneland Park and other non-profitable purposes that are authorized by the Act and permitted to be carried on by an organization exempt from Federal income taxation under the provisions of Section 528 of the Code.

Section 2.04 Specific Powers. Subject to any specific written limitations or restrictions imposed by the Act, by the Code, by other law, or by the Declaration or these Articles, and solely in furtherance of but not in addition to the purposes set forth in Section 2.02 and Section 2.03 of these Articles, the Corporation shall have the following specific powers:

- (a) **To Manage, etc.** To manage, maintain, repair and replace the Property for the benefit and use of the Members of the Corporation subject to such restraints or suspensions of use and voting rights of Members as are provided herein, in the By-Laws, and in the Declaration.
- (b) **To Make Assessments.** To fix, levy, and collect Assessments and to enforce payment thereof by all lawful means.
- (c) **To Promulgate Rules.** To promulgate such rules and regulations and perform such deeds as are deemed necessary to achieve the aforesaid purposes.
- (d) **To Insure.** To secure from insurers licensed and approved in the State of Indiana appropriate fire-property damage coverage, comprehensive general liability coverage and such other forms of insurance as may be deemed necessary or appropriate.
- (e) **To Secure Services.** To secure professional managerial services by employing a professional manager, contracting with a professional management service or entity, or otherwise, which services may include administrative, managerial, bookkeeping, legal, architectural, engineering, maintenance, repair, construction and other services.

(f) To Acquire and Dispose of Property. To acquire by gift, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber or dedicate for public use, real or personal property in connection with the business of the Corporation subject to the provisions of the Declaration.

(g) To Borrow. To borrow money and, subject to the provisions of the Declaration, to give, as security therefor, a mortgage or other security interest in any or all real or personal property owned by the Corporation, or to pledge of monies to be received pursuant to the provisions of the Declaration, and to assign and pledge its right to make Assessments and its rights to claim a lien therefor.

(h) To Appoint a Fiscal Agent. To appoint any Person as its fiscal agent to collect all Assessments and charges levied by the Corporation and to enforce the Corporation's liens for unpaid Assessments and charges or any other lien held by the Corporation.

(i) To Make Contracts. To enter into, perform, cancel and rescind all kinds of contractual obligations, including the guarantee of the obligations and performance of others.

(j) To Act With Others. To perform any act which the Corporation acting alone has the power and capacity to perform by acting as a partner or otherwise in association with any Person or Persons, whether legally constituted or informally organized.

(k) To Pay. To pay all operating expenses, including all Common Expenses, and including all licenses, taxes or governmental charges levied or imposed against the Property to the extent the same is separately assessed against the Property.

(l) To Merge. To participate in mergers and consolidations with other not-for-profit corporations organized for the same purpose.

(m) To Otherwise Act. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise.

Section 2.05 Limitations Upon Powers. No part of the net earnings of the Corporation shall inure to the benefit of any Director or Officer of the Corporation or to any private individual, except that the Corporation shall be authorized and empowered to reimburse any such Director or Officer for actual expenses incurred in the performance of his/her duties. No substantial part of the activities of the Corporation shall consist of attempting to propose, support, oppose, advocate the adoption or rejection of, or otherwise influence legislation by propaganda or otherwise, and the Corporation shall not participate in or intervene (including the publication or distribution of statements) in any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from federal taxation under Section 528 of the Code and the Applicable Regulations or the corresponding provisions of any subsequent federal tax laws if the effect thereof is to subject the gross income of the Corporation to federal income taxation at rates established for corporations engaged in business for profit unless the purposes of the Corporation set forth in Section 2.02 of these Articles cannot otherwise be achieved.

ARTICLE III
REGISTERED OFFICE AND REGISTERED AGENT

Section 3.01 Registered Office. The street address of the registered office of the Corporation is Community Association Services of Indiana, 11711 North College Avenue, Suite 100, Carmel, Indiana 46032.

Section 3.02 Registered Agent. The name of the registered agent of the Corporation at the registered office is Becky Cruse.

ARTICLE IV
MEMBERSHIP

Section 4.01 Classes of Membership and Voting Rights. The Association shall have the following 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 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, and no vote shall be exercised for any property which is exempt from assessment under **Section 8.9** of the Declaration.

Class B. The sole Class B member shall be the Declarant. So long as the Class B membership exists, no votes shall be exercised for Lots owned by the Class B member. 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:

- (i) Two (2) years after the expiration of the Development Period; or
- (ii) The date on which the Class B member voluntarily terminates such membership by recording a written notice of termination and conversion of the Class B membership to a Class A membership.

Upon termination of the Class B membership, the Declarant shall be a Class A member entitled to one (1) vote for each Lot which it owns.

