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DECLARATION OF CONDOMINIUM OWNERSHIP

FOR

LANCASHIRE AT OAK MANOR CONDOMINIUMS

DECLARATION OF CONDOMINIUM OWNERSHIP

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DECLARATION OF CONDOMINIUM OWNERSHIP
FOR
LANCASHIRE AT OAK MANOR CONDOMINIUMS

This Declaration, made this ____ day of March, 2007, by HILLS HOMES OF INDIANA, LLC, an Indiana limited liability company, formerly known as CREEKSIDE CROSSING, LLC, an Indiana limited liability corporation successor by merger to HILLS OAK MANOR CONDOMINIUMS, LLC, an Indiana limited liability company (the "Declarant"),

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to certain real estate, located in Hamilton County, Indiana, more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter referred to as the "Lancashire Real Estate").

B. Declarant is the sole owner of the fee simple title to that portion of the Lancashire Real Estate more particularly described in Exhibit B attached hereto and made a part hereof (hereinafter referred to as the "Lancashire Tract" or "Lancashire Phase I").

C. Declarant, by execution of this Lancashire Declaration, hereby creates the Lancashire at Oak Manor Condominiums upon the Lancashire Tract, subject to the provisions of the Condominium Law of the State of Indiana under the terms and conditions of this Lancashire Declaration.

NOW, THEREFORE, Declarant hereby makes this Lancashire Declaration as follows:

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

(a) "Act" means the Condominium Law of the State of Indiana, Indiana Code §32-25-1 et. seq., as such Act may be amended. The Act is incorporated herein by reference.

(b) "Applicable Date" means the date determined pursuant to Section 3.02 of the Lancashire By-Laws.

(c) "Building" means any structure on the Lancashire Tract in which one or more Condominium Units or one or more Garage Units are located. The Buildings are more particularly described and identified on the Plans and in Paragraph 3 of this Lancashire Declaration. "Building" also includes any additional structure containing one or more Condominium Units or Garage Units which may be submitted and subjected to the Act and this Lancashire Declaration by supplemental declarations as herein provided, and will be identified in supplemental declarations and on plans that will be filed therewith.

(d) "Condominium Unit" means each one of the condominium units constituting Lancashire at Oak Manor Condominiums, each individual living unit being more particularly described and identified on the Lancashire Plans and in Paragraphs 4 and 5 of this Lancashire Declaration, and each additional living unit which may be submitted and subjected to the Act and this Lancashire Declaration by supplemental declarations as herein provided. "Condominium Unit" includes the undivided interest in the Lancashire Common Areas and Lancashire Limited Areas appertaining to such unit.

(e) "Co-owners" means the owners of all the Condominium Units.

(f) "Declarant" means and refers to Hills Homes of Indiana, LLC an Indiana limited liability company, formerly known as Creekside Crossing, LLC, an Indiana limited liability company, successor by merger to Hills Oak Manor Condominiums, LLC, an Indiana limited liability company, and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of Declarant hereunder including, but not limited to, any mortgagee acquiring title to any portion of the Lancashire Tract pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(g) "Garage Unit" means and refers to each one of the Garage Units in Lancashire at Oak Manor Condominiums, being more particularly described and identified on the Lancashire Plans and in Paragraphs 4, 5 and 7 of this Lancashire Declaration, and each additional Garage Unit which may be submitted and subjected to the Act and this Lancashire Declaration by supplemental declarations as provided herein.

(h) "Lancashire Articles" or "Lancashire Articles of Incorporation" means the Articles of Incorporation of the Lancashire Corporation, as hereinafter defined. The Lancashire Articles of Incorporation are incorporated herein by reference.

(i) "Lancashire at Oak Manor Condominiums" means the name by which the Lancashire Tract, which is the subject of this Lancashire Declaration and which Lancashire Corporation manages, shall be known.

(j) "Lancashire Board of Directors" or "Lancashire Board" means the governing body of the Lancashire Corporation being the Lancashire Initial Board of Directors referred to in the Lancashire By-Laws or any subsequent Lancashire Board of Directors elected by the Members in accordance with the Lancashire By-Laws of the Lancashire Corporation.

(k) "Lancashire By-Laws" means the Code of By-Laws of the Lancashire Corporation providing for the administration and management of the Lancashire Property and restrictions on its use, as required by and in conformity with the Act. A true copy of the Lancashire By-Laws is attached to this Lancashire Declaration and incorporated herein by reference.

(l) "Lancashire Common Areas" means the Lancashire Common Areas and facilities appurtenant to the Property as defined in Paragraph 6 of this Lancashire Declaration.

(m) "Lancashire Common Expense" means expenses for administration of the Lancashire Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Lancashire Common Area and the Lancashire Limited Areas (to the extent provided herein), the Master Regular Assessments, and all other sums lawfully assessed against the Members of the Lancashire Corporation.

(n) "Lancashire Corporation" means Lancashire at Oak Manor Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose Members shall be the Owners of Condominium Units, such Lancashire Corporation being more particularly described in Paragraph 12 of this Declaration.

(o) "Lancashire Limited Areas" means the limited common areas and facilities as defined in Paragraph 7 of this Declaration or those parts of the Lancashire Common Areas limited to the use of certain Condominium Units.

(p) "Lancashire Phase I" means the real estate described in Paragraph B of the recitals above.

(q) "Lancashire Plans" means the floor and building plans and finished floor elevations of the Buildings and Condominium Units and a site plan of the Lancashire Tract and Buildings prepared and certified by Bryan F. Catlin, a registered surveyor and Duane A. Sharrer, a registered professional engineer, under date of March 19, 2007, all of which are incorporated herein by reference.

(r) "Lancashire Property" means the Lancashire Tract and appurtenant easements, the Condominium Units, the Buildings, Garage Units and property of every kind and nature whatsoever, real, personal and mixed, located upon the Lancashire Tract and used in connection with the operation, use and enjoyment of Lancashire at Oak Manor Condominiums, but does not include the personal property of Owners.

(s) "Lancashire Tract" means the real estate described in Paragraph B of the recitals above and such other portions of the Lancashire Real Estate which have, as of any given time, been subjected to the Act and this Lancashire Declaration either by this Lancashire Declaration or a supplemental declaration as herein provided.

(t) "Master Common Area" means the area designated as such upon the Lancashire Plans, any plat of The Villages of Oak Manor or designated as such in the Master Declaration.

(u) "Master Corporation" means The Villages of Oak Manor Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation. Each member of the Lancashire Corporation is also a member of the Master Corporation.

(v) "Master Declaration" means the Declaration of Covenants and Restrictions of The Villages of Oak Manor Property Ownership recorded in the Office of the

Recorder of Hamilton County, Indiana, as Instrument No. 2007009407, and any supplements thereto.

(w) "Master Regular Assessment" means the assessment applicable to Owners in accordance with the terms and provisions of the Master Declaration.

(x) "Member" means a member of Lancashire Corporation.

(y) "Mortgagee" means the holder of a first mortgage lien on a Condominium Unit.

(z) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Condominium Unit, including Declarant.

(aa) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Lancashire Common Areas and Lancashire Limited Areas appertaining to each Condominium Unit as specifically expressed in Paragraphs 4 and 8 of this Lancashire Declaration.

(bb) "Percentage Vote" means that percentage of the total vote accruing to all the Condominium Units which is appurtenant to each particular Condominium Unit and accrues to the Owner thereof. The Percentage Vote to which each Owner shall be entitled on any matter upon which the Owners are entitled to vote shall be the same percentage as the Percentage Interest appurtenant to such Owner's Condominium Unit.

(cc) "Storage Unit" means and refers to each one of the Storage Units in Lancashire at Oak Manor Condominiums being more particularly described and identified in the Lancashire Plans and in Paragraph 7 of this Lancashire Declaration and each additional Storage Unit which may be submitted and subjected to the Act and this Lancashire Declaration by Supplemental Declarations as provided herein.

(dd) "The Villages of Oak Manor" means the name by which the development of which the Lancashire Real Estate is a part shall be known. The Villages of Oak Manor consists of four (4) separate residential sections as more fully described in the Master Declaration.

2. Declaration. Declarant hereby expressly declares that the Lancashire Property shall be a condominium project in accordance with the provisions of the Act.

3. Description of Buildings. There is 1 building of 3 stories in height containing 36 Condominium Units and 2 buildings of 1 story in height, each containing 7 Garage Units on the Lancashire Tract as of the date hereof. The Building is identified and referred to in the Lancashire Plans and in this Lancashire Declaration as Buildings 1, DG-1 and DG-2.

4. Legal Description and Percentage Interest. Each Condominium Unit is identified on the Lancashire Plans by a Building number and Unit number. The legal description for each Condominium Unit shall consist of the Building number and Unit number as shown on the Lancashire Plans, and shall be stated as "Building __, Unit __ in Lancashire at Oak Manor Condominiums in Hamilton County, Indiana". The Percentage Interest of each Owner in the Lancashire Common Areas and Lancashire Limited Areas as hereinafter defined shall be that percentage interest included in each Condominium Unit as set forth on Exhibit C attached hereto and made a part hereof.

5. Description of Condominium Units.

(a) Appurtenances. Each Condominium Unit shall consist of all space within the boundaries thereof, as hereinafter defined, and all portions of the Building situated within such boundaries, including but not limited to all fixtures, facilities, utilities, equipment, appliances, and structural components designed and intended solely and exclusively for the enjoyment, use and benefit of the Condominium Unit wherein the same are located, or to which they are attached, but excluding therefrom that designed or intended for the use, benefit, support, safety or enjoyment of any other Condominium Unit or which may be necessary for the safety, support, maintenance, use, and operation of any of the Buildings or which are normally designed for common use; provided, however, that all fixtures, equipment, appliances, and cabinets designed or intended for the exclusive enjoyment, use and benefit of a Condominium Unit shall constitute a part of such Condominium Unit, whether or not the same are located within or partly within the boundaries of such Condominium Unit. Also, the interior sides and surfaces of all doors and windows in the perimeter walls of a Condominium Unit, whether or not located within or partly within the boundaries of a Condominium Unit, and all interior walls and all of the floors and ceilings within the boundaries of a Condominium Unit, are considered part of the Condominium Unit.

(b) Boundaries. The boundaries of each Condominium Unit shall be as shown on the Lancashire Plans without regard to the existing construction measured between the interior unfinished surface of the floors, roofs and perimeter walls of each Condominium Unit. In the event any horizontal or vertical or other boundary line as shown on the Lancashire Plans does not coincide with the actual location of the respective wall, floor or roof surface of the Condominium Unit because of inexactness of construction, settling after construction, or for any other reasons, the boundary lines of each Condominium Unit shall be deemed to be and treated for purposes of ownership, occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent appurtenant easements for exclusive use shall exist in favor of the Owner of each Condominium Unit in and to such space lying outside of the actual boundary lines of the Condominium Unit, but within the appropriate wall, floor or roof surfaces of the Condominium Unit.

6. Lancashire Common Areas and Facilities. "Lancashire Common Areas" means (1) the Lancashire Tract, (2) the foundations, columns, girders, beams, supports and exterior surfaces of roofs of the Buildings, (3) the yards, gardens, sidewalks and parking areas, except to the extent the same are otherwise classified and defined herein a part of the Condominium Unit or Lancashire Limited Areas, (4) central electricity, gas, water, air conditioning and sanitary

sewer serving the Buildings (including those located in the interior of the Building), if any, (5) exterior lighting fixtures and electrical service lighting the exterior of the Buildings unless separately metered to a particular Condominium Unit, (6) pipes, ducts, electrical wiring and conduits and public utilities lines which serve more than one Condominium Unit, (7) all streets that are not dedicated, (8) floors, roofs and exterior perimeter walls of the Buildings, except to the extent the same are otherwise classified and defined herein as part of the Condominium Unit or Lancashire Limited Areas, (9) recreational facilities, if any, and (10) all facilities and appurtenances located outside of the boundary lines of the Condominium Units, except those areas and facilities expressly classified and defined herein as Lancashire Limited Areas or as part of the Condominium Unit.

7. Lancashire Limited Areas and Facilities. Lancashire Limited Areas and those Condominium Units to which use thereof is limited are as follows:

(a) Balconies, patios, porches, storage areas and sidewalks serving a particular Condominium Unit shall be limited to the exclusive use of the Condominium Unit to which they are attached or appertain.

(b) The exterior sides and surfaces of doors, windows and frames surrounding the same in the perimeter walls in each Condominium Unit shall be limited to the exclusive use of the Condominium Unit to which they appertain.

(c) Any other areas designated and shown on the Lancashire Plans as Lancashire Limited Areas shall be limited to the Condominium Unit or Condominium Units to which they appertain as shown on the Lancashire Plans.

(d) Parking spaces, Garage Units (including the roof and exterior walls of such Garage Units) and Storage Units, if any, as shown on the Lancashire Plans and as designated on the deed from Declarant to an Owner shall be limited for the use of the Owner of the Condominium Unit (which includes the Garage Unit and Storage Unit conveyed with such Condominium Unit) being conveyed and thereafter such right to use the applicable parking space, Garage Unit or Storage Unit shall pass with title to such Condominium Unit even though not expressly mentioned in the document passing title. Ownership of parking spaces and Storage Units pass only with title to the Condominium Unit. Garage Units may be freely transferred, independent of a Condominium Unit, provided that the transferee is an Owner of a Condominium Unit. Only a person or entity who is a current Owner of a Condominium Unit can own a Garage Unit or a Storage Unit. Although the Percentage Interest of any Owner having a Garage Unit or Storage Unit will not change as a result of such Owner having a Garage Unit or Storage Unit, such Owner shall have an additional amount added to his Regular Assessment (as defined in the By-Laws) to account for the cost of maintaining the Garage Units and Storage Units. The Lancashire Board of Directors shall determine the Lancashire Additional Assessment which shall be the same for all owners of Garage Units and the same for all owners of Storage Units.

(e) The halls, corridors, lobbies, stairs, stairways, entrances and exits of each Building, if any, (except those located within the interior of Condominium Units) shall be limited

to the use of the Condominium Units of such Building served by such halls, corridors, lobbies, stairs, stairways, entrances, and exits.

8. Ownership of Lancashire Common Areas and Percentage Interest. Each Owner shall have an undivided interest in the Lancashire Common Areas and Lancashire Limited Areas, as tenants in common with all other Owners, equal to his Condominium Unit's Percentage Interest. The Percentage Interest in the Lancashire Common Areas and Lancashire Limited Areas appertaining to each Condominium Unit is set forth in Paragraph 4 of this Lancashire Declaration. The Percentage Interest of each Condominium Unit shall be a percentage equal to the number of square feet per Condominium Unit divided by the total number of square feet for all of the Condominium Units which, from time to time, have been submitted and subjected to the Act and this Lancashire Declaration as herein provided and which constitute a part of Lancashire at Oak Manor Condominiums. Except as otherwise provided or permitted herein, the Percentage Interest appertaining to each separate Condominium Unit in the Lancashire Common Areas and Lancashire Limited Areas shall be of a permanent nature and shall not be altered without the unanimous consent of all the Owners and Mortgagees and then only if in compliance with all requirements of the Act.

The Percentage Interest appertaining to each Condominium Unit shall also be the Percentage Vote allocable to the Owner thereof in all matters with respect to Lancashire at Oak Manor Condominiums, and Lancashire Corporation upon which the Co-owners are entitled to vote.

