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RESTRICTIVE COVENANTS

We, the undersigned Franklin Property Development Co., Inc., owners of the real estate shown and described herein, do hereby lay off, plat and subdivide said real estate in accordance with the herein plat.

This subdivision shall be known and designated as "Knollwood Farms" Subdivision, an addition to the City of Franklin, Johnson County, State of Indiana. All streets and alleys and public open spaces shown and not heretofore dedicated are hereby dedicated to the public.

The foregoing covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2020, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by vote of a majority of the then owners of the building sites covered by these covenants, it is agreed to change such covenants in whole or in part.

Invalidation of any one of the foregoing covenants by judgment or court order shall in no way affect any of the other covenants which shall remain in full force and effect.

In order to afford adequate protection to all present and future owners of lots and tracts in this subdivision, the undersigned owners hereby adopt and establish the following protective covenants, each and all for the benefit of each and every owner of any lot or lots in the subdivision, binding all the same, now and hereafter, and their grantees, their heirs and personal representatives, and where applicable, their successors and assigns.

1. No residential structure shall be less than 1000 square feet of living space. No residential structure shall be constructed closer than six feet to any side lot line, and have an aggregate side setback of 14 feet. No residential structure shall be constructed closer than 25 feet from any street right-of-way, nor closer than 15 feet to any rear lot line.

2. Lots designated in this plat are hereby reserved for single-family residential use and may be single or two story structures.

3. No plot plan shall be approved by the architectural committee nor any building permit issued without the inclusion of the planting of two trees (1-1/2 inch diameter minimum and must be from the approved tree list of the Franklin Tree Board) in the front yard of each lot, construct a four foot wide four inch thick sidewalk in the right-of-way one foot from the right-of-way line along all street fronts, payment of all applicable park and recreation fees, sewer tap on fees and building permit fees.

4. In the event of a dispute or controversy as to any matter within or arising out of these covenants, such dispute or controversy shall be submitted to the arbitration of the building committee, and the arbitration of such matters shall be an express condition precedent to any legal or equitable action or proceeding of any nature whatsoever.

4A. All residences shall have a one car minimum attached garage.

5. Lots are subject to drainage easements, sewer easements and utility easements, either separately or in any combination of the three as shown

on the plat, which are reserved for the use of lot owners, public utility companies and governmental agencies as follows: (A) Drainage Easements (D.E.) are created to provide paths and courses for area and local storm drainage, either overland or in adequate underground conduit, to serve the needs of the subdivision and adjoining ground and/or public drainage system; and it shall be the individual responsibility of each land owner to maintain the drainage across his or her lot. Under no circumstances shall said easement be blocked in any manner by the construction or reconstruction of any improvement--nor shall any grading restrict, in any manner, the waterflow. Said areas are subject to construction or reconstruction to any extent, necessary to obtain adequate drainage at any time by any governmental authority having jurisdiction over drainage or by the developer of the subdivision. Said easements are for the mutual use and benefits of the owners of all lots in the addition and are a servitude upon such land for the benefit of the owners of other land included within upstream or downstream, affected by such use. (B) Sewer Easements (S.E.) are created for the use of the local governmental agency having jurisdiction over the storm and sanitary waste disposal system designated to serve the addition of the purpose of installation and maintenance of sewers that are a part of said system. Each owner of a lot must connect with any public sanitary sewer available. (C) Utility Easements (U.E.) are created for the use of public utility companies, not including transportation companies, for the installation, maintenance, repair and replacement of mains, ducts, poles, lines and wires, meters, and meter boxes. All such easements include the right of reasonable ingress and egress for the exercise of the rights, including reading of the meters. No structure, including fences, shall be built on any drainage, sewer or utility easement. (D) Landscape Easements (L.E.) are created to maintain landscaping.