ARTICLE V
DIRECTORS

Section 5.01 Number of Directors. The initial Board of Directors of the Corporation shall consist of three (3) Members. The number of Directors of the Corporation shall be specified from time to time in the By-Laws, but the minimum number shall be three (3) and the maximum number shall be seven (7) and, if the By-Laws fails to specify the number, then the number shall be three (3).

Section 5.02 Initial Directors. The initial Members of the Board of Directors are Steve Cook, Lisa Hupfer, and Jennifer Lewis.

Section 5.03 Appointment of Directors. Prior to expiration of the Development Period, the Members of the Board of Directors shall be appointed by Declarant. Thereafter they shall be elected by the Members in accordance with the provisions of the By-Laws.

ARTICLE VI
INCORPORATOR

Section 6.01 Name and Address of Incorporator. The name and post office address of the incorporator is as follows:

Name	Address
Steve Cook	9202 North Meridian Street, Suite 300 Indianapolis, Indiana 46260

ARTICLE VII
PROVISION FOR REGULATION AND CONDUCT
OF THE AFFAIRS OF CORPORATION

Section 7.01 Management of Corporation. The affairs of the Corporation shall be managed by the Board of Directors.

Section 7.02 Code of By-Laws. Subject to the provisions of Section 7.04, the Board of Directors of the Corporation shall have the power, without the assent of the Members, to make, alter, amend, or repeal the By-Laws.

Section 7.03 Amendment of Articles of Incorporation. The Corporation reserves, subject to the provisions of Section 7.04, the right to amend, alter, change or repeal any provisions contained in the Articles or in any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; but such power of amendment does not authorize any amendment that would permit any part of the net earnings of the Corporation to inure to the benefit of any private individual, that would modify the provisions of Section 2.05 if such modification would have the effect of disqualifying this Corporation as an organization exempt from Federal income taxation under the provisions of Section 528 of the Code, as amended, or such equivalent provision as may hereafter exist from time to time, or that would be in conflict with the provisions of the Declaration.

Section 7.04 Approval by Declarant. Prior to the expiration of the Development Period, each amendment to these Articles and to the Code of By-Laws must be approved in writing by Declarant.

ARTICLE VIII
DISSOLUTION

Section 8.01 Dissolution. In the event of dissolution of the Corporation, assets remaining after payment of all debts of the Corporation shall be transferred by the Board of Directors to the City of Westfield, Indiana to be used for purposes similar to those for which this Corporation was organized. If such transfer is refused, then such assets shall be transferred by the Board of Directors to the State of Indiana, or any instrumentality or subdivision thereof, exclusively for public purposes, or to any nonprofit corporation, trust, foundation or other organization whose purposes are substantially the same as one or more of the purposes of the Corporation set forth in Section 2.02 hereof and which, at the time of transfer, is exempt from Federal income taxation under Sections 501(c)(3), 501(c)(4) or 528 of the Code or the corresponding provisions of any subsequent federal tax laws. Any such assets not so transferred by the

Board of Directors shall be disposed of by the Circuit Court of Hamilton County, Indiana exclusively for such charitable purposes or to such charitable organization as the Court shall determine. No Director or Officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the assets of the Corporation on dissolution of the Corporation.

ARTICLE IX
DEFINITIONS

Section 9.01 Terms. The following terms, as used in these Articles, and in the By-Laws, unless the context clearly requires otherwise, shall mean the following:

“Act” means The Indiana Nonprofit Corporation Act of 1991, as amended from time to time.

“Applicable Regulations” means the regulations issued with respect to referenced provisions of the Code by the Internal Revenue Service as the same may be amended from time to time.

“Articles” means the Articles of Incorporation of the Corporation, as amended from time to time.

“Assessments” means all sums lawfully assessed against the Members by the Corporation or as declared by the Declaration, the Articles or the By-Laws.

“Board of Directors” means the governing body of the Corporation.

“By-Laws” means the Code of By-Laws of the Corporation, as amended from time to time.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Area” has the meaning specified in the Declaration.

“Corporation” means Keeneland Park Homeowners Association, Inc., an Indiana non-profit corporation.

“Declarant” means Beazer Homes Indiana LLP, an Indiana limited liability partnership and its successors and assigns to its interest in the Real Estate other than Owners purchasing Lots by deed from Declarant (unless the conveyance indicates an intent that the grantee assume the rights and obligations of Declarant).

“Declaration” means the Declaration of Covenants, Conditions and Restrictions of Keeneland Park which has been or will be recorded in the Office of the Recorder of Hamilton County, Indiana, as the same may be amended or supplemented from time to time.