9. Encroachments and Easements for Lancashire Common Areas. If, by reason of the location, construction, settling or shifting of a Building, any Lancashire Common Area or Lancashire Limited Area now encroaches or shall hereafter encroach upon any Condominium Unit, then in such event, an easement shall be deemed to exist and run to the Co-owners and Lancashire Corporation for the maintenance, use and enjoyment of such Lancashire Common Area or Lancashire Limited Area.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Condominium Units and serving his Condominium Unit.

Each Owner shall have the right of ingress and egress from such Owner's Condominium Unit with such right being perpetual and appurtenant to the ownership of the Condominium Unit.

10. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Condominium Unit as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Condominium Unit, but are assessed and taxed on the Lancashire Property (or the Lancashire Property and any other portions of the Lancashire Real Estate) as a whole, then each Owner shall pay his proportionate share of such taxes to the extent attributable to the Lancashire Property in accordance with his respective Percentage Interest.

11. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered, including sanitary sewer and water, shall be treated as and paid as part of the Lancashire Common Expenses, unless otherwise agreed by a majority of the Percentage Vote of Owners.

12. Homeowners Association. Subject to the rights of Declarant reserved in Paragraph 25 hereof and obligations of the Owners, the maintenance, repair, upkeep, replacement, administration, management and operation of the Lancashire Property shall be by Lancashire Corporation. Each Owner of a Condominium Unit shall, automatically upon becoming an owner of a Condominium Unit, be and become a member of Lancashire Corporation and shall remain a member until such time as his ownership ceases, but membership shall terminate when such person ceases to be an Owner, and will be transferred to the new Owner.

The Lancashire Corporation shall elect a Lancashire Board of Directors annually (except for the Lancashire Initial Board of Directors defined in the Lancashire By-Laws) in accordance with and as prescribed by the Lancashire By-Laws. Each Owner shall be entitled to cast his Percentage Vote for the election of the Lancashire Board of Directors, except for such Lancashire Initial Board of Directors who shall serve for the period provided in the Lancashire By-Laws. Each person serving on the Lancashire Initial Board of Directors, whether as an original member thereof or as a member thereof appointed by Declarant to fill a vacancy, shall be deemed a member of Lancashire Corporation and an Owner solely for the purpose of qualifying to act as a member of the Lancashire Board of Directors and for no other purpose. No such person serving on the Lancashire Initial Board of Directors shall be deemed or considered a member of Lancashire Corporation nor an Owner of a Condominium Unit for any other purpose (unless he is actually an Owner of a Condominium Unit and thereby a member of Lancashire Corporation).

The Lancashire Board of Directors shall be the governing body of Lancashire Corporation, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Lancashire Property exclusive of the Condominium Units. Subject to the provisions of Paragraph 25 of this Lancashire Declaration and Section 3.07(a) of the Lancashire By-Laws, the Lancashire Board of Directors shall at all times provide for professional management of the Lancashire at Oak Manor Condominiums unless all Mortgagees give their prior written approval for self-management.

All Owners and occupants of the Condominium Unit shall be deemed to have granted the right of entry thereto to the Declarant, Lancashire Corporation, the Managing Agent or any other person authorized by the Lancashire Board when, in the reasonable judgment of the Declarant or Lancashire Corporation, there has been a violation by such Owner or occupants of the covenants, conditions and restrictions set forth in the Lancashire By-Laws or this Lancashire Declaration; provided, that, except in the event of an emergency, the request for such entry has been made in advance and is at a time reasonably convenient to the Owner. In the event of an emergency, no notice is required.

13. Maintenance, Repairs and Replacements. Each Owner shall, at his expense, be responsible for the maintenance, repairs, decoration and replacement within his own Condominium Unit and to the extent provided in this Lancashire Declaration or the Lancashire By-Laws for the Lancashire Limited Areas reserved for his use. Each Owner must maintain, at his expense, all windows and doors within such Owner's Condominium Unit. Any replacement of windows and doors must be substantially the same as the existing windows and doors and must be approved by Lancashire Corporation. Each Owner shall repair any defect occurring in his Condominium Unit which, if not repaired, might adversely affect any Condominium Unit, Lancashire Common Areas or Lancashire Limited Area. Maintenance, repairs, replacements and upkeep of the Lancashire Common Areas and Lancashire Limited Areas shall be furnished by Lancashire Corporation as part of the Lancashire Common Expenses, except as otherwise provided herein or in the Lancashire By-Laws.

With respect to Garage Units, an Owner of a Garage Unit must maintain, at his expense, the garage door, the interior of the Garage Unit, and any automatic garage door opener. The Lancashire Corporation shall maintain the exterior and roofs of the Garage Units.

With respect to a Storage Unit, an Owner shall maintain the door and the interior of the Storage Unit. The Lancashire Corporation will maintain the exterior of the Storage Unit.

The Lancashire Board of Directors shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Lancashire Common Areas and Lancashire Limited Areas as it deems appropriate, and may amend and modify the same from time to time as it deems advisable, necessary or appropriate.

The Lancashire Board of Directors or their designated agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required), to enter into each individual Condominium Unit for the purpose of inspection of the Condominium Unit, the Lancashire Common Areas and Lancashire Limited Areas appurtenant thereto, enforcement of the Lancashire Declaration and the Master Declaration and replacement, repair and maintenance of such Lancashire Common Areas and Lancashire Limited Areas.

14. Alterations, Additions and Improvements. No Owner shall make any alterations or additions to or which would affect the Lancashire Common Areas, Lancashire Limited Areas, Garage Units or Storage Units without the prior written approval of the Lancashire Board of Directors, nor shall any Owner make any alteration in or to his respective Condominium Unit and within the boundaries thereof which would affect the safety or structural integrity of the Building in which the Condominium Unit is located nor shall any Owner change the color of any of the Lancashire Common Areas, Lancashire Limited Areas, Garage Units or Storage Units without the prior written approval of the Lancashire Board of Directors. Declarant reserves the right to change the interior design and arrangement of all Condominium Units, Garage Units or Storage Units and alter the boundaries between Condominium Units, Garage Units or Storage Units so long as Declarant owns the Condominium Units, Garage Units or Storage Units so altered. No such change shall increase the number of Condominium Units nor change the Percentage Interest applicable to such Condominium Unit. If Declarant shall make any changes

in the Condominium Units, Garage Units or Storage Units so authorized, such changes shall be reflected by a supplement to the Lancashire Plans executed by the Declarant and recorded in the Office of the Recorder of Hamilton County, Indiana. Such supplement to the Lancashire Plans need not be approved by Lancashire Corporation or any other Owners.

The Lancashire Tract is also subject to the architectural control of the Architectural Review Board as established by the Master Declaration.

15. **Insurance.** The Co-owners, through the Lancashire Corporation, shall purchase a master casualty insurance policy, using generally acceptable insurance carriers, affording fire and extended coverage insurance, insuring the Lancashire Property in an amount equal to the full replacement value of the improvements which, in whole or in part, comprise the Lancashire Common Areas and Lancashire Limited Areas. If the Lancashire Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Lancashire Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. If deemed advisable by the Lancashire Board of Directors, the Lancashire Board of Directors may cause such full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Lancashire Common Expense. Such insurance coverage shall name each Owner and, if applicable, the Mortgagee of each Owner, as insureds and shall be for the benefit of each such Owner and Mortgagee in accordance with the following terms and conditions:

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

The interest of each damaged Owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of each damaged Owner to the damages of all Owners directly damaged by any event insured under the said master casualty insurance policy. The Lancashire Corporation shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints Lancashire Corporation to act for and on behalf of the Owners for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability and the performance of all other acts necessary to accomplish such purposes.

No Owner or any other party shall have priority over any rights of a Mortgagee pursuant to its mortgage in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Condominium Unit, Garage Unit, Storage Unit and/or

Lancashire Common Areas. The Lancashire Corporation shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints Lancashire Corporation to act for and on behalf of the Owners for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability and the performance of all other acts necessary to accomplish such purposes.

Such master casualty insurance policy, and "all risk" coverage if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against Lancashire Corporation, the Lancashire Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) waives any defense based on the invalidity arising from the acts of the insured, and (c) contains an endorsement that such policy shall not be terminated for non-payment of premiums without at least ten (10) days prior written notice to Mortgagees and to Lancashire Corporation and providing further, if the Lancashire Board of Directors is able to obtain such insurance upon reasonable terms, (i) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as hereinafter permitted, (ii) that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 16 of this Lancashire Declaration, and (iii) an agreed amount endorsement or an inflation guard endorsement to the extent such are commonly required by prudent institutional mortgage investors in the metropolitan Indianapolis area.

The Co-owners, through Lancashire Corporation, shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as required by the Act and as the Lancashire Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover Lancashire Corporation, the Lancashire Board of Directors, any committee or organ of Lancashire Corporation or Lancashire Board of Directors, any managing agent appointed or employed by Lancashire Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to Lancashire at Oak Manor Condominiums, all Owners of Condominium Units and all other persons entitled to occupy any Condominium Unit or other portions of Lancashire at Oak Manor Condominiums. Such policy shall provide that it may not be cancelled or substantially modified without at least thirty (30) days prior written notice to Lancashire Corporation and all Mortgagees.

The Co-owners, through Lancashire Corporation, shall also obtain any other insurance required by law to be maintained, including but not limited to worker's compensation insurance, and such other insurance as the Lancashire Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, Lancashire Corporation, the Lancashire Board of Directors and any managing agent acting on behalf of Lancashire Corporation.

The premiums for all such insurance hereinabove described shall be paid by Lancashire Corporation as part of the Lancashire Common Expenses. When any such policy of insurance hereinabove described has been obtained by or on behalf of Lancashire Corporation, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or Mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of Lancashire Corporation who is required to send notices of meetings of Lancashire Corporation.

In no event shall any distribution of proceeds be made by the Lancashire Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance. In such event any remittances shall be to the Owner and his Mortgagee jointly.

Each Owner shall be solely responsible for loss or damage to the contents of his Condominium Unit, any Garage Unit(s) and any Storage Unit(s), however caused (including, but not limited to, all floor, ceiling and wall coverings and fixtures, light fixtures, appliances and betterments and improvements installed by him) and his personal property stored elsewhere on the Lancashire Property, and Lancashire Corporation shall have no liability to the Owner for loss or damage to the contents of any Condominium Unit, Garage Unit(s) or any Storage Unit(s). Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary, including but not limited to: (1) personal liability insurance provided all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by Lancashire Corporation, and (2) casualty insurance upon his Condominium Unit, Garage Unit(s) and Storage Unit(s) but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by Lancashire Corporation. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by Lancashire Corporation pursuant to this Paragraph due to proration of insurance purchased by an Owner under this Paragraph, the Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to Lancashire Corporation to be distributed as herein provided.

16. Casualty and Restoration.

(a) Except as hereinafter provided, damage to or destruction of any Building due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by Lancashire Corporation and the proceeds of insurance, if any, shall be applied for that purpose; provided, however, that repair and reconstruction shall not be compulsory in the event of "complete destruction of all of the Buildings" (hereinafter defined) and shall only be done in accordance with the provisions hereinafter set forth. As used herein, the term "complete destruction of all of the Buildings" means a determination, made by a vote of two-thirds (2/3) of all Co-owners at a special meeting of Lancashire Corporation called for the purpose of making such determination, that total destruction of all of the Buildings has occurred. A special meeting of Lancashire Corporation shall be called and held within thirty (30) days after any fire or any other casualty or disaster damaging or destroying any of the Buildings for the purpose of making

the determination of whether or not there has been a complete destruction of all of the Buildings. If such a special meeting is not called and held within such thirty (30) day period, or if the determination of whether or not there has been a complete destruction of all the Buildings has not been made within such thirty (30) day period, then it shall be conclusively presumed that the Co-owners determined that there was not a complete destruction of all of the Buildings, and Lancashire Corporation shall proceed with repair and reconstruction as herein provided.

In the event of substantial damage to or destruction of any Condominium Unit or any part of the Lancashire Common Areas, the affected Mortgagee or Mortgagees shall be given timely written notice of such damage or destruction and, notwithstanding any other provision of the Lancashire Declaration or Lancashire By-Laws, the Lancashire Property shall not be removed from the Act without the approval of fifty-one percent (51%) of the Mortgagees.

(b) If the insurance proceeds, if any, received by Lancashire Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, and if the Lancashire Property is not to be removed from the Act, the cost for restoring the damage and repairing and reconstructing the Building or Buildings so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by all of the Owners of Condominium Units in proportion to the ratio that the damage to such Condominium Unit bears to the total damage of all Condominium Units. Any such amounts payable by the Co-owners shall be assessed as part of the Lancashire Common Expenses and shall constitute a lien from the time of assessment as provided herein and in the Act.

(c) For purposes of subparagraph (a) and (b) above, repair, reconstruction and restoration shall mean construction or rebuilding of the Condominium Units to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

(d) If, under subparagraph (a) above, it is determined by the Co-owners at the special meeting of Lancashire Corporation referred to therein that there has been a complete destruction of all of the Buildings, the Co-owners shall, at said same special meeting, vote to determine whether or not such complete destruction of the Buildings shall be repaired and reconstructed. The Buildings shall not be reconstructed or repaired if it is the determination of the Co-owners at said special meeting that there has been a complete destruction of all of the Buildings unless by a vote of two-thirds (2/3) of all of the Co-owners a decision is made to rebuild, reconstruct and repair the Buildings. If two-thirds (2/3) of all of the Co-owners vote and decide that the Buildings are to be rebuilt, reconstructed and repaired, the insurance proceeds, if any, received by Lancashire Corporation shall be applied and any excess of construction costs over insurance proceeds, if any, shall be contributed and paid as hereinabove provided in subparagraphs (a) and (b).

(e) If, in any case of the complete destruction of all of the Buildings, less than two-thirds (2/3) of all of the Co-owners vote in favor of the rebuilding, reconstruction and repair of the Buildings, the Buildings shall not be rebuilt, reconstructed or repaired and, in such event,

the Lancashire Property shall be deemed and considered as to be removed from the provisions of the Act under Section 28 of the Act and, in accordance with Section 21 of the Act:

(i) the Lancashire Property shall be deemed to be owned in common by the Owners;

(ii) the undivided interest in the Lancashire Property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Lancashire Common Areas;

(iii) any liens affecting any of the Condominium Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Owner in the Lancashire Property; and

(iv) The Lancashire Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Lancashire Property, if any, shall be considered as one (1) fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Lancashire Property, after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Lancashire Property owned by each Owner.

(f) Immediately after a fire or other casualty or disaster causing damage to any property for which the Lancashire Board of Directors or Lancashire Corporation has the responsibility of maintenance and repair, the Lancashire Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Lancashire Board of Directors desire.

(g) The proceeds of insurance collected on account of any such casualty, and the sums received by the Lancashire Board of Directors from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, if the Building or Buildings are to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

(i) If the amount of the estimated cost of reconstruction and repair is less than Twenty Thousand Dollars (\$20,000) then the construction fund shall be disbursed in payment of such costs upon order of the Lancashire Board of Directors; provided, however, that upon request of a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided in the following Paragraph (ii).