6. No building or other structure shall be erected, placed upon, altered, or repainted on any lot in this subdivision until building plans, specifications, plot plans, and color schemes are approved as to the conformity and harmony of external design and color schemes with existing structures within the subdivision, and as to the building with respect to topography and finished ground elevation, by a building committee composed of Franklin Property Development Co., Inc.; their designees, or by their successors, in the event of the death, disability or resignation of any member of said committee, any remaining member or members shall have full authority to approve or disapprove such design and location, or to designate a representative with like authority. If the committee fails to act upon any plan submitted to it for its approval within a period of thirty (30) days from the submission date of the same, the owner may proceed then with the building according to the plans submitted, without approval. Neither the building committee members nor the designated representatives shall be entitled to any compensation for services performed pursuant to this covenant. Upon the death, disability or resignation of all of the original members of the building committee, the owners of the lots by a majority, shall elect a new building committee for the purposes set forth in these covenants.

7. Front building lines (B.L.) are hereby established, between which lines and the front property lines, no permanent or other structure, other than drives, shall be erected and maintained. Side and rear building lines are established in accordance with the zoning ordinances applicable to the subdivision and variances therefrom as may have been granted by the Franklin Plan Commission or Franklin Board of Zoning Appeals.

8. If the parties hereto, or any of them, or their heirs or assigns shall violate or attempt to violate any of these covenants, restrictions, provisions or conditions herein, it shall be lawful for any other person owning any real property situated in the subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such covenant, and either to prevent him or them from doing so, or to recover damage or other dues for such violation.

9. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the street, shall be placed or permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting points twenty-five (25) feet from the intersection of said street lines or in the case of a rounded property corner, from the intersection of the street lines extended. The same sightline limitations shall apply to any lot within ten (10) feet from the intersection of a street line with the edge of a driveway pavement or alley line. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. No fence shall be erected on or along any lot line, nor on any lot, the purpose or result of which will be to obstruct reasonable vision, light or air, and all fences shall be kept in good repair and erected reasonable so as to enclose the property and decorate the same without hindrance or obstruction to any other property.

10. All driveways shall be hard surfaced with either concrete or asphalt. Any changes and alterations of structures or driveways are subject to building committee approval.

11. No hotel building, boarding house, mercantile or factory building or buildings of any kind for commercial use shall be erected or maintained on any lot in this subdivision.

12. No trailers, shacks or outhouses of any kind shall be erected or situated on any lot herein, except that for use by the builder during the construction of a proper structure.

13. No farm animals, fowls, or domestic animals for commercial purposes shall be kept or permitted on any lot or lots in this subdivision.

14. No noxious, unlawful, or otherwise offensive activity shall be carried out on any lot in this subdivision, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

15. No private, or semi-private water supply or sewage disposal system, may be located upon any lot in this subdivision which is not in compliance with regulations or procedure as provided by the Indiana State Board of Health, or other civil authority having jurisdiction. No septic tank, absorption field, or any other method of sewage disposal shall be located or constructed on any lot or lots herein, except as approved by said health authority.

16. The repair or storage of inoperative motor vehicles, or material alternation of motor vehicles shall not be permitted on any lot, unless entirely within a garage permitted to be constructed by these covenants.

17. No school, preschool, day-care fac ity, church or similar institution of any kind shall be maintained, cond ted or operated upon any lot.

18. No exterior lighting shall be direc ed outside the boundaries of any lot, nor shall any lighting be used which constitutes more than normal convenience lighting, unless the same is approved by the building committee.

19. All laundry shall be dried on a special drying apparatus in the form of a folding rack or umbrella which shall be placed at the rear of each lot. Clotheslines shall not be strung or hung between trees and shrubbery on any lot.

20. No signs of any nature, including for sale or for rent signs, or other advertisement, shall be displayed on any lot, right-of-way or any part of the subdivision, except as approved by the building committee, or as used by the undersigned, and its agents in the development of the properties and the maintenance thereof during such development.

21. All television or other antennas shall be affixed to improvements located on the respective lot involved. No freestanding antennas for any purpose shall be permitted unless approved by the building committee. No outside television antennas will be permitted if a master antenna is available for a lot.

22. Owners shall not dump any trash, waste, refuse or other objectionable matter upon any lot, easement or common area within the properties. All trash, garbage and refuse stored on any lot shall be stored in covered receptacles. Owners must provide approved receptacles for garbage and trash. There shall be no burning of trash and no open fires, except fires in an approved grill or fire ring. All open fires are prohibited unless written approval is obtained from the building committee.