“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 Property. The Development Period shall recommence each time the Declarant acquires any additional property.

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

"Keeneland Park" means the residential community developed on the Property and any additions thereto pursuant to the Declaration.

"Lot" or "Lots" means, as the context requires, any parcel or parcels of land designated as such upon the Plat or, after construction, that parcel of land upon which there is constructed one (1) single detached Dwelling Unit. Subject to any necessary approval of the appropriate governmental authority, a "Lot" may contain portions of real estate greater or less than its originally platted dimensions should the Declarant deem it advisable in order to accommodate the construction of a Dwelling Unit.

"Member" means a Member of the Corporation.

"Owner" means a Person, including Declarant, who at the time has or is acquiring any interest in a Lot except a Person who has or is acquiring such an interest merely as security for the performance of an obligation.

"Person" means an individual, firm, corporation, partnership, association, joint venture, trust or other legal entity, or any combination thereof.

"Plat" means the final subdivision plats of the Property which are recorded with in the Office of the Recorder of Hamilton County, Indiana.

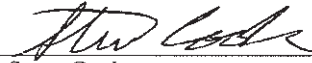
"Property" means the Common Area and appurtenant easements, improvements and other property of every kind and nature whatsoever, real, personal or mixed, located upon the Common Area or used or held for use in connection with the business or operation of the Corporation.

"Real Estate" means the real estate described in Exhibit A to the Declaration.

"Supplemental Declaration" means any amendment or supplement to the Declaration recorded in the Office of the Recorder of Hamilton County, Indiana.

Section 9.02 Other Terms. Any undefined term used herein or in the By-Laws shall, unless the context requires otherwise, have the meaning set forth in Article II of the Declaration.

IN WITNESS WHEREOF, the undersigned, being the Incorporator designated in Article 6, executes these Articles of Incorporation effective the 2nd day of October, 2013.



Steve Cook

**KEENELAND PARK HOMEOWNERS ASSOCIATION, INC.
UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS**

The undersigned, being all the Directors of **Keeneland Park Homeowners Association, Inc.**, an Indiana non-profit corporation (the "**Corporation**"), under the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended, and the Articles of Incorporation of the Corporation, hereby adopt the following resolutions without a meeting of the Board of Directors of the Corporation:

Approval of Organizational Documents

RESOLVED, that the following documents be, and they hereby are, approved by the Board of Directors and shall be placed in the minute book of the Corporation:

- (a) Counterpart of the Articles of Incorporation of the Corporation bearing upon the face thereof the approval and file mark of the Secretary of State of Indiana;
- (b) Certificate of Incorporation of the Corporation issued and sealed by the Secretary of State of Indiana;
- (c) Receipt of the Secretary of State for filing the Articles of Incorporation and issuing and sealing the Certificate of Incorporation; and
- (d) The Consent of Incorporator.

Approval of Code of By-Laws

RESOLVED, that the Code of By-Laws submitted to the Directors in the form attached hereto as **Exhibit A** be, and the same hereby is, adopted as the Code of By-Laws of the Corporation.

RESOLVED, that a copy of such Code of By-Laws be placed in the minute book of the Corporation.

Ratification of Acts of Incorporator

RESOLVED, that all actions of the Incorporator of the Corporation heretofore taken for or on behalf of the Corporation be, and they hereby are, in all respects ratified, confirmed and approved.

Appointment of Officers

RESOLVED, that the following persons shall be, and they hereby are, elected as the officers of the Corporation to hold office until the first annual meeting of the Board of Directors of the Corporation, or until their successors are duly chosen and qualified, or until their earlier death, resignation or removal from office:

<u>Name</u>	<u>Office</u>
Steve Cook	President, Secretary & Treasurer
Lisa Hupfer	Vice President
Jennifer Lewis	Assistant Secretary / Treasurer

Designation of Depository

RESOLVED, FURTHER, that Pacific Premier Bank be, and it hereby is, designated as a depository of the funds of the Corporation and the President (with any required certification of the Secretary of the Corporation) or the Secretary, acting singly, are hereby authorized to execute or cause to be executed such corporate banking resolutions as they deem reasonable, necessary, appropriate or expedient and as may be required by such bank; and upon such execution the same shall be appended to and incorporated in these Resolutions.

Payment of Organizational Expenses

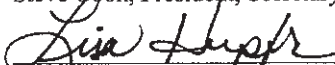
RESOLVED, FURTHER, that the officers of the Corporation be, and they hereby are, authorized and directed to pay all organizational expenses of the Corporation out of the funds of the Corporation.

This Unanimous Consent may be executed in any number of counterparts and by the different Directors on separate counterparts each of which, when so executed and delivered by the Directors, shall constitute an original, and all of which together shall constitute one and the same instrument.