(ii) If the estimated cost of reconstruction and repair of the Building or other improvement is more than Twenty Thousand Dollars (\$20,000), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Indiana and employed by the Lancashire Board of Directors to supervise such work, payment to

be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, (1) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (2) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (3) that the costs as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(iii) Encroachments upon or in favor of Condominium Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the Buildings were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Buildings stand.

(iv) In the event that there is any surplus of monies in the construction fund after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Lancashire Board of Directors as a reserve or may be used in the maintenance and operation of the Lancashire Common Areas, or, in the discretion of the Lancashire Board of Directors it may be distributed to the Owners in the Buildings affected and their Mortgagees who are the beneficial owners of the fund. The action of the Lancashire Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against another Owner for committing willful or malicious damage.

(h) If any Condominium Unit or portion thereof or any of the Lancashire Common Areas is made the subject of a condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the affected Mortgagee or Mortgagees shall be given timely written notice of such proceeding or proposed acquisition. The Lancashire Corporation shall represent the Owners in any condemnation proceeding or any negotiation settlements or agreements with the condemning authority for acquisition of the Lancashire Common Areas or any part thereof. In the event of a taking or acquisition of part or all of the Lancashire Common Areas by a condemning authority, the award or proceeds of settlement shall be payable to Lancashire Corporation to be held in trust for the Owners and Mortgagees as their interests may appear and the provisions of the Lancashire Declaration relating to restoration and allocation of funds in the event of a casualty shall be applicable in the event of a condemnation.

17. Covenants and Restrictions. The covenants and restrictions applicable to the use and enjoyment of the Condominium Units and the Lancashire Common Areas and Lancashire Limited Areas are set forth in the Master Declaration and the Lancashire By-Laws, including the limitation that each of the Condominium Units shall be limited to residential use. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by Lancashire Corporation. Present or future Owners or Lancashire Corporation shall be

entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation.

Notwithstanding anything to the contrary contained herein or in the Master Declaration or Lancashire By-Laws, including, but not limited to any covenants and restrictions set forth in the Lancashire By-Laws, Declarant shall have, until December 31, 2016 the right to use and maintain any Condominium Units owned by Declarant or its successors or assigns, such other portions of the Lancashire Property (including any recreational facilities but not including individual Condominium Units owned by persons other than Declarant) and any portions of the Lancashire Real Estate not then part of the Lancashire Property, all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable or necessary in its sole discretion to aid in the construction and sale of Condominium Units (whether within Lancashire at Oak Manor Condominiums or as a model unit for other condominium projects being developed by Declarant), or to promote or effect sales of Condominium Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Condominium Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Lancashire Common Areas, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Lancashire Property at any time.

18. Amendment of Lancashire Declaration. Except as otherwise provided in this Lancashire Declaration, amendments to this Lancashire Declaration shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Lancashire Board of Directors or Owners having in the aggregate at least a majority of the Percentage Vote.

(c) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the Lancashire By-Laws.

(d) Adoption. Any proposed amendment to this Lancashire Declaration must be approved by a vote of not less than seventy-five percent (75%) in the aggregate of the Percentage Vote. In the event any Condominium Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Lancashire Board of Directors in accordance with the provisions of the Lancashire By-Laws.

(e) Special Amendments. Without the approval of one hundred percent (100%) of the Co-owners and all Mortgagees whose mortgage interests have been made known to the Lancashire Board of Directors in accordance with the provisions of the Lancashire By-Laws except for changes pursuant to Paragraph 21 herein, no amendment to this Lancashire Declaration shall be adopted which changes (1) the Percentage Interest with respect to any Condominium Unit or the applicable share of an Owner's liability for the Lancashire Common Expenses, or (2) the provisions of Paragraph 16 of this Lancashire Declaration with respect to reconstruction or repair in the event of fire or any other casualty or disaster, without the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Lancashire Board of Directors in accordance with the provisions of the Lancashire By-Laws or (3) the provisions of Paragraph 12 regarding the obligation of the Lancashire Board of Directors to provide professional management for Lancashire at Oak Manor Condominiums or (4) the provisions of Paragraph 15 providing for no priority of an Owner or other person over a Mortgagee as to insurance or condemnation proceeds, or (5) the provisions of Paragraph 23 with respect to the rights to use the Lancashire Common Areas, or (6) which change would negatively impact the value or appearance of the Lancashire Property, without the Declarant's approval, or (7) which changes the obligation to contribute to Master Regular Assessments or for Owners to be members of the Master Corporation. Any change described in (7) above, requires the consent of the Master Corporation.

(f) Recording. Each amendment to the Lancashire Declaration shall be executed by the President and Secretary of Lancashire Corporation shall include an affidavit stating that Owners representing seventy-five percent (75%) of the aggregate of Percentage Vote or such other amount as required by this Lancashire Declaration have approved the amendment and shall be recorded in the Office of the Recorder of Hamilton County, Indiana, and such amendment shall not become effective until so recorded.

(g) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners, Lancashire Corporation, the Lancashire Board of Directors, any Mortgagees or any other person at any time prior to the Applicable Date to amend or supplement this Lancashire Declaration from time to time if (i) such amendment or supplement is necessary to conform this Lancashire Declaration to the Act, as amended from time to time, or (ii) such amendment or supplement is made to implement expansion of the Lancashire Property and Lancashire at Oak Manor Condominiums pursuant to Declarant's reserved rights to expand the same as set forth in Paragraph 21 hereof, or (iii) such amendment is necessary to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing & Urban Development, the Federal Housing Association, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities or (iv) such amendment is necessary to correct clerical or typographical errors or to clarify Declarant's original intent or (v) such amendment is necessary to implement any changes in Lancashire at Oak Manor Condominiums permitted to be made by Declarant under this Lancashire Declaration or (vi) such amendment is necessary to more

equitably provide for assessments where Condominium Units have special features such as elevators and Garage Units.

(h) Special Requirements. Notwithstanding anything to the contrary contained herein, unless specifically controlled by a more restrictive provision under Indiana law or contained herein, Lancashire Corporation shall not, without the prior written notice to all Mortgagees and the prior written consent of at least two-thirds (2/3) of the Mortgagees (based upon one vote for each mortgage owned of the Condominium Units) and of the Owners (other than Declarant) be entitled to:

(i) by act or omission, seek to abandon or terminate the Lancashire Property from the Act;

(ii) change the pro rata interest or obligations of any individual Condominium Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Condominium Unit in the Lancashire Common Areas;

(iii) partition or subdivide any Condominium Unit;

(iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Lancashire Common Areas (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Lancashire Common Areas shall not be deemed a transfer within the meaning of this clause);

(v) use hazard insurance proceeds for losses to any part of the Lancashire Property (whether to Condominium Units or to Lancashire Common Areas) for other than the repair, replacement or reconstruction of such Lancashire Property, except as provided in Paragraph 16 of this Lancashire Declaration in case of substantial damage to the Condominium Units.

(i) HUD Approval. Notwithstanding anything elsewhere contained herein or in any other document, so long as HUD insures any mortgage on any Condominium Unit, HUD shall have the right to review and approve amendments or changes to the Lancashire Declaration and related documents relating to the expansion of Lancashire at Oak Manor Condominiums.

19. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Condominium Units shall be subject to and shall comply with the provisions of this Lancashire Declaration, the Act, the Lancashire By-Laws appended hereto, and the rules and regulations as adopted by the Lancashire Board of Directors as each may be amended or supplemented from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Condominium Unit shall constitute an agreement that the provisions of this Lancashire Declaration, the Act, the Lancashire By-Laws and rules and regulations as each may be amended or supplemented from time to time are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Condominium Unit or the Lancashire

Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Condominium Unit or Condominium Units or any part of the Lancashire Property in any manner shall be subject to the Lancashire Declaration, the Act, the Lancashire By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

20. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, (including but not limited to damage caused by any pet or any automobile) to the extent that such expense is not covered by the proceeds of insurance carried by Lancashire Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Condominium Unit, Garage Unit(s), or its appurtenances or of the Lancashire Common Areas or Lancashire Limited Areas.

21. Expandable Condominium and Declarant's Reserved Rights. Lancashire at Oak Manor Condominiums is and shall be an "expandable condominium," as defined in the Act, and Declarant expressly reserves the right and option to expand the Lancashire Property and Lancashire at Oak Manor Condominiums in accordance with the provisions of the Act and the following provisions:

(a) The real estate described and defined herein as the Lancashire Tract (in Paragraph B of the introductory recitals of this Lancashire Declaration) is the real estate being subjected to the Lancashire at Oak Manor Condominiums by this Lancashire Declaration and constitutes the first phase of the general plan of development of the Lancashire Real Estate. The balance of the Lancashire Real Estate is the area into which expansion of Lancashire at Oak Manor Condominiums may be made by Declarant. The maximum number of Condominium Units which may be developed on the Lancashire Real Estate, including Condominium Units on the Lancashire Tract as defined in this original Declaration, shall be two hundred sixteen (216). Subject to said limit as to the maximum number of Condominium Units to be developed on the Lancashire Real Estate, Lancashire at Oak Manor Condominiums may be expanded by Declarant to include additional portions of the Lancashire Real Estate in one (1) or more additional phases by the execution and recording of one (1) or more amendments or supplements to this Lancashire Declaration; provided, however, that no single exercise of such right and option of expansion as to any part or parts of the Lancashire Real Estate shall preclude Declarant from thereafter from time to time further expanding the Lancashire Tract to include other portions of the Lancashire Real Estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Lancashire Real Estate so long as such expansion is done on or before December 31, 2016. Such expansion is entirely at the discretion of Declarant and nothing contained in this original Lancashire Declaration or otherwise shall require Declarant to expand Lancashire at Oak Manor Condominiums beyond the Lancashire Tract (as defined and described in Paragraph B of the introductory recitals of this Lancashire Declaration) or any other portions of the Lancashire Real Estate which Declarant may voluntarily and in its sole discretion from time to time subject to this Lancashire Declaration by amendments or supplements to this Lancashire Declaration as provided above. Any Condominium Units constructed in such

expansion area shall be consistent with the quality of construction of the Condominium Units constructed in the previous phases. Prior to expansion to an additional phase, the improvements in such expansion phase shall be substantially complete.

(b) The Percentage Interest which will appertain to each Condominium Unit in Lancashire at Oak Manor Condominiums as Lancashire at Oak Manor Condominiums may be expanded from time to time by Declarant in accordance with the terms hereof (including the Percentage Interest which appertains to each of the Condominium Units included in this original Lancashire Declaration) shall be equal to the square footage of the Condominium Unit divided by the total square footage of all the Condominium Units which, from time to time, have been subjected and submitted to this Lancashire Declaration and then constitute a part of Lancashire at Oak Manor Condominiums.

(c) Simultaneously with the recording of amendments or supplements to this Lancashire Declaration expanding Lancashire at Oak Manor Condominiums, Declarant shall record new Lancashire Plans as required by the Act. Such amendments or supplements to this Lancashire Declaration shall also include provisions reallocating Percentage Interests so that the Condominium Units depicted on such new Lancashire Plans shall be allocated Percentage Interests in the Lancashire Common Areas on the same basis as the Condominium Units depicted in the prior Lancashire Plans. Such reallocation of Percentage Interests shall vest when the amendment or supplement to the Lancashire Declaration incorporating those changes has been recorded.

(d) When the amendment or supplement to the Lancashire Declaration incorporating the addition of Condominium Units or expansion of Lancashire Common Areas, or both, is recorded, all liens including, but not limited to, mortgage liens shall be released as to the Percentage Interests in the Lancashire Common Areas described in the Lancashire Declaration and shall attach to the reallocated Percentage Interests in the Lancashire Common Areas as though the liens had attached to those Percentage Interests on the date of the recordation of the mortgage or other lien. The Percentage Interest appertaining to additional Condominium Units being added by the amendment or supplement to the Lancashire Declaration are subject to mortgage liens upon the recordation of the amendment or supplement to the Lancashire Declaration.

In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Lancashire Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such amendment or supplement to this Lancashire Declaration recorded pursuant to this Paragraph 21. Each deed, mortgage or other instrument with respect to a Condominium Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to said attorney-in-fact and shall be deemed to reserve to said attorney-in-fact the power to shift and reallocate from time to time the percentages of ownership in the Lancashire Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such recorded amendment or supplement to this Lancashire Declaration.

Each Owner of a Condominium Unit by acceptance of a deed thereto, further acknowledges, consents and agrees, as to each such amendment or supplement to this Lancashire Declaration that is recorded as follows:

(i) The portion of the Lancashire Real Estate described in each such amendment or supplement to this Lancashire Declaration shall be governed in all respects by the provisions of this Lancashire Declaration.

(ii) The Percentage Interest in the Lancashire Common Areas appurtenant to each Condominium Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded amendment or supplement to this Lancashire Declaration and upon the recording of each such amendment or supplement to this Lancashire Declaration, shall thereby be deemed to be released and divested from such Owner and reconveyed and reallocated among the other Owners as set forth in each such recorded amendment or supplement to this Lancashire Declaration.

(iii) Each deed, mortgage or other instrument affecting a Condominium Unit shall be deemed given subject to the conditional limitation that the Percentage Interest in the Lancashire Common Areas appurtenant to each Condominium Unit shall, upon the recording of each amendment or supplement to this Lancashire Declaration be divested pro tanto to the reduced percentage set forth in such amendment or supplement to this Lancashire Declaration and vested among the other Owners, mortgagees and others owning an interest in the other Condominium Units in accordance with the terms and percentages of each such recorded amendment or supplement to this Lancashire Declaration.

(iv) A right of revocation is hereby reserved by the grantor in each such deed, mortgage or other instrument of a Condominium Unit to so amend and reallocate the Percentage Interest in the Lancashire Common Areas appurtenant to each Condominium Unit.

(v) The Percentage Interest in the Lancashire Common Areas appurtenant to each Condominium Unit shall include and be deemed to include any additional Lancashire Common Areas included in land to which Lancashire at Oak Manor Condominiums is expanded by a recorded amendment or supplement to this Lancashire Declaration and each deed, mortgage or other instrument affecting a Condominium Unit shall be deemed to include such additional Lancashire Common Areas and the ownership of any such Condominium Unit and lien of any such mortgage shall automatically include and attach to such additional Lancashire Common Areas as such amendments or supplements to this Lancashire Declaration are recorded.

(vi) Each Owner shall have a perpetual easement, appurtenant to his Condominium Unit for the use of any such additional Lancashire Common Areas described in any recorded amendment or supplement to this Lancashire Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners (also known as Lancashire Limited Areas) of specific Condominium Units as may be provided in any such amendment or supplement to this Lancashire Declaration.

(vii) The recording of any such amendment or supplement to this Lancashire Declaration shall not alter the amount of the lien for expenses assessed to or against a Condominium Unit prior to such recording.

(viii) Each Owner, by acceptance of the deed conveying his Condominium Unit, agrees for himself and all those claiming under him, including mortgagees, that this Lancashire Declaration and each amendment or supplement to this Lancashire Declaration are and shall be deemed to be in accordance with the Act and for purposes of this Lancashire Declaration and the Act, any changes in the respective Percentage Interest in the Lancashire Common Areas as set forth in each such amendment or supplement to this Lancashire Declaration shall be deemed to be made by agreement of all Owners.

(ix) Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Paragraph 21 to comply with the Act as it may be amended from time to time.