23. It shall be the responsibility of the owner of any lot or parcel of land within the plat to comply at all times with the provisions of the drainage plan as approved for this plat by the Plan Commission of the City of Franklin and the Johnson County Drainage Board and the requirements of all drainage permits for the plat issued those agencies. Failure to so comply, including failure to comply with the approved grading plan and Federal Housing Administration lot grading regulations and recommendations, or construction of any building shall be subject to action by appropriate authority.

24. Drainage swales (ditches) along dedicated roadways and within the right-of-way, or on dedicated easements, are not to be altered, dug out, filled in, tiled or otherwise changed without the written permission of the Franklin Board of Public Works and Safety. Property owners must maintain these swales as sodded grassways, or other non-eroding surfaces. Water from roofs or parking areas must be contained on the property long enough so that said drainage swales or ditches will not be damaged by such water. Driveways may be constructed over these swales or ditches only when appropriate sized culverts or other approved structures have been permitted by the Board of Public Works and Safety.

25. Any property owner altering, changing, damaging, or failing to maintain these drainage swales or ditches will be held responsible for such action

and will be given ten (10) days notice by certified mail to repair said damage, after which time, if no action is taken, the Board of Public Works and Safety will cause said repairs to be accomplished and the bill for said repairs will be sent to the affected property owner for immediate payment. Failure to pay will result in a lien against the property.

26. Unless a delay is caused by strikes, war, court injunction or acts of God, the exterior of any dwelling or structure built upon any lot shall be completed within one (1) year after the date of commencement of the building process, after which time, the building committee may re-enter, take possession of said lot, without notice, sell the same together with improvements; and after payment of liens and expenses, pay the balance of the sale proceeds to the Owner of said lot at the time of sale.

27. No campers, motor home, truck, trailer or boat may be stored on any lot in open public view.

28. Lot owners shall not permit the growth of weeds and voluntary trees and bushes, and shall keep their lot reasonably clear from unsightly growth at all times. Failure to comply shall warrant the building committee to cut weeds and clear the lot of such growth at the expense of the lot owner, and the building committee shall have a lien against said real estate for the expense thereof.

29. Any gas or oil storage tanks used in connection with a lot shall be either buried, or located in a garage or house, in such a manner that they are completely concealed from public view.

30. Walk easements (W.E.) may hereby be established as set forth on the recorded plat for the purposes of construction and maintenance of sidewalks to allow public passage therein.

31. It is expressly understood that the building committee may make assessments to cover any costs incurred in enforcing these covenants, or in undertaking any maintenance or other activity which is a responsibility of a lot owner, but which such lot owner has not undertaken as required hereunder. Any such assessment shall be assessed only against those lot owners whose failure to comply with the requirements of these covenants has necessitated the action to enforce these covenants or the undertaking of the maintenance, or other activity.

32. Each owner of a lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay assessments as the same become due in a matter herein provided. All such assessments, together with the interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment is made until paid in full. Such assessments shall also be the personal obligation of the owner of the lot at the time which the assessment became due and payable. Any assessment not paid within thirty (30) days after the date the same became due and payable shall bear interest from the due date at a percentage rate not greater than twelve percent (12%) per annum. The building committee, or any member thereof, shall be entitled to institute in any court of competent jurisdiction such procedures, at law or in equity, by foreclosure or otherwise, to collect the delinquent assessment, plus any expenses or costs, including attorney fees, incurred by the building

committee, or such member, in collection the same. If the building committee has provided for collection of any assessment in installments, upon default in the payment of anyone or more installments, the building committee may accelerate payment and declare the entire balance of said assessment due and payable in full. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot or otherwise. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage covering such lot and to any valid tax or special assessment lien on such lot in factor of any governmental taxing or assessing authority. Sale or transfer of any lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof. The building committee shall, upon demand, at any time, furnish a certificate in writing, signed by a member of the building committee, that the assessments on a lot have been paid, or that certain assessments remain unpaid, as the case may be. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. Any easement granted herein or any property shown on the within easement granted herein or any property shown on the within plat as dedicated and intended for acceptance by the local public authority and devoted for public use shall be exempt from the assessments, charge and lien created herein.