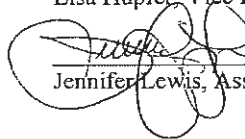
IN WITNESS WHEREOF, this Unanimous Consent to adoption of these resolutions shall be effective as of October 3, 2013.



Steve Cook, President, Secretary & Treasurer



Lisa Hupfer, Vice President



Jennifer Lewis, Assistant Secretary/Treasurer

**CODE OF BY-LAWS
OF
KEENELAND PARK HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The definitions and terms as defined and used in the Articles of Incorporation shall have the same meaning in these By-Laws and reference is specifically made to Article IX thereof containing definition of terms.

**ARTICLE II
MEETINGS OF MEMBERS**

Section 2.01 Place of Meetings. All meetings of the Members shall be held at such place in Hamilton County, Indiana as may be designated by the Board of Directors and specified in the respective notices or waivers of notice thereof.

Section 2.02 Annual Meeting. Prior to the expiration of the Development Period, an annual meeting of the Members shall be held between April 1 and June 30 of each year.

Section 2.03 Special Meetings. Special meetings of the Members may be called by the President, by a majority of the Board of Directors, or by written petition signed by not less than one-tenth (1/10) of all of the Members.

Upon a request in writing delivered to the President or the Secretary by a Person or Persons entitled to call a special meeting, it shall be the duty of the President or the Secretary to give notice to the Members of such meeting, and, if such request is refused, the Person or Persons making such request may call a meeting by giving notice in the manner hereinafter provided.

Business transacted at all special meetings shall be limited to the subjects stated in the call or waiver of notice, and matters germane thereto.

Section 2.04 Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, shall be delivered or mailed by the Secretary or by the officer or Person calling the meeting to each Member at such address as appears on the records of the Corporation at least ten (10) days before the date of the meeting or, if notice is mailed by other than first class or registered mail, sixty (60) days before the date of the meeting. Notice of any meeting may be waived in writing filed with the Secretary by any Member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting shall constitute a waiver of notice of that meeting.

Section 2.05 Voting Lists. After fixing a record date for a notice of a meeting, the Secretary shall prepare a complete list of Members entitled to notice of a meeting of Members, containing the address and number of votes each Member is entitled to cast at the meeting. The Secretary shall prepare on a current basis through the time of the membership meeting a list of Members, if any, who are entitled to vote at the meeting, but are not entitled to notice of the meeting. Such lists may be inspected by any Member, for any proper purpose, at any reasonable time.

Section 2.06 Quorum. At any meeting of the Members fifty percent (50%) of the Members entitled to vote at such meeting, present in person or by proxy executed in writing, shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, the Members present in person or by proxy, by a majority vote and without notice, may adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted for which notice was originally given. The Members present at a duly organized meeting may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 2.07 Voting Rights. The voting rights of the Members shall be as prescribed in the Articles. In any election of Directors, no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Directors to be elected. A majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting unless more than a majority of votes cast is required by law, the Declaration, the Articles or these By-Laws.

Section 2.08 Multiple Owner. Where the Owner of a Lot constitutes more than one person, or is a partnership, there shall be only one (1) voting representative entitled to cast the vote allocated to that Lot. Those persons constituting such Owner or the partners shall determine among themselves who shall be the voting representative for such Lot. In the event agreement is not reached the vote attributable to such Lot shall not be cast.

Section 2.09 Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the board of directors of such corporation shall cast the vote to which the corporation is entitled.

Section 2.10 Proxies. A Member may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Member shall designate his attorney-in-fact in writing, delivered to an officer of the Corporation prior to the commencement of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided in the proxy.

Section 2.11 Action Without a Meeting. Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if, prior to the action, a consent in writing setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Members. Such consent shall have the same effect as a unanimous vote of the Members.

Section 2.12 Meeting by Telephone, etc. Any or all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

ARTICLE III **BOARD OF DIRECTORS**

Section 3.01 Functions. The business, property and affairs of the Corporation shall be managed and controlled by a Board of Directors as from time to time constituted (herein collectively called "Board" or "Directors" and individually called "Director").

Section 3.02 Eligibility. No person shall be a Director who is not a Member or a designee of Declarant.

Section 3.03 Number. The number of Directors comprising the Board shall be three (3), which number may from time to time be increased by resolution adopted by not less than a majority of the Board of Directors. In no event shall the number of Directors prior to the expiration of the Development Period be less than three (3) nor more than seven (7) and no reduction in the number of Directors shall have the effect of removing a Director from office prior to the expiration of his term. In the event the number of Directors is increased prior to the expiration of the Development Period, the additional Director or Directors shall be appointed by Declarant as provided in **Section 5.03** of the Articles. In the event the number of Directors is increased subsequent to the expiration of the Development Period as provided herein, the election of the additional Director or Directors shall be by a vote of the Members entitled to elect such additional Director or Directors according to a procedure established by the Board by resolution.