22. Granting of Easements. The Lancashire Board of Directors is granted the authority to grant easements to utility companies (excluding transportation companies but including cable TV and satellite TV companies) upon such terms and conditions and for such consideration as it deems appropriate.

23. Reservation of Rights to the Use of the Lancashire Common Areas.

(a) If, at any time, and from time to time, any portion of the Lancashire Real Estate has not been subjected and submitted to this Lancashire Declaration or to the Act by an amendment or supplement to this Lancashire Declaration and the owner or owners of such portion or portions of the Lancashire Real Estate not so subjected to the Lancashire Declaration or to the Act develop single or multi-family dwelling units on such portions then the owner or owners of such portions of the Lancashire Real Estate shall have the benefit of the Lancashire Common Areas or portions thereof, to include the roads, the recreational facilities and associated facilities, for the use of the persons and families living in such dwelling units upon the same terms and conditions as the use of such Lancashire Common Areas by the owners of the Condominium Units, their families and guests. The owner or owners of such portions of the Lancashire Real Estate shall then pay for the use of such facilities based on the cost of operation and maintenance of such facilities for the year of such usage and based on the number of living units so entitled to utilize such facilities in proportion to all of the living units on the Lancashire Real Estate. The owner or owners of such living units shall make payments for the usage provided herein to Lancashire Corporation at the same time as the Owners of the Condominium Units pay their assessments to Lancashire Corporation.

(b) Declarant shall have, and hereby reserves, an easement over, across, upon, along, in, through and under the Lancashire Common Areas and, to the extent necessary, the Lancashire Limited Areas, for the purposes of installing, maintaining, repairing, replacing, relocating and otherwise servicing utility equipment, facilities and installations to serve the Lancashire Property and any portions of the Lancashire Real Estate which are not part of the Lancashire Property, to provide access to and ingress and egress to and from the Lancashire

Property and to any such portions of the Lancashire Real Estate which are not part of the Lancashire Property, to make improvements to and within the Lancashire Property and any such portions of the Lancashire Real Estate which are not part of the Lancashire Property, to use the Lancashire Property for marketing purposes for Lancashire at Oak Manor Condominiums and other condominium projects which are being developed by Declarant and to provide for the rendering of public and quasi-public services to the Lancashire Property and such portions of the Lancashire Real Estate which are not part of the Lancashire Property.

24. Easement for Utilities and Public and Quasi Public Vehicles. All public and quasi public vehicles, including, but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles and privately owned delivery vehicles, shall have the right to enter upon the streets, Lancashire Common Areas and Lancashire Limited Areas of Lancashire at Oak Manor Condominiums in the performance of their duties. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to water, sewers, gas, telephones, television, data transmission services and electricity on the Lancashire Property; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines, or other lines and utilities, except as initially designed and approved by Declarant or as thereafter may be approved by the Lancashire Board of Directors. By virtue of this easement the electric, television, data transmission services and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Lancashire Property and to affix and maintain electric, telephone, television, data transmission and other necessary wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Buildings.

25. Initial Management. As set forth in the Lancashire By-Laws, the Lancashire Initial Board of Directors consists and will consist of persons selected by Declarant. Such Lancashire Board of Directors may enter into a management agreement with a professional property management agent for a term not to exceed one (1) year with either party having the right to terminate upon ninety (90) days notice, under which the management company will provide supervision, fiscal and general management and maintenance of the Lancashire Common Areas and, to the extent the same is not otherwise the responsibility of Owners of individual Condominium Units, the Lancashire Limited Areas, and, in general, perform all of the duties and obligations of Lancashire Corporation. Such management agreement may be renewed by the parties for additional terms of one (1) year. In the event no management agreement exists because of termination or otherwise, Lancashire Corporation shall thereupon and thereafter resume performance of all the management duties, obligations and functions. Notwithstanding anything to the contrary contained herein prior to the Applicable Date, Declarant shall have, and Declarant hereby reserves to itself, the exclusive right to manage the Lancashire Property and to perform all the functions of Lancashire Corporation. Prior to the Applicable Date, the management company for Lancashire Corporation shall be the same as the management company for the Master Corporation, unless otherwise approved by the Declarant.

26. Dispute Resolution

(a) Introduction

The Lancashire Corporation, Master Corporation, Owners, Declarant, and all persons subject to this Declaration (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving matters such as the initial construction and development of the Master Tract or Lancashire Tract, the repair, restoration or replacement of the Master Tract or Lancashire Tract, contributions to the Master Regular Assessments, Lancashire Regular Assessments, Master Replacement Reserve, Lancashire Replacement Reserve, and working capital fund, and the budget, including Master Common Expense and Lancashire Common Expense. To that end, and to avoid the financial and emotional costs associated with litigation, the Parties agree that should a Claim (as defined below) arise out of or be in relation to the Master Tract, Lancashire Tract or any Governing Documents (as defined below), and the Parties are unable to resolve the Claim through direct discussion, the Parties shall attempt in good faith to resolve the Claim promptly by mediation between the Parties. If the mediation does not prove successful, either Party may seek to resolve the Claim through binding arbitration. Accordingly, each Party covenants and agrees that this Article applies to all Claims.

(b) Definitions

- (i) "Claim" means any grievance or dispute between Parties involving the Master Tract, Lancashire Tract or Governing Documents, except Exempt Claims as they are defined below. "Claims" include, without limitation:
 - A. Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents.
 - B. Claims relating to the rights and/or duties of Parties under the Governing Documents.
 - C. Claims relating to the design, construction, or maintenance of the Master Tract and Lancashire Tract.
- (ii) "Claimant" means any Party having a Claim against any other Party.
- (iii) "Exempt Claims" refers to grievances or actions which are exempt from this Article, "Exempt Claims" include:
 - A. The Master Corporation or Lancashire Corporation's claim for Assessments due from an Owner (other than Declarant), and any action by the Master Corporation or Lancashire Corporation to collect Assessments from an Owner (other than Declarant).
 - B. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief to maintain the status quo and preserve the Party's ability to enforce the provisions of this Lancashire Declaration.
 - C. Enforcement of the easements, architectural control and use restrictions of this Lancashire Declaration or the Master Declaration.

D. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

E. A dispute that is subject to alternate dispute resolution - such as mediation or arbitration - by the terms of applicable law or another instrument, such as a contract or warranty agreement, in which case the dispute is exempt from this Article, unless the Parties agree to have the dispute governed by this Article.

(iv) "Respondent" means any Party responding to a Claim.

(v) "Governing Documents" means, singly or collectively as the case may be, this Lancashire Declaration, the Master Declaration, the Condominium Plans, the Plat, the Lancashire Bylaws, the Lancashire Articles, the Master Articles and the Master By-Laws, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document.

(c) Mediation

(i) Notice. Claimant must notify Respondent of his demand for mediation of his Claim in writing (the "Claim Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Governing Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Claim Notice is given pursuant to this Section. The Claim Notice for mediation may be made concurrently with the filing of a demand for arbitration (as provided in sub-paragraph (d) below), but in such event mediation shall proceed in advance of binding arbitration, and the binding arbitration shall not commence until the mediation process has completely concluded.

(ii) Location of Mediation. The location of any mediation will be Hamilton County, Indiana.

(iii) Choice of Mediator. Once a Respondent receives a Claim Notice, the Respondent will have twenty (20) days to respond to the Claimant's Claims. Within ten (10) days after the Respondent submits his response, both Parties must also exchange a list of five (5) acceptable mediators. The mediation will be conducted by a single mediator mutually agreed to by the Parties from the mediator list. If the Parties do not have a mutually agreeable mediator on their lists, the Parties will have to reach an agreement upon a mediator with the only requirement being that the mediator must have experience serving as a mediator and must have technical

knowledge or expertise appropriate to the subject matter of the Claim. The Parties will have ten (10) days to agree to a mediator after the lists have been exchanged.

- (iv) **Role of Mediator.** Once the date of the first formal mediation session is set, the mediator may require the Parties to submit (a) a mediation statement clarifying the disputed issues, as well as each Party's position and a summary of arguments supporting that position, and (b) the name and title of the person or persons who will attend and have authority to make settlement decisions binding on the respective Parties. At all times during the mediation process, the mediator will maintain impartiality, though he may give his views, opinions or settlement proposals as a means to move the dispute toward resolution. However, the mediator's views, opinions, and settlement proposals shall not be deemed to be legal advice. Information exchanged during the mediation is confidential unless it otherwise would be discoverable or admissible at another legal proceeding.
- (v) **Waiver of Mediation.** If Claimant does not submit the required list of mediators, cannot reach an agreement with Respondent as to an acceptable mediator within the ten days after the lists of mediators have been exchanged, ever fails to attend a formal mediation session, or in any other way fails to participate in the mediation process, the Claimant will be deemed to have waived the Claim and the Respondent will be released and discharged from any and all liability to Claimant on account of the Claim.
- (vi) **Enforcement of Resolution.** Any settlement of a Claim through initial negotiation or subsequent mediation will be documented in writing and signed by the Parties. Any settlement agreement that they may enter into during the mediation process is fully binding and enforceable by any Court with jurisdiction of the Claim. Thus, if any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Section. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.
- (vii) **Termination of Mediation.** If the Parties do not settle the Claim within sixty (60) days after the Claim Notice, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may make a demand for binding arbitration if the Claimant did not already simultaneously make one at the time that the Claimant made a demand for mediation.
- (viii) **Partial Resolution of Claims.** If the Parties were able to resolve some, but not all, of the Claims at issue at the mediation, then the issues that were resolved will be documented in writing and signed by the Parties as provided in sub-paragraph (vi)

above. These claims will not be at issue in the binding arbitration and shall be enforced in the same manner as discussed in sub-paragraph (vi) above.

- (ix) Allocation of Costs. Except as otherwise provided in this sub-paragraph (ix), each Party bears all of its own costs incurred prior to and during the proceedings

described above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

(d) Arbitration

- (i) Matters to be Submitted to Binding Arbitration. Any Claim which would be subject to mediation as set forth in this Article 26 is also subject to binding arbitration.
- (ii) Initiation of Claim. Arbitration of any Claim shall be initiated by a Claimant making a written demand therefor after all attempts at a meaningful mediation have failed. The demand for arbitration shall take the same form as the Claim Notice set forth in sub-paragraph (c)(i) above. As discussed above, a Claimant can simultaneously demand mediation and arbitration, but the demand for arbitration must be held in abeyance until the mediation process has been completed.
- (iii) Location of Arbitration. The location of any arbitration will be in Hamilton County, Indiana.
- (iv) Selection of Arbitration. Unless otherwise agreed to in writing by the parties to the arbitration, the Claimant and Respondent shall each choose one arbitrator. These two (2) arbitrators will, in turn, then agree upon a third arbitrator.
- (v) Arbitration Procedures. The arbitrators shall commence hearings within thirty (30) days of the initiation of the arbitration process. Prior to the hearings, Claimant or Respondent may send out requests to compel document production from the other Party. Disputes concerning the scope of document production and enforcement of the document requests shall be subject to agreement by the Parties or may be ordered by the arbitrators to the extent reasonable. When rendering a decision, the arbitrators may base such decision only on the facts presented in the course of arbitration and shall not modify or amend the provisions of any Governing Document. Subject to the other terms hereof, if a Party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the Claim upon evidence produced by the appearing Party.
- (vi) Applicable Rules. Notwithstanding any other provisions of the Governing Documents, the foregoing agreement to arbitrate shall be subject to the rules set forth in the Federal Arbitration Act. Except where contrary to the provisions set

forth in the Governing Documents, the arbitrator shall apply the rules set forth in the Federal Arbitration Act to the arbitration of any Claim. However, the parties may agree in writing to any additions, deletions or changes to the applicable arbitration rules.

The foregoing agreement to arbitrate does not constitute any agreement or consent to arbitrate any Claim not described in this Section or with any person not named or described herein. Any arbitration proceeding initiated under the terms of this Section may, at the request of either the Parties may be joined or consolidated with other arbitration proceedings involving additional parties if the Claim and the subject of such other proceedings arise out of common or interrelated factual occurrences.

- (vii) **Binding Arbitration.** THIS LANCASHIRE DECLARATION CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES. Any award of the arbitrator shall be final and binding upon the Parties and judgment thereon shall be entered by any court having jurisdiction.
- (viii) **Costs.** The arbitration costs shall be borne equally by the Parties, except that each Party shall be responsible for its own expenses.

(e) **Declarant's Right to Cure.** INDIANA CODE SECTION 32-27-3 CONTAINS IMPORTANT REQUIREMENTS THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER MUST FOLLOW BEFORE THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST DECLARANT. SIXTY (60) DAYS BEFORE THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER FILES A LAWSUIT, THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER MUST DELIVER TO DECLARANT A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER ALLEGES ARE DEFECTIVE AND PROVIDE DECLARANT THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER IS NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY DECLARANT. HOWEVER, IF THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER UNREASONABLY REJECTS A REASONABLE WRITTEN OFFER AND COMMENCES AN ACTION AGAINST DECLARANT, A COURT MAY AWARD ATTORNEY'S FEES AND COSTS TO DECLARANT. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER INDIANA STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT THE MASTER CORPORATION, LANCASHIRE CORPORATION OR AN OWNER ABILITY TO FILE A LAWSUIT.

THE PARTIES AGREE THAT THE FOREGOING RIGHT TO CURE SHALL APPLY TO ANY CLAIM RELATED TO DEFECTIVE CONSTRUCTION. PRIOR TO PROVIDING A CLAIM NOTICE FOR MEDIATION OR ARBITRATION OR ATTEMPTING TO COMMENCE A LAWSUIT RELATED TO DEFECTIVE CONSTRUCTION, SUCH PARTY SHALL COMPLY WITH THE REQUIREMENTS OF THIS SUBPARAGRAPH (e).

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

28. Waiver. No Owner may exempt himself from liability for his contribution toward the Lancashire Common Expenses by waiver of the use or enjoyment of any of the Lancashire Common Areas or Lancashire Limited Areas or by abandonment of his Condominium Unit.

29. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provisions of this Lancashire Declaration or the Lancashire By-Laws filed herewith shall not impair or affect in any manner the validity, enforceability or affect the rest of this Lancashire Declaration or the attached Lancashire By-Laws.

30. Enforcement. The provisions of this Lancashire Declaration, the Lancashire By-Laws, the Lancashire Articles of Incorporation or the Statute may be enforced by Lancashire Corporation or by any aggrieved Owner through court proceedings for injunctive relief, for damages or for both.

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

32. Floor Plans. The Lancashire Plans setting forth the layout, location, identification numbers, and dimensions of the Condominium Units and the Lancashire Property are incorporated into this Lancashire Declaration by reference, and have been filed in the Office of the Recorder of Hamilton County, Indiana, in Condominium Plan File PC4 Slide 293, as Instrument No. 2007-022070

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

HILLS HOMES OF INDIANA, LLC, an Indiana limited liability company, formerly known as CREEKSIDE CROSSING, LLC, an Indiana limited liability company, successor by merger to HILLS OAK MANOR, LLC, an Indiana limited liability company

By: _____
Ian Guttman, Vice-President

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

Before me, a Notary Public in and for said County and State, personally appeared Ian Guttman, by me known and by me known to be the Vice-President of Hills Homes of Indiana, LLC, who acknowledged the execution of the foregoing "Declaration of Condominium Ownership" on behalf of said entity.