33. Upon the transfer of ownership of all platted lots Franklin Property Development, Co., Inc. will cause, to be incorporated under the laws of the State of Indiana, a not-for-profit corporation under the name "Knollwood Farms, Inc.", or a similar name, as such agency for the purpose of ownership and maintenance of all common areas as designated on the recorded plat, to assume the rights and duties of the Building Committee as specified in the recorded covenants, and administer and enforce said covenants, disbursing the assessments and charges imposed and created hereby and hereunder or by and under any other agreement to which the property may at any time be subject, and promoting the health, safety and welfare of the owners of the property, and all parts thereof and that said Association shall have the power to establish bylaws, duly recorded in the Office of the Recorder, Johnson County, Indiana, establishing procedures and rules for the efficient execution of these recorded covenants.

34. Lot owners are prohibited by a contractual agreement between Franklin Property Development Co., Inc. and Renelf III from remonstrating against commercial or business development of property retained within the City of Franklin by Renelf III at the time of transfer of the property to be developed as "Knollwood Farms" from Renelf III to Franklin Property Development Co., Inc. The retained property is that which is presently zoned for general business by the City of Franklin.

35. The right of enforcement of each of the foregoing restrictions by injunction, together with the right to cause the removal by due process of law of structures erected or maintained in violation thereof, is reserved to the building committee, and the owners of the lots in the subdivision, their heirs and personal representatives, their successors or assigns, who are entitled to such relief without being required to show any damage of any kind to the building committee, or to any other owner or owners. The right of enforcement of the covenants is hereby also granted to the Plan Commission of the City of Franklin, its successors or assigns.

36. The foregoing restrictions may be amended at any time by the owners of at least two-thirds of the lots subject to such restrictions. Each such amendment must be evidenced by a written instrument, signed and acknowledged by the owner or owners concurring therein, setting forth facts sufficient to indicate compliance with this paragraph, and recorded in the Johnson County Recorder's Office. Except as the same may be amended from time to time, the foregoing covenants will be in full force and effect until October 1, 2020, at which time they will be automatically extended for successive periods of ten (10) years, unless by a vote of the majority of the then owners it is agreed that these covenants shall terminate in whole or in part.

37. Invalidation of any of these covenants and restrictions or any part thereof by judgment or court order shall not affect or render the remainder of said covenants and restrictions invalid or inoperative.

WITNESS OUR HANDS AND SEALS THIS 18TH DAY OF April, 1990.

Jay Snider

Franklin Property Development Co., Inc.
Jay Snider, Secretary/Treasurer

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, the undersigned Notary Public, in and for the County and State, personnally appeared Jay Snider, Secretary/Treasurer of Franklin Property Development Co., Inc. and acknowledged the execution of the foregoing instrument as his own voluntary act and deed, for the purpose therein expressed.

WITNESS MY HAND AND NOTARIAL SEAL THIS 18TH DAY OF April, 1990.

SHERRY L. WILLIAMS NOTARY PUBLIC JOHNSON COUNTY, IN

Sherry L. Williams
Notary

SHERRY L. WILLIAMS
Type or Print Name

Residing in JOHNSON County

My Commission Expires MAY 5, 1993

This document prepared by Franklin Engineering Company.

APR 20 3 33 PM '90

RECEIVED FOR RECORD
BOOK 62 PAGE 281
JACQUOLINE E. KELLER
JOHNSON COUNTY RECORDER

DECLARATION OF COVENANTS AND RESTRICTIONS FOR KNOLLWOOD FARMS, INC. OF FRANKLIN A NOT-FOR-PROFIT CORPORATION

1010449

THIS DECLARATION made this 1st day of April, 1994, by FRANKLIN PROPERTY DEVELOPMENT CO., INC., an Indiana Corporation, hereinafter referred to alternatively as the "Developer" and/or "Declarant".