Section 3.04 Appointment. Prior to the expiration of the Development Period, Directors shall be appointed by Declarant as provided in **Section 5.03** of the Articles.

Section 3.05 Nomination. Candidates for the first Board of Directors to be elected following the expiration of the Development Period may declare their candidacy at the first annual meeting following the expiration of the Development Period. A ballot of all persons declaring their candidacy at such meeting shall be prepared and voted on at such meeting. All candidates for all future elections of the Board of Directors will be required to file a petition for candidacy, signed by not less than three (3) Members, with the Elections Committee at least three (3) weeks prior to the annual meeting. The Elections Committee shall provide all Members with a ballot containing the names of all bona fide candidates not less than ten (10) days before the annual meeting.

Section 3.06 Election. Subsequent to the expiration of the Development Period, Directors shall be elected at the annual meeting provided in **Article II**. The Board may, by resolution, establish such election procedures as it deems appropriate.

Voting for the Board of Directors shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each person nominated for election. Those persons receiving the highest number of votes shall be elected.

Section 3.07 Term. Each Director, other than a Director appointed by Declarant, shall serve for a term of one (1) year or until his successor is elected and qualified or until he has resigned or been removed. Incumbent Directors shall be eligible for re-election and the number of years a person may serve as a Director is not limited. A Director appointed by Declarant, including the initial Directors identified in **Section 5.02** of the Articles, shall serve until such Director dies, resigns or is removed by Declarant.

Section 3.08 Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation. Such resignation shall take effect when the notice is effective unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Section 3.09 Removal. Subsequent to the expiration of the Development Period, any Director may be removed, with or without cause, in accordance with the provisions of the Act. Prior to the expiration of the Development Period, any Director may be removed by Declarant for any reason.

Section 3.10 Vacancies. Any vacancy occurring on the Board of Directors caused by death, resignation, removal or otherwise, shall (a) prior to the expiration of the Development Period be filled by Declarant and (b) subsequent to the expiration of the Development Period be filled until the next annual meeting through a vote of a majority of the remaining members of the Board. If, subsequent to the expiration of the Development Period, a majority of the remaining members of the Board cannot agree on a Person to fill any such vacancy, a special meeting of the Members shall be called to elect a Person to fill such vacancy. A Director elected to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy or until his successor has been elected and qualified.

Section 3.11 Meetings. The Board of Directors shall meet each year immediately after the annual meeting of the Members, at the place where such meeting of the Members has been held, for the purpose of organization, election of officers, and consideration of any other business which may properly be brought before the meeting. No notice shall be necessary for the holding of this annual meeting. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Board specifically called in the manner provided in Section 3.12. The Board of Directors may provide by resolution the time and the place, either within or without the State of Indiana, for the holding of additional regular meetings of the Board without other notice than such resolution. Special meetings of the Board may be called by the President and shall be called by order thereof upon the written request of not less than two (2) Directors, which request shall set forth the business to be conducted at such meeting.

Section 3.12 Notice of Meetings. Notice of all meetings of the Board of Directors, except as herein otherwise provided, shall be given by mailing, telephoning, telegraphing or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Director as shown upon the records of the Corporation. Notice of any meeting of the Board may be waived in a document filed with the Secretary by any Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Board shall constitute a waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Board may adjourn from time to time to reconvene at the same place or some other place. No notice need be given of any such adjourned meeting.

Section 3.13 Quorum. A quorum of the Board of Directors at any annual or special meeting of the Board shall be a majority of the duly qualified members of the Board then occupying office, but in no event less than two (2) Directors, except that, subsequent to the expiration of the Development Period, in filling vacancies a majority of the remaining Directors (but not less than two (2) Directors) shall constitute a quorum. The act of a majority of the Directors present at a meeting, who constitute a quorum, shall be the act of the Board unless otherwise provided by the Act, the Declaration, any Supplemental Declaration, the Articles, or these By-Laws. In the absence of a quorum, the Directors present may, by majority vote, adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting for which notice was originally given.

Section 3.14 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if the action is taken by all members of the Board of Directors or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each member of the Board of Directors or of such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 3.15 Meeting by Telephone, etc. Any or all of the members of the Board or of any committee designated by the Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 3.16 Committees. The Board of Directors, by resolution adopted by a majority of the Board, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Corporation. Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law. Subsequent to the expiration of the Development Period, the Board shall annually establish an Elections Committee which shall be responsible for the conduct of the election of the Board of Directors pursuant to **Section 3.05** and **Section 3.06**.