Witness my hand and Notarial Seal this _____ day of March, 2007.

Notary Public

(Printed Signature)

My Commission Expires: _____
My County of Residence: _____

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

Tammy K. Haney

This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans LLP, 301 Pennsylvania Parkway, Suite 300, Indianapolis, Indiana 46280.

CONSENT OF MORTGAGEE

The undersigned, Hills Financial Group, a Limited Partnership, an Ohio Limited Partnership, being the holder of an existing mortgage and other security on the real estate described in the above and foregoing Declaration of Condominium Ownership for Lancashire at Oak Manor Condominiums (the "Lancashire Declaration") as follows:

See Exhibit A to Lancashire Declaration

hereby consents to the recording of the above and foregoing Lancashire Declaration, and further agrees that its mortgage and other security with respect to the Lancashire Real Estate shall be subject to the foregoing Lancashire Declaration, Exhibits attached thereto and the documents incorporated therein; provided, however, except and to the extent that the mortgage and other security are modified by this Consent, such mortgage and other security shall remain in full force and effect.

EXECUTED this ____ day of March, 2007.

HILLS FINANCIAL GROUP, A LIMITED
PARTNERSHIP

By: _____
Ian Guttman, Vice-President

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

Before me, a Notary Public in and for said County and State, personally appeared Ian Guttman, by me known and by me known to be the Vice-President of Hills Financial Group, an Ohio Limited Partnership, who acknowledged the execution of the foregoing Declaration of Condominium Ownership for Lancashire at Oak Manor Condominiums on behalf of said entity.

WITNESS my hand and Notarial Seal this ____ day of March, 2007.

My Commission Expires:

Notary Public - Signature

My County of Residence:

Notary Public - Printed



The Schneider Corp.
5250 East U.S. 36
Building 1000
Avon, Indiana 46123
317-745-9828
317-745-9873 FAX
www.schneidercorp.com

Architecture
Civil Engineering
Environmental Engineering
Geotechnical Services
GIS • L&S
Home Builder Services
Interior Design
Land Surveying
Landscape Architecture
Transportation Engineering

LAND DESCRIPTION

A part of the West Half of Section 5, Township 18 North, Range 4 East of the 2nd Principal Meridian, Washington Township, Hamilton County, Indiana, being described as follows:
Commencing at the northwest corner of the Northwest Quarter of said Section 5; thence South 00 degrees 03 minutes 28 seconds East (bearing based on previous survey by the Schneider Corporation Job number 4134-00) on an assumed bearing) along the West line of said Northwest Quarter a distance of 977.53 feet to the northwest corner of the South Half of said Northwest Quarter; thence South 88 degrees 00 minutes 37 seconds East along the North line of said South Half a distance of 615.41 feet to the Point of Beginning; thence continuing South 89 degrees 00 minutes 37 seconds East along said North line a distance of 847.65 feet; thence South 04 degrees 45 minutes 58 seconds West a distance of 182.83 feet; thence South 87 degrees 28 minutes 58 seconds East a distance of 53.03 feet; thence South 37 degrees 00 minutes 51 seconds West a distance of 38.91 feet; thence South 10 degrees 29 minutes 04 seconds East a distance of 144.48 feet; thence South 43 degrees 04 minutes 58 seconds East a distance of 98.33 feet; thence South 25 degrees 08 minutes 19 seconds East a distance of 173.90 feet; thence South 25 degrees 12 minutes 13 seconds West a distance of 132.26 feet; thence South 32 degrees 18 minutes 21 seconds East a distance of 84.22 feet; thence South 46 degrees 28 minutes 24 seconds East a distance of 182.52 feet; thence South 07 degrees 58 minutes 38 seconds East a distance of 163.83 feet; thence South 13 degrees 12 minutes 09 seconds East a distance of 22.57 feet; thence North 88 degrees 45 minutes 21 seconds West a distance of 343.86 feet; thence South 01 degree 11 minutes 08 seconds East a distance of 120.58 feet to a non-tangent curve to the left having a radius of 825.00 feet, the radius point of which bears South 01 degree 11 minutes 09 seconds West from said radius point; thence South 71 degrees 43 minutes 08 seconds West a distance of 83.79 feet to a tangent curve to the right having a radius of 25.00 feet, the radius point of which bears North 88 degrees 15 minutes 54 seconds West; thence westerly northerly and northerly along said curve an arc distance of 158.56 feet to a point which bears North 18 degrees 18 minutes 54 seconds West from said radius point; thence North 14 degrees 30 minutes 53 seconds West a distance of 112.58 feet; thence South 78 degrees 07 minutes 28 seconds West a distance of 50.00 feet; thence North 14 degrees 20 minutes 53 seconds West a distance of 18.73 feet to a tangent curve to the right having a radius of 1225.00 feet, the radius point of which bears North 75 degrees 29 minutes 07 seconds East; thence northerly along said curve an arc distance of 263.57 feet to a point which bears South 87 degrees 48 minutes 48 seconds West from said radius point; thence South 87 degrees 01 minutes 54 seconds West a distance of 426.81 feet; thence North 08 degrees 58 minutes 18 seconds West a distance of 84.12 feet; thence North 00 degrees 00 minutes 00 seconds East a distance of 112.98 feet to a point on a non-tangent curve to the left having a radius of 40.00 feet, the radius point of which bears North 80 degrees 07 minutes 17 seconds West; thence northerly along said curve an arc distance of 8.88 feet to a point which bears North 78 degrees 02 minutes 18 seconds East from said radius point; thence North 11 degrees 57 minutes 41 seconds West a distance of 61.47 feet to a tangent curve to the right having a radius of 130.00 feet, the radius point of which bears North 78 degrees 02 minutes 18 seconds East; thence northerly along said curve an arc distance of 27.14 feet to a point which bears North 80 degrees 00 minutes 00 seconds West from said radius point; thence North 00 degrees 00 minutes 00 seconds East a distance of 58.25 feet to a tangent curve to the right having a radius of 130.00 feet, the radius point of which bears South 80 degrees 00 minutes 00 seconds East; thence northerly along said curve an arc distance of 18.38 feet to a point which bears North 88 degrees 28 minutes 27 seconds West from said radius point; thence North 04 degrees 34 minutes 33 seconds East a distance of 264.78 feet to a tangent curve to the left having a radius of 170.00 feet, the radius point of which bears North 85 degrees 25 minutes 27 seconds West; thence northerly along said curve an arc distance of 13.58 feet to a point which bears South 90 degrees 00 minutes 00 seconds East from said radius point; thence North 00 degrees 00 minutes 00 seconds East a distance of 188.08 feet to the Point of Beginning, containing 22.62 acres, more or less.

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EXHIBIT A

Page 1 of 2

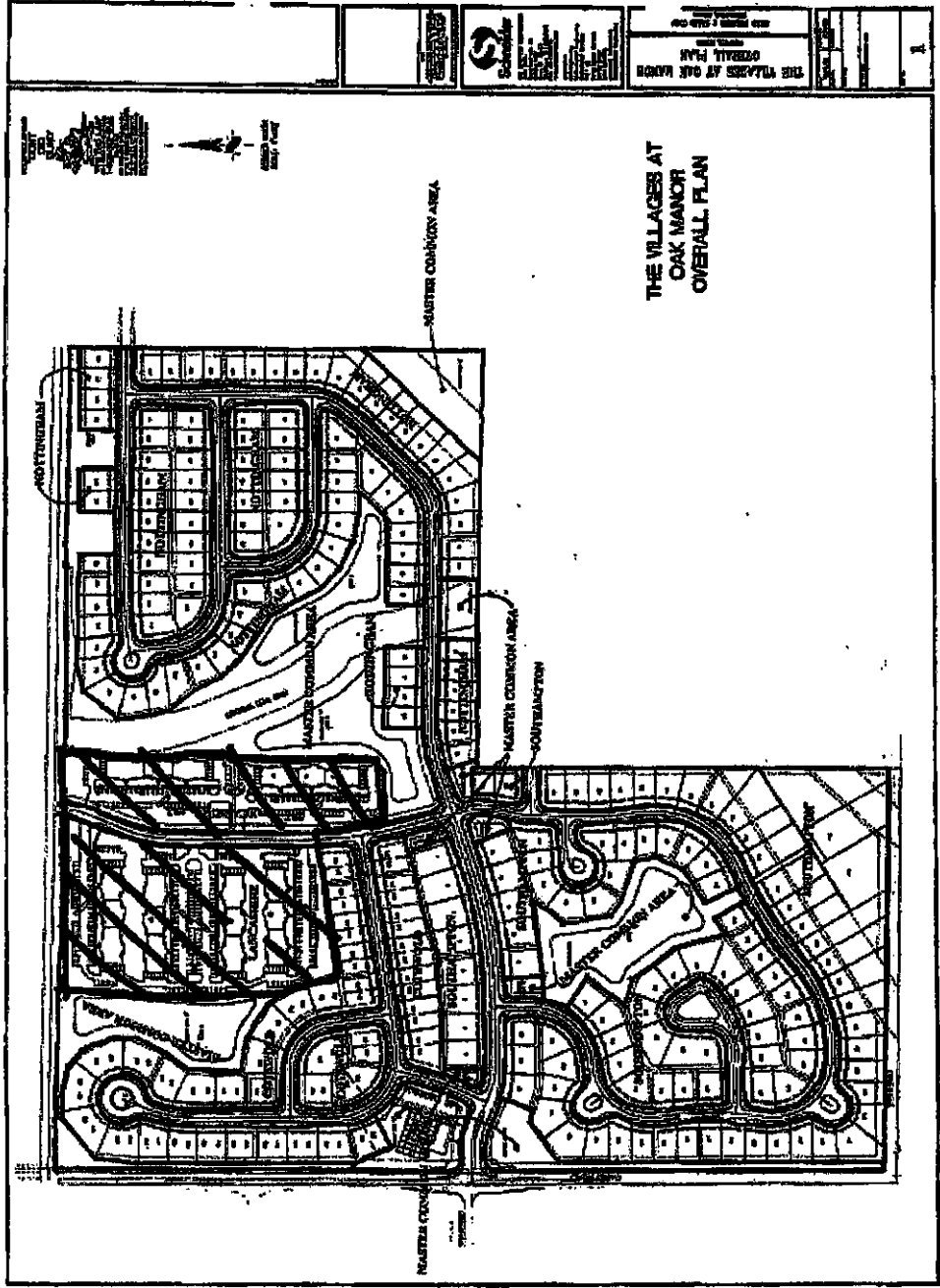


EXHIBIT A

EXHIBIT B

**Lancashire Tract
(Lancashire Phase 1)**

Block "A" as shown in the Secondary Plat of THE VILLAGES OF OAK MANOR Section 1 as recorded in Instrument #2006 000 47128, in the Office of the Recorder of Hamilton County, Indiana, being a part of the Northwest Quarter of Section 5, Township 18 North, Range 4 East, in the Town of Westfield, Washington Township, Hamilton County, Indiana.

EXHIBIT C

Lancashire at Oak Manor Condominiums
Percentage Interest

<u>Building No.</u>	<u>Address</u>	<u>Unit</u>	<u>Square Footage</u>	<u>Percentage Interest</u>
1	17261 Gunther Blvd.	101A	1,406	.0293
1	17263 Gunther Blvd.	102A	1,406	.0293
1	17267 Gunther Blvd.	103A	1,496	.0312
1	17265 Gunther Blvd.	104A	1,496	.0312
1	17231 Gunther Blvd.	101B	1,095	.0228
1	17233 Gunther Blvd.	102B	1,382	.0288
1	17237 Gunther Blvd.	103B	1,095	.0228
1	17235 Gunther Blvd.	104B	1,095	.0228
1	17201 Gunther Blvd.	101C	1,095	.0228
1	17203 Gunther Blvd.	102C	1,343	.0280
1	17207 Gunther Blvd.	103C	1,406	.0293
1	17205 Gunther Blvd.	104C	1,405	.0293
1	17271 Gunther Blvd.	205A	1,495	.0312
1	17273 Gunther Blvd.	206A	1,495	.0312
1	17277 Gunther Blvd.	207A	1,495	.0312
1	17275 Gunther Blvd.	208A	1,495	.0312
1	17241 Gunther Blvd.	205B	1,095	.0228
1	17243 Gunther Blvd.	206B	1,382	.0288
1	17247 Gunther Blvd.	207B	1,095	.0228
1	17245 Gunther Blvd.	208B	1,095	.0228
1	17211 Gunther Blvd.	205C	1,095	.0228
1	17213 Gunther Blvd.	206C	1,379	.0288
1	17217 Gunther Blvd.	207C	1,495	.0312
1	17215 Gunther Blvd.	208C	1,495	.0312
1	17281 Gunther Blvd.	309A	1,495	.0312
1	17283 Gunther Blvd.	310A	1,495	.0312
1	17287 Gunther Blvd.	311A	1,495	.0312
1	17285 Gunther Blvd.	312A	1,495	.0312
1	17251 Gunther Blvd.	309B	1,095	.0228
1	17253 Gunther Blvd.	310B	1,382	.0288
1	17257 Gunther Blvd.	311B	1,095	.0228
1	17255 Gunther Blvd.	312B	1,095	.0228
1	17221 Gunther Blvd.	309C	1,095	.0228
1	17223 Gunther Blvd.	310C	1,379	.0288
1	17227 Gunther Blvd.	311C	1,495	.0312
1	17225 Gunther Blvd.	312C	1,495	.0312

TOTAL SQUARE FOOTAGE, PHASE I =

TOTAL PERCENTAGE, PHASE I = 100.00

2009015972 AMND DECL \$18.00
03/24/2009 08:08:47A 3 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

Cross Reference: Instrument Nos. 2007022069

**FIRST AMENDMENT
TO
DECLARATION OF CONDOMINIUM OWNERSHIP FOR
LANCASHIRE AT OAK MANOR CONDOMINIUMS
AND TO
CODE OF BY-LAWS
OF LANCASHIRE AT OAK MANOR CONDOMINIUMS
AND OF
LANCASHIRE AT OAK MANOR HOMEOWNERS ASSOCIATION, INC.**

This First Amendment to Declaration of Condominium Ownership for Lancashire at Oak Manor Condominiums and Code of By-Laws of Lancashire at Oak Manor Condominiums and of Lancashire at Oak Manor Homeowners Association, Inc. ("First Amendment") is made this 17th day of March, 2009.

WITNESSETH:

WHEREAS, on March 26, 2007 Hills Homes of Indiana, LLC, an Indiana limited liability company formerly known as Creekside Crossing, LLC, an Indiana limited liability company, successor by merger to Oak Manor, LLC, an Indiana limited liability company ("Declarant") executed a Declaration of Condominium Ownership for Lancashire at Oak Manor Condominiums which was recorded in the Office of the Recorder of Hamilton County, Indiana ("Recorder") on April 20, 2007 as Instrument No. 2007022069 (the "Declaration");

WHEREAS, the Code of By-Laws of Lancashire at Oak Manor Condominiums and of Lancashire at Oak Manor Homeowners Association, Inc. ("By-Laws") was adopted simultaneously with the execution of the Declaration and is attached and made a part thereof;

WHEREAS, Declarant desires to amend Section 5.08 of the By-Laws relating to initial funding of the Working Capital Fund; and

WHEREAS, Declarant is executing this First Amendment pursuant to Article VII of the By-Laws and Section 18 of the Declaration.