W I T N E S S E T H :

WHEREAS, the Developer is the owner of certain real property, hereinafter described, in Franklin Township, Johnson County, Indiana, and desires to create thereon a residential subdivision with common areas and amenities for the benefit of the owners and residents of the homes in the subdivision; and

WHEREAS, the Developer desires to provide for the preservation of the values of the properties and amenities within the subdivision and for the maintenance of the said open spaces and common areas and facilities, and to this end, desires to subject the real property described in this Declaration, together with such additions as may hereafter be made thereto, as provided herein, to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is for the benefit of the said property and each owner thereof; and

WHEREAS, the Developer deems it desirable, for the efficient preservation of the said values and amenities in the subdivision, to create an entity to which should be delegated and assigned the power of maintaining and administering the common properties, amenities and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the developer has incorporated under the laws of the State of Indiana, as a not-for-profit corporation, Knollwood Farms, Inc. of Franklin, for the purpose of exercising the above-mentioned functions, all as set forth herein.

NOW THEREFORE, Franklin Property Development Co., Inc. declares that the real estate described in Article II of this Declaration, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, assessments, charges and liens (sometimes hereinafter referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Corporation" shall mean and refer to Knollwood Farms, Inc. of Franklin.

(b) "The Properties" shall mean and refer to all such properties and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the subdivision with the exception of The Properties as heretofore defined.

(d) "Dwelling Unit" shall mean and refer to any portion of a building designed and intended for use and occupancy as a residence by a single family.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Dwelling Unit situated in the subdivision, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagees unless and until such mortgagees have acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Subdivision" shall mean and refer to Knollwood Farms Subdivision as platted and approved by the City of Franklin Plan Commission and the City of Franklin Board of Works and Safety, as found in Plat Book C, pages 451, 451A, 451B, 451C, 543, 554, and 543A, in the Office of the Recorder of Johnson County, Indiana.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied, subject to this Declaration, is located in Franklin Township, Johnson County, Indiana, and is more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

all of which said property shall hereinafter be referred to as The Properties.

Section 2. Easements to Owners. Declarant hereby grants an easement in favor of each Owner for the use, enjoyment, and benefit of The Properties, and such easement shall be appurtenant to and shall pass with the title to every lot.

Section 3. Covenant to Convey The Properties. Declarant hereby covenants and declares that all areas within the Subdivision owned by it which are not included in the definition of "Lot" and have not been dedicated to the public for street right-of-way or other easement purposes, have been or will be conveyed to the Corporation as and for The Properties, by a general warranty deed free and clear of all liens and encumberances, except the lien of current taxes, rights-of-way, the provisions of these covenants and restrictions and other easements and restrictions of record.

Section 4. Additions to The Properties. Additional lands may become subject to this Declaration in the following manner:

(a) Upon approval in writing of the Corporation pursuant to it's Articles of Incorporation or any amendment thereof, the Owner of any property who is desirous of adding it to the jurisdiction of the Corporation, may file of record a Supplementary Declaration of Covenants and Restrictions which shall extend the scheme of the covenants and restrictions of this Declaration to such property. A Supplemental Declaration adopting by reference the provisions of this Declaration in its entirety shall be sufficient to conform with this

Section. In addition, such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within The Properties.

(b) Upon a merger or consolidation of the Corporation with another corporation, as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated corporation or, alternatively, The Properties, rights and obligations of another corporation may, by operation of law, be added to The Properties, rights and obligations of the Corporation as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established by this Declaration with The Properties, except as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE CORPORATION

Section 1 Membership. Every person or entity who is a record owner of a fee interest in any Lot which is part of the Subdivision and which is subject by covenants of record to assessment by this Corporation shall be a member of the Corporation, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Class A. Class A members shall be all those Owners as defined in this Article III, Section 1, with the exception of Franklin Property Development Co., Inc. Except as otherwise set forth in the Articles of Incorporation, Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by this Article III, Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B members shall be Franklin Property Development Co., Inc. The Class B member shall be entitled to one (1) vote for each Lot or parcel in which it holds the interest required for membership by Article III, provided, however, that the Class B membership shall be cancelled and ceases to exist upon conveyance of The Properties from Declarant to the Corporation.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned by it within the Subdivision hereby covenants and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Corporation: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessment to be fixed,