Section 3.17 Powers. All of the corporate powers, except as otherwise provided herein or by law, shall be vested in and shall be exercised by the Board of Directors. Said powers shall include, but not be limited to:

- (a) The power to adopt, publish, and enforce rules and regulations governing the use of the Common Area;
- (b) The power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Board;
- (c) The power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Declaration, the exercise of which is not reserved or committed to the membership by the Articles or By-Laws;
- (d) The power to make and collect Assessments and charges, establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Common Area;
- (e) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Common Area and the business and affairs of the Corporation.

Section 3.18 Duties. It shall be the duty of the Board of Directors to:

- (a) cause the Common Area to be maintained in good, clean, attractive and sanitary condition, order and repair;
- (b) adopt and publish rules and regulations, including fees, if any, governing the use of the Common Area, and the personal conduct of the Members, their tenants and guests;
- (c) cause to be kept a complete record of all its corporate affairs, making such records, including all contracts, invoices, bills, receipts, and bank records, available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members; provided,

however, the Corporation is not required to make available to a Member for inspection unexecuted contracts, records regarding contract negotiations, information regarding an Member's association account to a person who is not a named party on the account; any other information that is prohibited from release under state or federal law; or any records that were created more than two (2) years before the request;

(d) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;

(e) make all communications concerning a dispute between a Member and the Corporation available to the Member in the event of a dispute; provided, however, the Corporation shall not be required to make communications between the Corporation and counsel to the Corporation and other communications or attorney work product prepared in anticipation of litigation available;

(f) make all communications and information concerning a Lot available to the Owner of the Lot or a home on the Lot; provided, however, the Corporation shall not be required to make communications between the Corporation and counsel to the Corporation and other communications or attorney work product prepared in anticipation of litigation available;

(g) issue upon demand by any Member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;

(h) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;

(i) approve the annual budget;

(j) fix annual Assessments at amounts sufficient to meet the obligations imposed by the Declaration and all Supplemental Declarations;

(k) annually set the date(s) Assessments are due and decide what, if any, interest rate is to be applied to Assessments which remain unpaid thirty (30) days after they become due;

(l) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;

(m) cause the lien against any property for which Assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;

(n) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;

(o) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration;

(p) appoint such committees as are prescribed in **Section 3.16**;

(q) faithfully observe and perform each duty imposed on the Corporation by the terms of the Declaration and exercise such discretion granted to the Board thereunder in the best interests of the Members; and

(r) exercise their powers and duties in good faith, with a view to the interests of the Corporation.

Section 3.19 Non-Liability of Directors. No Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a Director, unless (a) the Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Members shall indemnify and hold harmless each of the Directors against any and all liability to any Person arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Articles or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Members and as their agent. The liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to a fraction, the numerator of which is the number of Lots owned by him and the denominator of which is the total number of Lots in the Tract.

Section 3.20 Indemnity of Officers and Directors. To the extent not inconsistent with the laws of the State of Indiana, every Person (and the heirs, assigns and legal representatives of such Person) who is or was a Director or an officer of the Corporation shall be indemnified by the Corporation as provided in the Act. To the extent the assets of the Corporation are insufficient to satisfy its indemnification obligations hereunder, the Board of Directors may levy a Special Assessment (as defined in the Declaration) in the manner specified in the Declaration to obtain such funds as may be required to satisfy such obligation.

Section 3.21 Transactions Involving Affiliates. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any Person (including the Declarant) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested, shall be void or voidable because such Director or Directors are present at the meeting of the Board or any committee thereof which authorizes, approves or ratifies the contract or transaction, or because his or their votes are counted for such purpose if:

- (a) the fact of the relationship or interest is disclosed or known to the Board or committee, and the Board or committee authorizes, approves, or ratifies such contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consents of the interested Director(s); or
- (b) the fact of the relationship or interest is disclosed or known to the Members, and they authorize, approve or ratify the contract or transaction by a vote or written consent; or
- (c) the contract or transaction is fair and reasonable to the Corporation.

Affiliated or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction.

Section 3.22 Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Common Area, whether owned or leased by the Corporation, against loss or damage by fire or other hazards commonly insured

against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Corporation or any of its agents. The Board of Directors, or its duly authorized agent, shall also have the authority to and shall obtain workers compensation insurance and employers liability insurance, if and to the extent required by law; directors and officers liability coverage; commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Corporation funds in an amount determined in the Board of Directors' business judgment; and such additional insurance as the Board of Directors, in its business judgment, determines advisable. All such insurance policies shall contain a provision that all Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the Assessments.