NOW, THEREFORE, the By-Laws are amended as follows:

1. The Recitals set forth above are hereby incorporated by reference. In the event of any inconsistency between the provisions of this First Amendment and the Declaration or the By-Laws, the terms and provisions of this First Amendment shall govern and

control. Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Declaration or By-Laws, as applicable.


2. Section 5.08. Working Capital Fund of the By-Laws is hereby deleted in its entirety and replaced with the following:

Section 5.08. Working Capital Fund. At the initial closing on the purchase of a Condominium Unit, the purchaser is required to pay a sum, established by Declarant, which sum shall not be less than one sixth (1/6) of the then current annual Lancashire Regular Assessment and Lancashire Additional Assessment (if applicable) due on such Condominium Unit nor greater than the current annual Lancashire Regular Assessment and Lancashire Additional Assessment (if applicable) due on such Condominium Unit, as such purchaser's initial contribution to the working capital of the Lancashire Corporation. This sum is not an advance payment of Lancashire Regular Assessments or Lancashire Additional Assessments (if applicable) and will not be held in any trust or reserve account. While the Declarant is in control of the Lancashire Corporation, Declarant cannot use any of the working capital funds to defray Declarant's expenses, reserve contributions, or construction costs. Such working capital funds shall be available for immediate use by and shall be used by the Lancashire Corporation for Lancashire Common Expenses. After control of the Lancashire Corporation is transferred to the Condominium Unit Owners, the Declarant shall be responsible to collect the initial contribution to the working capital account and forward such funds to the Lancashire Corporation.

3. All provisions of the Declaration and By-Laws not expressly modified or amended hereby remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Declarant has executed this First Amendment as of the day and year first above written.

HILLS HOMES OF INDIANA, LLC, an Indiana limited liability company formerly known as CREEKSIDE CROSSING, LLC, an Indiana limited liability company, successor by merger to OAK MANOR, LLC, an Indiana limited liability company

By: 
Printed: Ian Guttman
Title: Vice President

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

Before me, a Notary Public in and for the State of Ohio, personally appeared Ian Guttman, known to me to be the Vice President of Hills Homes of Indiana, LLC, an Indiana limited liability company formerly known as Creekside Crossing, LLC, an Indiana limited liability company, successor by merger to Oak Manor, LLC, an Indiana limited liability company, Declarant, who acknowledged the execution of the foregoing First Amendment on behalf of said limited liability company.



Witness my hand and seal this 17th day of March, 2009.

WENDY S. BASSMAN
Notary Public, State of Ohio
My Commission Expires
June 19, 2010

Wendy S. Bassman
Printed: Wendy S. Bassman
Notary Public

My Commission expires: June 19, 2010

My county of residence: Hamilton

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Tammy K. Haney

This Instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

CODE OF BY-LAWS
OF
LANCASHIRE AT OAK MANOR CONDOMINIUMS
AND OF
LANCASHIRE AT OAK MANOR
HOMEOWNERS ASSOCIATION, INC.

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**CODE OF BY-LAWS
OF
LANCASHIRE AT OAK MANOR CONDOMINIUMS
AND OF
LANCASHIRE AT OAK MANOR
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I.
Identification and Applicability**

Section 1.01. Identification and Adoption. These Lancashire By-Laws are adopted simultaneously with the execution of a certain Declaration (the "Lancashire Declaration") creating Lancashire at Oak Manor Condominiums (hereinafter sometimes referred to as "Lancashire at Oak Manor") to which these Lancashire By-Laws are attached and made a part thereof. The Lancashire Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Lancashire By-Laws. The definitions and terms as defined and used in the Lancashire Declaration shall have the same meaning in these Lancashire By-Laws and reference is specifically made to paragraph 1 of the Lancashire Declaration containing definitions of terms. The provisions of these Lancashire By-Laws shall apply to the Lancashire Property and the administration and conduct of the affairs of the Lancashire Corporation. These Lancashire By-Laws shall also constitute the Lancashire By-Laws of the Lancashire Corporation.

Section 1.02. **Name, Principal Office and Resident Agent.** The name of the homeowners association is Lancashire at Oak Manor Homeowners Association, Inc. (hereinafter referred to as the "Lancashire Corporation"). The post office address of the principal office of the Lancashire Corporation is Lancashire at Oak Manor Condominiums, 4901 Hunt Road, Suite 300, Cincinnati, Ohio, 45242. The name and post office address of its Resident Agent is Tammy K. Haney, Bose McKinney & Evans LLP, 301 Pennsylvania Parkway, Suite 300, Indianapolis, Indiana 46280. The location of the principal office of the Lancashire Corporation, or the designation of its Resident Agent, or both, may be changed at any time or from time to time when authorized by the Lancashire Board of Directors by filing with the Secretary of State on or before the day any such change is to take effect or as soon as possible after the death of its Resident Agent or other unforeseen termination of its agent.

Section 1.03. **Individual Application.** All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Lancashire Property, shall be subject to the restrictions, terms and conditions set forth in the Lancashire Declaration, these Lancashire By-Laws and the Act, and to any rules and regulations adopted by the Lancashire Board of Directors as herein provided.

**ARTICLE II.
Meetings of Lancashire Corporation**

Section 2.01. **Purpose of Meetings.** At least annually, and at such other times as may be necessary, a meeting of the Owners shall be held for the purpose of electing the Lancashire

Board of Directors (subject to the provisions of Section 3.02 hereof), receiving the annual budget, and for such other purposes as may be necessary or required by the Lancashire Declaration, these Lancashire By-Laws or the Act.

Section 2.02. Annual Meetings. The annual meeting of the members of the Lancashire Corporation shall be held in the first quarter in each calendar year. At the annual meeting the Owners shall (subject to the provisions of Section 3.02 hereof) elect the Lancashire Board of Directors of the Lancashire Corporation in accordance with the provisions of these Lancashire By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the members of the Lancashire Corporation may be called by resolution of the Lancashire Board of Directors or upon a written petition of Owners who represent twenty percent (20%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Lancashire Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meetings. All meetings of the members of the Lancashire Corporation shall be held at any suitable place in Hamilton County, Indiana, as may be designated by the Lancashire Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Lancashire Corporation to each member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise, and to Declarant at 4901 Hunt Road, Suite 300, Cincinnati, Ohio 45242. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Lancashire Corporation to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Lancashire Corporation with its name and address in accordance with Section 8.01 of these Lancashire By-Laws. Such Mortgagee may designate a representative to attend the meeting. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting and Conduct of Meetings.

(a) **Number of Votes.** On each matter coming before the meeting as to which an Owner is entitled to vote, such Owner shall be entitled to cast a vote equal to the Percentage Interest applicable to such Owner's Condominium Unit.

(b) **Multiple Owner.** Where the Owner of a Condominium Unit constitutes or consists of more than one person, or is a partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Condominium Unit. At the time of acquisition of title to a Condominium Unit by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Lancashire Corporation an irrevocable proxy appointing one of such persons or partners as the voting representative for such Condominium Unit, which shall remain in effect until all of such parties constituting such multiple Owner or the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in

writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Condominium Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.05, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Condominium Unit.

(c) 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 may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary of the Lancashire Corporation stating who is authorized to vote on behalf of said corporation or trust.

(d) Proxy. An Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his attorney-in-fact in writing, delivered to the Secretary of the Lancashire Corporation prior to the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Lancashire Declaration, these Lancashire By-Laws, the Act or the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Statute"), the Owners representing twenty percent (20%) of the Percentage Vote shall constitute a quorum at all meetings. The term 20% of Owners or 20% of Percentage Vote, as used in these Lancashire By-Laws, shall mean the Owners entitled to at least twenty percent (20%) of the Percentage Votes in accordance with the applicable percentage set forth in the Lancashire Declaration, as such may be amended from time to time.

(f) Conduct of Annual Meeting. The President of the Lancashire Corporation shall act as the Chairman of all annual meetings of the Lancashire Corporation if he is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Percentage Vote.

(2) Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Lancashire Corporation and answer relevant questions of the Owners concerning the Lancashire Common Expenses and financial report for the prior year and the proposed budget for the current year.

(3) Budget. The budget for the current fiscal year shall be presented to the Owners.

(4) Election of Lancashire Board of Directors. Nominations for the Lancashire Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Lancashire Corporation at least seven (7) days prior to the date of the annual meeting. Notwithstanding the

foregoing, nominations will be accepted at the annual meeting from those Owners in attendance at the annual meeting. Any such nominee must be eligible to serve as provided herein. Voting for the Lancashire Board of Directors will be by paper ballot. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The foregoing provisions are subject to the provisions of Section 3.02 hereof.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Lancashire Corporation at least seven (7) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote.

(6) Adjournment.

(g) Conduct of Special Meeting. The President of the Lancashire Corporation shall act as Chairman of any special meetings of the Lancashire Corporation if he is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be in consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III.

Lancashire Board of Directors

Section 3.01. Management. The affairs of the Lancashire Corporation and Lancashire at Oak Manor Condominiums shall be governed and managed by the Lancashire Board of Directors (herein collectively called "Lancashire Board" or "Directors" and individually called "Director"). The Lancashire Initial Board of Directors (as defined herein) shall be composed of three (3) persons (subject to the election of two (2) additional Directors as provided in Section 3.02); after the Applicable Date (as defined herein), the Lancashire Board of Directors shall be composed of five (5) persons (as further described in Section 3.04). No person shall be eligible to serve as a Director unless he is, or is deemed in accordance with the Lancashire Declaration to be, an Owner, including a person appointed by Declarant as provided in Section 3.02 hereof.

Section 3.02. Lancashire Initial Board of Directors. The initial Lancashire Board of Directors shall be Christopher M. Lebling, Sean Carney, and Kevin Junker (herein referred to as the "Lancashire Initial Board"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of, these Lancashire By-Laws or the Lancashire Declaration or the Act or elsewhere (a) the Lancashire Initial Board shall hold office until (1) December 31, 2016, or (2) the date Declarant files for record in the Office of the Recorder of Hamilton County, Indiana an instrument waiving or releasing its reserved right as set forth in paragraph 21 of the Lancashire Declaration to expand or further expand Lancashire at Oak Manor Condominiums, whichever of the above is earliest, or (3) at such earlier date as Declarant may determine, or (4) the date when seventy-five percent (75%) of all planned Condominium Units have been conveyed by Declarant to Owners (such date when the Lancashire Initial Board shall no longer hold office being herein referred to as the "Applicable Date") and (b) in the event of any vacancy or vacancies occurring in the Lancashire Initial Board for any reason or cause whatsoever, prior to the Applicable Date determined as

provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Lancashire Initial Board. Each Owner, by acceptance of a deed to a Condominium Unit, or by acquisition of any interest in a Condominium Unit by any type of juridic acts, inter vivos or causa mortis, or otherwise, shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote and to vote as Declarant determines on all matters as to which members are entitled to vote under the Lancashire Declaration, these Lancashire By-Laws, the Act, or otherwise. This appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same.

The President of the Lancashire Corporation shall call a special meeting as soon as possible after the date when parties to whom the Declarant has conveyed Condominium Units first hold twenty-five percent (25%) of the total Percentage Vote that would exist if the maximum number of Condominium Units that could be submitted to the Lancashire Declaration were so submitted. At such meeting, the Owners, other than the Declarant, shall elect a fourth member to the Lancashire Board of Directors who shall be an Owner or otherwise eligible to be a director under these Lancashire By-Laws. At a special meeting which shall be called by the President of the Lancashire Corporation as soon as possible after the date when parties to whom the Declarant has conveyed Condominium Units first hold fifty percent (50%) of the total Percentage Vote that would exist if the maximum number of condominium units that could be submitted to the Lancashire Declaration were so submitted. The Owners other than the Declarant shall elect a fifth member to the Lancashire Board of Directors who shall be an Owner or otherwise eligible to be a director under these Lancashire By-Laws. None of the Declarant's appointees to the Lancashire Initial Board of Directors need be Owners of a Condominium Unit. All other Directors must be either an Owner or a spouse of an Owner, except if an Owner is a corporation, partnership, joint venture or other entity, then the Director may be an officer, partner, joint venturer or like individual affiliated with such Owner.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Lancashire Board of Directors, except that no single Condominium Unit may be represented on the Lancashire Board of Directors by more than one person at a time.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02 hereof with respect to the members of the Lancashire Initial Board as appointed by Declarant, the members of the Lancashire Board of Directors (including the fourth and fifth members of the Lancashire Initial Board) shall be elected at each annual meeting of the Lancashire Corporation in accordance with this Section. The Lancashire Initial Board shall be deemed to be elected and re-elected as the Lancashire Board of Directors at each annual meeting until the Applicable Date provided in Section 3.02 hereof. After the Applicable Date, the Lancashire Board of Directors will consist of five (5) members, elected by the Owners. Because the terms of not less than one-third (1/3) of the Directors must expire annually, the Directors elected by the Owners at the first meeting after the Applicable Date shall be elected to staggered terms of the following lengths: two Directors shall be elected to a one (1) year term and three (3) Directors shall be elected to a

two (2) year term. The three (3) Directors with the most votes shall be the Directors who shall serve the two (2) year term. A Director elected at the first meeting on or after the Applicable Date shall serve for the term which he/she has been elected and shall remain a Director until the earlier of (a) the next annual meeting of Owners and until a successor is elected, or (b) until the Director's earlier resignation, removal from office or death.

Each Director elected by the Owners after such first meeting shall serve for a two (2) year term and shall remain a Director until the earlier of (a) the next annual meeting of Owners and until a successor is elected or (b) until the Director's earlier resignation, removal from office or death. In the event of the resignation or death of a Director after the Applicable Date, the President of the Lancashire Corporation shall call a special meeting of Owners to elect a replacement Director from among Owners who are otherwise eligible to serve as a Director, who shall serve out the remaining term of such resigning or deceased Director.

A Director may be re-elected or reappointed for additional terms.

Section 3.05. Removal of Directors. A Director or Directors, except the members of the Lancashire Initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.

Section 3.06. Duties of the Lancashire Board of Directors. The Lancashire Board of Directors shall provide for the administration of Lancashire at Oak Manor Condominiums, the maintenance, upkeep and replacement of the Lancashire Common Areas and Lancashire Limited Areas (unless the same are otherwise the responsibility or duty of Owners of Condominium Units), the establishment of a budget and the collection and disbursement of the Lancashire Common Expenses. After the Applicable Date, the Lancashire Board shall, on behalf of the Lancashire Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Lancashire Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Lancashire Board in carrying out its duties, which include, but are not limited to:

(a) protection, surveillance and replacement of the Lancashire Common Areas and Lancashire Limited Areas, unless the same are otherwise the responsibility or duty of Owners of Condominium Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Lancashire Corporation, the Lancashire Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;

(b) procuring of utilities used in connection with Lancashire at Oak Manor Condominiums and snow removal from the Lancashire Common Areas;

(c) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Lancashire Common Areas and, where applicable, the Lancashire Limited Areas;

(d) surfacing, paving and maintaining private streets, parking areas and

sidewalks to the extent the same are not included in a Condominium Unit or constitute Lancashire Limited Areas;

(e) assessment and collection from the Owners of the Owner's share of the Lancashire Common Expenses;

(f) preparation of the annual budget, a copy of which will be available at the annual meeting or may be requested from the Secretary of the Lancashire Corporation;

(g) preparing and delivering annually to the Owners an unaudited accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner by May 1 of the following year;

(h) procuring and maintaining for the benefit of the Owners, the Lancashire Corporation and the Lancashire Board the insurance coverages required under the Lancashire Declaration and such other insurance coverages as the Lancashire Board, in its sole discretion, may deem necessary or advisable;

(i) comply with all applicable commitments, easements or conditions of record, including the Zoning Commitments contained within the Town of Westfield Ordinance 02-07-PUD-02, which Zoning Commitments are attached to the Master Declaration as Exhibit D; and

(j) trash removal from the Lancashire Tract in accordance with the rules and regulations established by the Master Corporation and by a trash removal service approved by the Master Corporation.