established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessment levied by the Corporation shall be used exclusively for the purpose of maintenance, repairs, replacements and upkeep of The Properties, and also for the payment of taxes and insurance, applicable utility charges and repair, replacement and additions thereto and for the cost of labor, equipment, materials, management and supervision, all as may be approved by the Board of Directors, from time to time, according to the By-Laws of the Corporation, as well as any other necessary expenses.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January, 1995, the annual assessment shall be Twelve Dollars ($12.00) per Lot owned by Class A members of the Corporation. From and after January 1st, 1995, the annual assessment may be increased by vote of the members of the Corporation, as hereinafter provided, for the next succeeding two (2) years. Notwithstanding the foregoing, Lots within The Properties owned in fee by the Class B members shall not be subject to annual assessments as provided herein, however, the Developer shall participate in and contribute to the expense of maintaining The Properties and right-of-way areas, as may be reasonable required in the best interests of The Properties, said obligation shall cease upon conveyance of the last Lot or parcel within the Subdivision.

The Board of Directors of the Corporation may, after consideration of current maintenance costs and future needs of the Corporation, fix the actual assessment for any year at a lesser amount.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Corporation may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvememt upon The Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of the majority of each class of its membership, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given or mailed to all members at least ten (10) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Corporation may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period, provided that any such change shall have the assent of the majority of each class of its membership, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given or mailed to all members at least ten (10) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger of consolidation in which the Corporation is authorized to participate under its Articles of Incorporation and under Article II, Section 2 hereof.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of members, or of proxies, entitled to cast ten percent (10%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at this meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at this meeting shall be a majority of the members present, including proxies, entitled to cast votes, further provided that no such subsequent meeting shall be held more than sixty (60) days following the preceeding meeting.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence on the date fixed by the Board of Directors of the Corporation to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of January of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bears to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to The Properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment, which resolution may authorize payment in equal installments no less often than monthly, provided the entire special assessment is paid during the calendar year to which it is applicable.

Section 8. Duties of the Board of Directors. The Board of Directors of the Corporation shall conduct the business of the Corporation according to the By-Laws and shall have authority to do all things afforded by said By-Laws.

Further, the Board of Directors of the Corporation shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of The Properties and assessments applicable thereto which shall be kept in the office of the Corporation and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be mailed or given to every Owner subject thereto.

The Corporation shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Corporation, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Fund for Capital Expenditures. All sums assessed by the Corporation shall be determined and established by using generally accepted accounting principles approved on a consistent basis and shall include the establish-

ment and maintena of a replacement reserve fund for capital expenditures and replacement a repair of The Properties and facilities, which funds shall be used for those urposes and not for usual and ordinary repair expenses of The Properties an facilities. The said fund for capital expenditures in repair and replacement of The Properties and facilities shall be maintained in a separate interest bearing account with a bank or savings and loan association authorized to conduct business in Johnson County, Indiana. Assessments collected for contribution to this fund shall not be subject to Indiana gross income tax or adjusted gross income tax.

Section 10. Effect of Nonpayment of Assessments; The Personal Obligation of the Owner; The Lien; Remedies of the Corporation. If the assessments are not paid on the date or dates when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, successors and assigns. If, under Section 7, installment payments of special assessments have been authorized, then failure to pay any one installment within ten (10) days after the due date shall accelerate the payment of all installments and the entire unpaid balance of such assessment shall immediately become due and owing without further notice. The Grantee of any Lot in the Subdivision shall be jointly and severally liable with the Grantor for all unpaid assessments against the latter for his share of The Properties' expenses, as herein provided, incurred up to the time of the conveyance, without prejudice, however, to the Grantees' right to recover from the Grantor the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the Corporation setting forth the amount of unpaid assessments against the Grantor and such Grantee shall not be liable for, nor shall the Lot so conveyed be subject to a lien for any unpaid assessments against the Grantor in excess of the amount certified by the Corporation to the Grantee.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Corporation may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 11. Subordination of Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon a Lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such mortgage. Such sale shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 12. "Junior Lien" Provision. If any promises subject to the lien hereof shall become subject to the lien of a mortgage or deed of trust (1) the foreclosure of the lien hereof shall not operate to affect or impair the lien of the mortgage or deed of trust; and (2) the foreclosure of the lien of the mortgage or deed of trust or the acceptance of a deed in lieu of fore-

closure by the mortgagee shall not operate to affect or impair the lien hereof, but said charges as shall have accrued up to the foreclosure on the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the mortgage or deed of trust with the foreclosure purchaser or deed in lieu Grantee taking title free of the lien hereof for all such charges that have accrued up to the time of the foreclusure or deed given in lieu of foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