Section 3.23 Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Board of Directors shall (unless otherwise agreed by two-thirds (2/3) of the Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. Notwithstanding the forgoing, any damage to or destruction of the Common Area shall not be repaired or reconstructed in the event the Members representing at least 75% of the total Class "A" (as used in Section 4.01 of the Articles) votes in the Corporation, and the Class "B" (as used in Section 4.01 of the Articles) member, if any, decide within sixty (60) days after the loss not to repair or reconstruct, and in the event the Common Area damaged or destroyed is Exclusive Common Area (as defined in the Declaration), Members representing at least 75% of the Lots to which the Exclusive Common Area (as defined in the Declaration) is assigned must also agree not to repair or reconstruct the Exclusive Common Area (as defined in the Declaration). All such insurance proceeds (if the amount of such proceeds exceeds \$5,000.00) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Board of Directors, or by their duly authorized agent. In such event, the Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as previously existed, the Board of Directors may levy a Special Assessment (as defined in the Declaration) in the manner specified in the Declaration to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Corporation's reserve for replacements.

Section 3.24 Uninsured Loss, Damage or Destruction. In the event of loss, damage or destruction to the Property caused by perils not covered by standard insurance described in Section 2.04(d) of the Articles, the Board of Directors may levy a Special Assessment (as defined in the Declaration) in the manner specified in the Declaration to make up any deficiency created by such uninsured loss.

Section 3.25 Compensation. No Director shall receive any compensation for any service he may render to the Corporation. He may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE IV **THE OFFICERS OF THE CORPORATION**

Section 4.01 Officers and Agents. The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of

Directors may, by resolution, designate from time to time. Any two or more offices may be held by the same person. The Board of Directors may, by resolution, create, appoint and define the duties and fix the compensation of such officers and/or agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Corporation is formed; but such officers and agents shall be compensated only for actual services performed on behalf of the Corporation.

Section 4.02 Election, Term of Office and Qualifications. The officers shall be chosen annually by the Board of Directors. Each officer shall hold office (unless he resigns, is removed or dies) until the next annual meeting of the Board of Directors or until his successor is chosen and qualified.

Section 4.03 Vacancies. In the event an office of the Corporation becomes vacant by death, resignation, retirement, disqualification or any other cause, the Board of Directors shall elect a person to fill such vacancy, and the person so elected shall hold office and serve (unless he resigns, is removed or dies) until the next annual meeting of the Board or until the election and qualification of his successor.

Section 4.04 President. The President, who shall be chosen from among the membership of the Board of Directors, shall preside at all meetings of the Board, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of the Board of Directors; shall be the executive officer of the Corporation; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as these By-Laws provide or as may be assigned to him by the Board of Directors.

Section 4.05 Vice President. Any Vice President may perform all duties incumbent upon the President during the absence or disability of the President and shall perform other duties as these By-Laws may require or as may be assigned to him by the President or the Board of Directors.

Section 4.06 Secretary. The Secretary shall have the custody and care of the corporate records and the minute book of the Corporation. He shall attend all of the meetings of the Board of Directors and the Members, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Board of Directors when required. He shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the Corporation, as necessary, and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 4.07 Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He shall immediately deposit all funds of the Corporation coming into his hands in some federally-registered bank or other depository to be designated by the Board of Directors, and shall keep such bank account in the name of the Corporation. He shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 4.08 Assistant Officers. The Board of Directors may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the Code of By-Laws, the Board of Directors or the President.

Section 4.09 Removal. Any officer of the Corporation may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of all the Directors at any regular or special meeting of the Board of Directors called for the purpose. Any officer whose removal is proposed shall be entitled to at least ten (10) days' notice in writing by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

Section 4.10 Resignation. Any officer or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its receipt by the President or Secretary of the Corporation. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE V **DESIGN REVIEW COMMITTEE**

Section 5.01 Delegation. Pursuant to Article IV of the Declaration, Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under Article IV of the Declaration to a design review committee appointed by the Board of Directors (the "DRC"), or a committee comprised of architects, engineers or other persons who may or may not be Members of the Corporation. Any such delegation shall be in writing, specifying the scope of the responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason.

Section 5.02 Organization; Removal. The DRC, when appointed, shall consist of at least three (3), but not more than seven (7), persons who shall serve and may be removed and replaced in the Board of Directors' discretion. The members of the DRC need not be Members of the Corporation or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors.

Section 5.03 Duties. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under Article IV of the Declaration, the Corporation, acting through the DRC, shall assume jurisdiction over design matters. It shall be the duty of the DRC to regulate the external design, appearance, location and maintenance of the Real Estate and of improvements thereon and to regulate such uses of property, all as provided in the Declaration and the Supplemental Declarations.