Section 3.07. Powers of the Lancashire Board of Directors. The Lancashire Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Lancashire Board in performing its duties, including keeping a record and minutes of all meetings; provided, however, except as otherwise provided in paragraph 25 of the Lancashire Declaration, any management agreement shall be terminable by the Lancashire Corporation for cause upon ninety (90) days written notice and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Lancashire Board of Directors;

(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Lancashire Board of Directors may be necessary or desirable in connection with the business and affairs of Lancashire at Oak Manor Condominiums;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Lancashire Board of Directors may be necessary for the maintenance, upkeep,

repair and replacement of the Lancashire Common Areas and, where applicable, the Lancashire Limited Areas;

(e) to include the costs of all of the above and foregoing as Lancashire Common Expenses and to pay all of such costs therefrom;

(f) to open and maintain a bank account or accounts in the name of the Lancashire Corporation;

(g) to adopt, revise, amend and alter from time to time rules and regulations with respect to use, occupancy, operation and enjoyment of the Lancashire Property;

(h) to adopt an annual budget for each fiscal year for the purpose of estimating the total amount of Lancashire Common Expenses for such fiscal year.

Section 3.08. Limitation on Lancashire Board Action. After the Applicable Date, the authority of the Lancashire Board of Directors to enter into contracts shall be limited to:

(a) contracts involving a total expenditure of less than Ten Thousand Dollars (\$10,000.00);

(b) contracts for replacing or restoring portions of the Lancashire Common Areas or Lancashire Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

(c) proposed contracts and proposed expenditures set forth in the annual budget (even if such contracts and expenditures exceed Ten Thousand Dollars (\$10,000.00); and

(d) expenditures necessary to deal with emergency conditions in which the Lancashire Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.

All other contracts and expenditures shall require the Lancashire Board of Directors to amend the budget after notice to and approval of the Owners.

Section 3.09. Compensation. No Director shall receive any compensation for his services. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Lancashire Common Expense.

Section 3.10. Meetings. Regular meetings of the Lancashire Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Secretary shall give notice of regular meetings of the Lancashire Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting. Prior to the Applicable Date, Directors may attend such meetings in person, telephonically or by other means pursuant to which all Directors can hear one another, or by proxy.

Special meetings of the Lancashire Board may be called by the President or any two members of the Lancashire Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior to the date of such special meeting, give notice to the Lancashire Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Hamilton County, Indiana, or any of the contiguous counties, as shall be designated in the notice.

Section 3.11. Waiver of Notice. Before any meeting of the Lancashire Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken at such meeting, shall, as to such Manager, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Lancashire Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Lancashire Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present, in person or by proxy, at a meeting at which a quorum is present shall be the decision of the Lancashire Board.

Section 3.13. Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Lancashire Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Lancashire Board on behalf of Lancashire at Oak Manor Condominiums or the Lancashire Corporation, unless any such contract shall have been made in bad faith or contrary to the provisions of the Lancashire Declaration or Lancashire By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of Lancashire at Oak Manor Condominiums or the Lancashire Corporation and that in all matters the Lancashire Board is acting for and on behalf of the Owners as their agent. The liability of any Owner arising out of any contract made by the Lancashire 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 his Percentage Interest. Every contract made by the Lancashire Board or the Managing Agent on behalf of Lancashire at Oak Manor Condominiums shall provide that the Lancashire Board of Directors and the Managing Agent, as the case may be, are acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interest.

Section 3.14. Additional Indemnity of Directors. The Lancashire Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Lancashire Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided

herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties.

Section 3.15. Bond. The Lancashire Board of Directors shall require the Managing Agent, Treasurer, employees, officers and agents handling or responsible for funds of or administered on behalf of the Lancashire Corporation to have surety bonds indemnifying the Lancashire Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication and other acts of fraud or dishonesty in an amount not less than the estimated maximum amount of funds, including reserve funds, in the custody of the Lancashire Corporation or the Managing Agent, as the case may be, at any given time, but in no event less than a sum equal to two (2) months aggregate assessments on all Condominium Units, plus reserve funds. Such bonds shall also specifically include protection for any insurance proceeds received for any reason by the Lancashire Board.

The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of employees or similar terms or expressions. The expense of any such bonds, except those maintained by the Managing Agent, shall be a Lancashire Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Lancashire Corporation and to all Mortgagees.

Section 3.16. Membership on the Master Board. The member of the Lancashire Board who is elected as president of the Lancashire Board shall serve as a member of the Master Board as provided in the Master Declaration.

ARTICLE IV. Officers

Section 4.01. Officers of the Lancashire Corporation. The principal officers of the Lancashire Corporation shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Lancashire Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The officers of the Lancashire Corporation shall be elected annually by the Lancashire Board at the initial meeting of each new Lancashire Board. Upon an affirmative vote of a majority of all members of the Lancashire Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Lancashire Board or at any special meeting of the Lancashire Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Lancashire Corporation. He shall preside at all meetings of the Lancashire Corporation and of the Lancashire Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of a corporation or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint and disband committees from among the Owners as he may

deem necessary to assist in the affairs of the Lancashire Corporation and to perform such other duties as the Lancashire Board may from time to time prescribe. The President shall serve as a member of the Master Board, as provided in the Lancashire Declaration and the Master Declaration.

Section 4.04. The Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Lancashire By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Lancashire Board or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Lancashire Corporation and of the Lancashire Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties as from time to time may be prescribed by the Lancashire Board. The Secretary shall specifically see that all notices of the Lancashire Corporation or the Lancashire Board are duly given, mailed or delivered, in accordance with the provisions of these Lancashire By-Laws.

Section 4.06. The Treasurer. The Lancashire Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Lancashire Corporation and who shall perform such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Lancashire Corporation. He shall immediately deposit all funds of the Lancashire Corporation coming into his hands in some reliable bank or other depository to be designated by the Lancashire Board and shall keep such bank account or accounts in the name of the Lancashire Corporation. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Lancashire Corporation to the extent appropriate as part of its duties.

Section 4.07. Assistant Officers. The Lancashire Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Lancashire By-Laws or the Lancashire Board of Directors may prescribe.

ARTICLE V. Assessments

Section 5.01. Annual Accounting. Annually, after the close of each fiscal year of the Lancashire Corporation, the Lancashire Board shall cause to be prepared and furnished to each Owner an unaudited financial statement prepared by a certified public accountant or firm of certified public accountants then serving the Lancashire Corporation, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02. Proposed Annual Budget. Annually, on or before the end of each fiscal year, the Lancashire Board of Directors shall adopt an annual budget for the next fiscal year estimating the total amount of the Lancashire Common Expenses for the next fiscal year. After

the Applicable Date, such budget may not increase by more than twenty percent (20%) of the previous annual budget without the approval of a majority of the Owners. A copy of such budget shall be furnished to each Owner at the annual meeting. The annual budget as presented to the Owners at the annual meeting of the Lancashire Corporation shall be the basis for the Lancashire Regular Assessments (hereinafter defined) and Lancashire Additional Assessments (as hereinafter defined) during such fiscal year. The annual budget, the Lancashire Regular Assessments, Lancashire Additional Assessments and all sums assessed by the Lancashire Corporation shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Lancashire Regular Assessments and Lancashire Additional Assessments shall, in addition, be established to include the establishment and maintenance of (i) an assessment for Lancashire Common Expenses; (ii) the Master Regular Assessment; and (iii) an adequate replacement reserve fund for capital expenditures and replacement and repair of the Lancashire Common Areas, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Lancashire Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of the Lancashire Common Areas shall be maintained by the Lancashire Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Hamilton County, Indiana, selected from time to time by the Lancashire Board. The failure or delay of the Lancashire Board of Directors to prepare an annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Lancashire Common Expenses as herein provided, whenever determined.

Section 5.03. Lancashire Regular Assessments and Lancashire Additional Assessments. The annual budget as adopted by the Lancashire Board shall, based on the estimated cash requirement for the Lancashire Common Expenses and contribution to the replacement reserve fund in the current fiscal year as set forth in said budget, contain an assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit and a Lancashire Additional Assessment against each Owner of a Garage Unit(s) or a Storage Unit(s). Immediately following the adoption of the annual budget (1) each Owner shall be given written notice of the assessment against his respective Condominium Unit (herein called the "Lancashire Regular Assessment") and (2) each Owner of a Garage Unit(s) or a Storage Unit(s) shall be given written notice of the assessment applicable to such Owner's Garage Unit(s) or a Storage Unit(s) as provided in paragraph 7(d) of the Declaration (herein called "Lancashire Additional Assessment"). The aggregate amount of the Lancashire Regular Assessments and Lancashire Additional Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Lancashire Regular Assessment and Lancashire Additional Assessment (as applicable) against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Lancashire Regular Assessment and Lancashire Additional Assessment shall be made to the Lancashire Board of Directors or the Managing Agent, as directed by the Lancashire Board of Directors; provided, however, Owners may elect to pay monthly assessments quarterly, semi-annually or annually, in advance. The Lancashire Regular Assessment and Lancashire Additional Assessment (as applicable) for the current fiscal year of the Lancashire Corporation shall become a lien on each separate Condominium Unit as of the

first day of each fiscal year of the Lancashire Corporation, even though the final determination of the amount of such Lancashire Regular Assessment or Lancashire Additional Assessment may not have been made by that date. The fact that an Owner has paid his Lancashire Regular Assessment or Lancashire Additional Assessment for the current fiscal year in whole or in part based upon a previous budget and thereafter, before the annual budget and Lancashire Regular Assessment and Lancashire Additional Assessment are finally determined and approved, sells, conveys or transfers his Condominium Unit or any interest therein, shall not relieve or release such Owner or his successor as owner of such Condominium Unit from payment of the Lancashire Regular Assessment and Lancashire Additional Assessment for such Condominium Unit as finally determined, and such Owner and his successor as owner of such Condominium Unit shall be jointly and severally liable for the Lancashire Regular Assessment and Lancashire Additional Assessment as finally determined. Any statement of unpaid assessments furnished by the Lancashire Corporation pursuant to Section 8.02 hereof prior to the final determination and adoption of the annual budget and Lancashire Regular Assessment and Lancashire Additional Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Lancashire Regular Assessment and Lancashire Additional Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Monthly installments of Lancashire Regular Assessments and Lancashire Additional Assessments shall be due and payable automatically on their respective due dates without any notice from the Lancashire Board or the Lancashire Corporation, and neither the Lancashire Board nor the Lancashire Corporation shall be responsible for providing any notice or statements to Owners for the same.

At closing, each purchaser of a Condominium Unit is required to pay a pro-rata share of the Lancashire Regular Assessments and Lancashire Additional Assessments (if applicable) due in the month of closing.

→ It is understood that Declarant shall be obligated to pay that portion of the Lancashire Regular Assessment and Lancashire Additional Assessment applicable to an unoccupied Condominium Unit for those Condominium Units which Declarant owns and which are in those portions of Lancashire at Oak Manor Condominiums which from time to time have been submitted by Declarant to the Lancashire Declaration.

Section 5.04. Lancashire Special Assessments. From time to time Lancashire Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these Lancashire By-Laws, the Lancashire Declaration or the Act, the Lancashire Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Lancashire Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit (herein called "Lancashire Special Assessment"). Without limiting the generality of the foregoing provisions, Lancashire Special Assessments may be made by the Lancashire Board of Directors from time to time to pay for capital expenditures, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefore under the circumstances described in the Lancashire Declaration. Lancashire Special Assessments shall

not, on an annual basis, exceed ten percent (10%) of the Lancashire Regular Assessment without approval of at least a majority of the Owners.

Section 5.05. Failure of Owner to Pay Assessments.

(a) No Owner may exempt himself from paying Lancashire Regular Assessments, Lancashire Additional Assessments and Lancashire Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Lancashire Common Areas or Master Common Areas and, in the proper case, of the Lancashire Limited Areas, of the Buildings, and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Lancashire Common Areas or Master Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of all Lancashire Regular and Lancashire Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments when due, the lien for such Lancashire Assessment on the Owner's Condominium Unit may be filed and foreclosed by the Lancashire Board for and on behalf of the Lancashire Corporation as provided by law. Upon the failure of an Owner to make payments of any Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments, within ten (10) days after such are due, the Lancashire Board, in its discretion may (1) impose a late charge of up to Fifty Dollars (\$50.00) per month, (2) accelerate the entire balance of the unpaid Lancashire Assessments and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary, (3) eliminate such Owner's right to use the recreational facilities the Lancashire Common Area and the Master Common Area, and (4) eliminate such Owner's right to vote. In any action to foreclose the lien for any Lancashire Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Lancashire Corporation of reasonable rental for such Condominium Unit, and the Lancashire Board shall be entitled to the appointment of a receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Lancashire Corporation to be applied to the unpaid Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments. The Lancashire Board may, at its option, bring a suit to recover a money judgment for any unpaid Lancashire Regular Assessment, Lancashire Additional Assessment or Lancashire Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Lancashire Regular Assessment, Lancashire Additional Assessment or Lancashire Special Assessment, whether by foreclosure or otherwise, the Lancashire Board, for and on behalf of the Lancashire Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Condominium Unit.

(b) Notwithstanding anything contained in this Section or elsewhere in the Lancashire Declaration and these Lancashire By-Laws, the lien for any Lancashire Regular Assessment, Lancashire Additional Assessment or Lancashire Special Assessment shall be subordinate to the lien of any Mortgagee and any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Lancashire Regular

Assessment, Lancashire Additional Assessment or Lancashire Special Assessment as to such installments which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Lancashire Common Expense, collectible from all Owners (including the party acquiring the subject Condominium Unit from which it arose), as provided in the Act.

Section 5.06. Lancashire Regular Assessments Prior to Applicable Date.

Notwithstanding any other provision contained in the Lancashire Declaration, these Lancashire By-Laws, the Act or otherwise, prior to the Applicable Date, the annual budget and all Lancashire Regular Assessments, Lancashire Additional Assessments and Lancashire Special Assessments shall be established solely by the Lancashire Initial Board.

Section 5.07. Collection by Lancashire Corporation. The Lancashire Corporation shall include as part of the Lancashire Regular Assessment, the Master Regular Assessment applicable to each Condominium Unit. Upon collection of the Lancashire Regular Assessment, the Lancashire Corporation shall remit the amount applicable to the Master Regular Assessment to the Master Corporation. The Lancashire Corporation shall be obligated to remit such amount to the Master Corporation even if such amount is not paid by an Owner. The Master Corporation shall have the right to exercise directly against an Owner any and all remedies available under this Lancashire Declaration and the Master Declaration in the event an Owner fails to make such payment.