ARTICLE V

INCORPORATION OF PLAT RESTRICTIVE COVENANTS

The Developer has caused to be executed and placed of record with the Recorder of Johnson County, Indiana, certain Restrictive Covenants governing construction upon and the use of all Lots within the Subdivision; and here declares that those said Restrictive Covenants of Knollwood Farms, First Section Parts "A", "B", "C" and "D", and Second Section Parts "A", "B" and "C", and all subsequent restrictive covenants recorded in connection with the platting of subsequent sections of Lots within the Subdivision are hereby incorporated in this Declaration and thus may be enforced by the undersigned and the Corporation as these Covenants are enforced. More specifically said Covenants are to be found in Miscellaneous Record 62, page 281 and in Miscellaneous Record 64, page 887, in the Office of the Recorder of Johnson County, Indiana

ARTICLE VI

MEMBERS SHALL NOT REMONSTRATE

Lot owners are prohibited by a contractual agreement between Franklin Property Development Co., Inc. and Renelf III, their successors and/or assigns, from remonstrating against commercial or business development of property retained within the City of Franklin by Renelf III, their successors and/or assigns, as found in Deed Record 256, page 604, Deed Record 258, page 32, Deed Record 259, page 556, and Deed Record 262, page 495, in the Office of the Recorder of Johnson County, Idniana. Further, the aforesaid commercial development shall have access to all streets within the Subdivision that abut the commercial development and Lot owners shall not remonstrate against the use or development of said land for commercial purposes.

ARTICLE VII

GENERAL PROVISIONS

Section 1. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Franklin Property Development Co., Inc., the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, until October 1, 2020, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the the then Owners of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part.

Section 2. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain violation or to recover damages and against the land to enforce any lien created by these covenants; and failure by Franklin Property Development Co., Inc., or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Payment of Fees and Expenses of Litigation. Class A members and others acting for, on behalf of, or through any Class A member violating the terms and restrictions of these Covenants shall be responsible for and pay all professional fees and expenses for any litigation, arbitration or other proceedings, including negotiations, and time and services otherwise incurred in enforcing the terms and provisions of this Declaration and/or the Restrictions of the Plat of Knollwood Farms and the collection of assessments and other sums due by these provisions.

IN WITNESS WHEREOF, the Declarant, Franklin Property Development Co., Inc., has caused this document to be executed by one of its officers the day, month and year first mentioned.

FRANKLIN PROPERTY DEVELOPMENT CO., INC.

BY: Mark F. Thorne, President

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, a Notary Public in and for said County and State personally appeared Franklin Property Development Co., Inc., by Mark F. Thorne, who executed the within Declaration stating that the representations therein contained are true and correct to the best of his knowledge and belief.

WITNESS my hand and Notarial Seal this 1 day of April, 1994.

Beverly L. Thompson
Beverly L. Thompson Notary Public
County of residence Johnson

My Commission expires:
12/20/95

This instrument prepared by:

Roger A. Young

EXHIBIT "A"

COMMON AREA Knollwood Farms Second Section Part "B", an addition to the City of Franklin, as shown in Plat Book C, page 554, in the Office of the Recorder of Johnson County, Indiana, containing 1.344 acres, more or less.

AND,
COMMON AREA Knollwood Farms Second Section Part "C", an addition to the City of Franklin, as shown in Plat Book C, page 543A, in the Office of the Recorder of Johnson County, Indiana, containing 1.122 acres more or less.

MAY 2 3 48 PM '94

RECEIVED FOR RECORD
BOOK 67 PAGE 133
JACQUOLINE E. KELLER
JOHNSON COUNTY RECORDER

ROGERS YOUNG TITLE INSURANCE
34 WEST JEFFERSON STREET
SUITE 201
FRANKLIN, INDIANA 46131