Section 5.04 Amendment to Design Guidelines. Declarant has prepared the initial Design Guidelines (as defined in the Declaration). Declarant shall have sole and full authority to amend the Design Guidelines (as defined in the Declaration) as long as it owns any portion of Keeneland Park or has a right to expand Keeneland Park, notwithstanding a delegation of reviewing authority to the DRC, unless Declarant also expressly delegates the power to amend the Design Guidelines (as defined in the Declaration) to the DRC. Upon termination or delegation of the Declarant's right to amend, the DRC shall have the authority to amend the Design Guidelines (as defined in the Declaration) with the approval of the Board of Directors.

ARTICLE VI **LOANS TO OFFICERS AND DIRECTORS**

The Corporation shall not lend money to or guarantee the obligations of any officer or Director of the Corporation.

ARTICLE VII
CORPORATE BOOKS

The Corporation shall maintain all records required by the Act and shall permit the Members to inspect and copy such records to the extent and on the conditions specified in the Act. Pursuant to Ind. Code § 35-25.5-3-3(m), in response to a Member's written request to inspect a record, the Corporation may charge a search fee for any time that exceeds one (1) hour; provided, however, in the event the Corporation charges such fee, (i) the Corporation shall charge an hourly fee that does not exceed Thirty-Five Dollars (\$35.00) per hour; (ii) the Corporation may charge the fee only for time that the person making the search actually spends searching the record; (iii) the Corporation shall prorate such fee to reflect any search of less than one (1) hour; and (iv) the total amount of such fee charged by the Corporation for a search may not exceed Two Hundred Dollars (\$200.00).

ARTICLE VIII
FINANCIAL AFFAIRS

Section 8.01 Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

Section 8.02 Checks, Etc. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness in excess of One Thousand Dollars (\$1,000.00), shall, unless otherwise directed by the Board of Directors or required by law, be signed by any two of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer. Any such obligation equal to or less than One Thousand Dollars (\$1,000.00) may be signed by any one (1) of such preceding officers. Notwithstanding the foregoing, the Board of Directors may, however, by resolution, designate officers or employees of the Corporation or any management company to execute drafts, checks and orders for the payment of money in the name of the Corporation in any amount.

Section 8.03 Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

Section 8.04 Reserve for Replacements. The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund of an amount determined annually by the Board to be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of the Property. In determining the amount, the Board shall take into consideration the expected useful life of the Property, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Declarant, managing agent or any consultants the Board may employ. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

Section 8.05 Fiscal Year. The fiscal year of the Corporation shall commence on January 1 in each year.

Section 8.06 Assessment Year. The assessment year of the Corporation shall be the same as the fiscal year established in **Section 8.05.**

Section 8.07 Auditing. If requested by any Member or the holder of a first mortgage on any Lot, the books and accounts of the Corporation shall at the close of each fiscal year be audited by an independent certified public accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. A copy of such report shall be distributed to each Member or mortgagee who requests a copy thereof.

ARTICLE IX
GRIEVANCE PROCEDURES

In the event a dispute or grievance arises between Owners or between Owners and the Board of Directors regarding the interpretation and implementation of the Declaration, these By-Laws, or other policies or activities of the Board of Directors or those of the Owners, the following grievance procedures shall apply:

An Owner who observes activity in Keeneland Park that it believes to be a violation of the Governing Documents (as defined in the Declaration) shall submit a complaint in writing to the Board of Directors detailing the alleged violation. Within ten (10) days of receipt of the complaint, one (1) or more Members of the Board of Directors shall be assigned to investigate the complaint, and such Members shall use their best efforts to complete the investigation within thirty (30) days thereafter. In some cases, it may be necessary for the Board of Directors to contact other Owners to confirm or refute the allegation. If the facts support that a violation has occurred or is occurring, the Board of Directors shall contact such Owner and make every attempt to secure its voluntary cooperation to address the violation. If voluntary cooperation to remedy the situation cannot be obtained, the Board of Directors shall pursue other remedies authorized by the Governing Documents (as defined in the Declaration).

An Owner who disputes any action or position of the Members of the Board of Directors or the Board of Directors as a whole shall submit a written request to the Board of Directors be included on the agenda at one of the regular meetings to address its concern and present its position and recommendations. In the event the Board of Directors needs additional time to collect information and/or to notify other interested parties, the Board of Directors may defer the request to the next regular meeting. If the Owner is not satisfied with the Board of Directors' decision regarding the issue raised at the regular meeting, the Owner may submit a written request to be included on the agenda for the next annual meeting.