Section 5.08. Working Capital Fund. At the initial closing on the purchase of a Condominium Unit, the purchaser is required to pay a sum equal to two (2) full months of the Lancashire Regular Assessments and Lancashire Additional Assessments (if applicable) due on his or her Condominium Unit as his or her initial contribution to the working capital of the Lancashire Corporation. This sum is not an advance payment of Lancashire Regular Assessments or Lancashire Additional Assessments (if applicable), and will not be held in any trust or reserve account. While the Declarant is in control of the Lancashire Corporation, Declarant cannot use any of the working capital funds to defray Declarant's expenses, reserve contributions, or construction costs. Such working capital funds shall be available for immediate use by and shall be used by the Lancashire Corporation for Lancashire Common Expenses. After control of the Lancashire Corporation is transferred to the Condominium Unit Owners, the Declarant shall be responsible to collect the initial contribution to the working capital account and forward such funds to the Lancashire Corporation.

Section 5.09. Lancashire Replacement Reserve Fund. Ten percent (10%) of the Lancashire Regular Assessments or such higher amount as may be determined by the Lancashire Board shall be designated as a reserve fund for maintenance, repairs or replacement of

Lancashire Common Areas that must be repaired and replaced on a periodic basis. Such replacement reserve fund is established as set forth in Section 5.02.

Section 5.10. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repair within his own Condominium Unit which, if neglected, would affect the value of the Lancashire Property. In addition, each Owner shall furnish, and shall be responsible at his own expense for, the maintenance, repairs and replacements of his Condominium Unit and Lancashire Limited Areas as applicable, and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to, water lines, gas lines, plumbing and electric lines which service the Owner's Condominium Unit only and are located within exterior walls of the Condominium Unit including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Condominium Unit; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Condominium Unit), doors, garage doors, the interior of the Garage Units and automatic garage door openers (for those Owners with Garage Units), screens and windows (including exterior and interior of all glass and screen surfaces), lamps, and interior and exterior grouting and/or caulking, all other accessories appurtenant to the Condominium Unit or belonging to the Owner thereof, and the interior walls, floors, ceilings and doors of a Storage Unit (for those Owners with Storage Units). Any replacement of windows and doors must be substantially the same as the existing windows and doors and must be approved by the Lancashire Corporation.

If, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant or other occupant or visitor of such Owner, or of an Owner's pet or automobile, damage shall be caused to the Lancashire Common Areas or to a Condominium Unit or Lancashire Limited Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Lancashire Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Lancashire Corporation, unless such loss is covered by the Lancashire Corporation's insurance with such policy having a waiver of subrogation clause. Maintenance, repairs and replacements to the Lancashire Common Areas or the Condominium Units or Lancashire Limited Areas shall be subject to the rules and regulations adopted from time to time by the Lancashire Board.

To the extent that equipment, facilities and fixtures within any Condominium Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Condominium Units or any Lancashire Common Areas or Lancashire Limited Areas, then the use thereof by the owner of such Condominium Unit shall be subject to the rules and regulations adopted from time to time by the Lancashire Board. The authorized representatives of the Lancashire Corporation or Lancashire Board of Directors or the Managing Agent for the Lancashire Corporation, shall be entitled to reasonable access to any Condominium Unit as may be required in connection with the enforcement of the Lancashire Declaration, the Master Declaration or these Lancashire Bylaws, maintenance, repairs or replacements of or to the Lancashire Common Areas or Lancashire Limited Areas or any parts thereof, or any equipment, facilities or fixtures affecting

or serving other Condominium Units or any Lancashire Common Areas or Lancashire Limited Areas.

ARTICLE VI. Restrictions, Entry and Rules and Regulations

Section 6.01. Restrictions on Use. Certain restrictions on the use and enjoyment of the Condominium Units, Lancashire Common Areas, Lancashire Limited Areas and the Lancashire Property are set forth in the Master Declaration. An Owner is responsible for compliance with all such restrictions, whether set forth in the Master Declaration, the Lancashire Declaration or these Lancashire By-Laws. The following restrictions on the use and enjoyment of the Condominium Units, Garage Units, Storage Units, Lancashire Common Areas, Lancashire Limited Areas and the Lancashire Property shall be applicable to Lancashire at Oak Manor Condominiums and are in addition to those restrictions set forth in the Lancashire Declaration and the Master Declaration:

(a) No additional buildings shall be erected or located on the Lancashire Tract other than the Buildings designated in the Lancashire Declaration or a supplement or amendment to the Lancashire Declaration, and shown on the Condominium Plans or plans filed with such supplement or amendment to the Lancashire Declaration, without the consent of the Lancashire Board of Directors.

(b) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Condominium Unit or placed on the outside walls of any building, and no awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any Condominium Unit, Garage Unit or Storage Unit without the prior written consent of the Lancashire Corporation.

(c) Nothing shall be done or permitted in any Condominium Unit, Garage Unit or Storage Unit which will impair the structural integrity of any Building or which would structurally change any Building or which would affect the exterior appearance of any Condominium Unit, Garage Unit or Storage Unit except as otherwise provided in the Lancashire Declaration or these Lancashire By-Laws. No Condominium Unit, Garage Unit or Storage Unit shall be used in any unlawful manner or in any manner which might cause injury to the reputation of Lancashire at Oak Manor Condominiums or which might be a nuisance, annoyance, inconvenience or damaging to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.

(d) No Owner shall be allowed to place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, both Lancashire Common Areas and Lancashire Limited Areas, any furniture, packages or objects of any kind, without the consent of the Lancashire Board of Directors.

(e) All garbage, trash and refuse shall be deposited only in covered sanitary containers or dumpsters placed by the Lancashire Corporation on the Lancashire Common Areas. Garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Lancashire Board for deposit in the appropriate sanitary containers.

No open fires shall be permitted on any part of the Lancashire Property. All boxes must be flattened prior to placing in any dumpster. All garbage and trash containers shall be regularly removed from the Condominium Unit, Garage Unit and Storage Unit and the Lancashire Tract and shall be stored in areas not visible from any street.

(f) No flooring materials other than carpeting may be installed in any Condominium Unit above the ground floor in areas other than foyer, kitchen and bathrooms without the prior written consent of the Lancashire Board of Directors. No flooring materials other than vinyl flooring shall be used in a Storage Unit without the prior written consent of the Lancashire Board of Directors.

(g) Storage Units shall be used only for the storage of an Owner's personal items and for no other purpose. No business use may occur in a Storage Unit. No plants, pets, hazardous material or any item which may be a nuisance or a danger to the Building, a Condominium Unit or an Owner may be kept in a Storage Unit.

(h) An Owner may not alter or improve a Garage Unit or Storage Unit without the prior written consent of the Architectural Review Board pursuant to Paragraph 17 of the Master Declaration.

(i) No swimming pools or hot tubs are allowed in Lancashire at Oak Manor.

(j) An Owner may not lease a Garage Unit or Storage Unit. An Owner may not sell a Storage Unit except in conjunction with the sale of a Condominium Unit. An Owner may sell a Garage Unit only to another Owner within Lancashire at Oak Manor.

Declarant and the Lancashire Corporation shall have the right to enforce the foregoing covenants and restrictions as provided in Sections 6.02 and 6.03.

Section 6.02. Compliance with Covenants, Conditions and Restrictions. Every Owner, mortgagee, lessee or other occupant of a Condominium Unit shall comply strictly with the covenants, conditions and restrictions set forth in this Lancashire Declaration, with the Lancashire By-Laws and with the Rules and Regulations in relation to the use and operation of the Lancashire Tract and with the Master Declaration. A violation committed by any persons residing in, occupying or visiting a Condominium Unit at the behest or with the implied or express permission of the Owner or any other occupant of the Condominium Unit, or committed by any agent, employee, business invitee, or contractor of the Owner or of any person occupying a Condominium Unit, shall be attributed to that Condominium Unit and the Owner thereof. Failure to comply with any of said covenants, conditions and/or restrictions shall be grounds for withdrawal by the Lancashire Board of Directors of privileges with respect to the use of any of the Lancashire Common Areas by any defaulting Owner and by his tenants, invitees, guests and all members of his family and/or his tenant's family. The Lancashire Board may also prohibit any Owner from entering into any new lease of his Condominium Unit with anyone so long as he is in default in the performance of any of his obligations under the Lancashire Declaration, Lancashire By-Laws, or Rules and Regulations. An action seeking a declaratory judgment, the recovery of sums due for damages, or injunctive relief, or any or all of them may be maintained by any interested party, including and Owner against any other Owner, or any person entitled to

occupy a Condominium Unit who refuses to comply or threatens to refuse to comply with any provisions of this Lancashire Declaration, the Lancashire By-Laws, the Rules and Regulations, or any other document establishing ownership or control over any part of the Lancashire Tract.

After giving not less than ten (10) days prior written notice to an Owner who has not complied, and after giving such party the opportunity to be heard by the Lancashire Board of Directors, the Lancashire Board of Directors shall have the right to impose a fine of not more than One Hundred Dollars (\$100) for the second violation attributable to a particular owner in a calendar year against that Owner and the Condominium Unit in which such Owner holds an ownership interest. For a third violation attributable to the same Owner in the same calendar year (whether or not this third violation involves the same term or provision of the above-described condominium instruments as the first or second violations), the Lancashire Board of Directors, after giving the above-described notice and opportunity to be heard, may levy a fine against that Owner and the Condominium Unit in which such Owner holds an ownership interest in an amount not in excess of Two Hundred Dollars (\$200). For the fourth and every subsequent such violation of said condominium instruments by the same Owner in the same calendar year (whether these violations involve the same provisions as the previous violations), the Lancashire Board of Directors, after giving the above-described notice and opportunity to be heard, may levy a fine against that Owner and the Condominium Unit in which such Owner holds an ownership interest in double the amount of the fine for the immediately preceding violation in that calendar year.

All fines described above, any fines imposed by the Lancashire Board of Directors and any and all expenses incurred by the Lancashire Corporation in enforcing any of the terms and provisions of the condominium instruments, including reasonable attorney's fees, may be levied as a special assessment against the Owner in question and his Condominium Unit.

Any action brought by the Lancashire Corporation hereunder may be brought in its own name, in the name of its Lancashire Board of Directors or in the name of the Managing Agent. In any case of flagrant or repeated violation by an Owner, he may be required by the Lancashire Board of Directors to give sufficient surety or sureties for his future compliance with the covenants, conditions and restrictions contained in this Lancashire Declaration and with the Lancashire By-Laws and Rules and Regulations.

Section 6.03. Right of Entry. All Owners and occupants of a Condominium Unit shall be deemed to have granted the right of entry thereto to the Declarant, the Lancashire Corporation, the Managing Agent or any other person authorized by the Lancashire Board in case of any emergency originating in or threatening his Condominium Unit or the Building in which it is located, whether the Owner is present at the time or not. All Owners and occupants of the Condominium Unit shall be deemed to have granted the right of entry thereto to the Declarant, the Lancashire Corporation, the Managing Agent or any other person authorized by the Lancashire Board when, in the reasonable judgment of the Declarant or the Lancashire Corporation, there has been a violation by such Owner or occupants of the covenants, conditions and restrictions set forth in the Lancashire Declaration or these Lancashire By-Laws; provided, that, except in the event of an emergency, the request for such entry has been made in advance and is at a time reasonably convenient to the Owner. The Declarant's right of entry under this Section 6.03 shall be deemed to include the rights granted to Declarant under paragraph 13 of the

Declaration with respect to maintenance, repairs and replacements of Lancashire Common Areas and Lancashire Limited Areas. An Owner shall permit other persons, or their representatives when so required, to enter his Condominium Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.04. Right of Lancashire Board to Adopt Rules and Regulations. The Lancashire Board may promulgate such additional rules and regulations regarding the operating of the Lancashire Property, including but not limited to the use of the Lancashire Common Areas and Lancashire Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Lancashire Board, and the Lancashire Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.

ARTICLE VII.

Amendment to Lancashire By-Laws

Subject to any contrary, overriding or superseding provisions set forth herein or in the Lancashire Declaration, these Lancashire By-Laws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Lancashire Declaration, as set forth in paragraph 18 of the Lancashire Declaration. Amendments to these Lancashire By-Laws shall be considered as amendments of the Lancashire Declaration and shall be recorded in the office of the Recorder of Hamilton County, Indiana, as required by the Lancashire Declaration and the Act. Notwithstanding anything to the contrary contained herein or in the Lancashire Declaration, there shall be no amendment of the Lancashire Declaration or these Lancashire By-Laws prior to the Applicable Date without the consent and approval of Declarant.

ARTICLE VIII.

Mortgages

Section 8.01. Notice to Lancashire Corporation. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagee shall notify the Secretary of the Lancashire Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Lancashire Declaration, these Lancashire By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Lancashire Declaration, these Lancashire By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Lancashire Declaration, these Lancashire By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

The Lancashire Corporation shall, upon request of a Mortgagee who has furnished the Lancashire Corporation with its name and address as herein above provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under the Lancashire Declaration or these Lancashire By-Laws

which is not cured within thirty (30) days. Any Mortgagee shall have the right to inspect the books and records of the Lancashire Corporation during normal business hours.

A guarantor or insurer of a Mortgage may, upon written request to the Lancashire Corporation giving the Lancashire Corporation its name and address, receive from the Lancashire Corporation any notice that would be given to a Mortgagee.

Section 8.02, Notice of Unpaid Assessments. The Lancashire Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Lancashire Regular Assessments, Lancashire Additional Assessments or Lancashire Special Assessments against the Condominium Unit, which statement shall be binding upon the Lancashire Corporation and the Owners, and any Mortgagee or grantee of the Condominium Unit shall not be liable for nor shall the Condominium Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.03 hereof.

ARTICLE IX. **Miscellaneous**

Section 9.01, Fiscal year. The fiscal year of the Lancashire Corporation shall be the calendar year.

Section 9.02, Membership Certificates. If requested by a member of the Lancashire Corporation, the Lancashire Corporation shall provide a certificate, signed by the president or vice-president, and secretary or assistant secretary thereof, stating that he is a member of the Lancashire Corporation. Such certificates shall be non-transferable and a member's certificate shall become void and of no force and effect upon sale by a member of his Condominium Unit. Such membership certificates shall be in a form and style determined by the Lancashire Board.

Section 9.03, Personal Interests. No member of the Lancashire Corporation shall have or receive any earnings from the Lancashire Corporation as a result of being an officer or director of the Lancashire Corporation except a member may receive principal and interest on moneys loaned or advanced to the Lancashire Corporation as provided in the Act.

Section 9.04, Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Lancashire Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the ordinary course of business of the Lancashire Corporation, unless otherwise directed by the Lancashire Board of Directors, or unless otherwise required by law, be signed by the President or in his absence the Treasurer. Any one of the documents heretofore mentioned in this section for use outside the ordinary course of business of the Lancashire Corporation or any notes or bonds of the Lancashire Corporation shall be executed by and require the signature of the President and Secretary.

Section 9.05, Financial Statement. The Lancashire Corporation shall provide to each Owner the unaudited financial statements described in Section 5.01. Upon the written request

from the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing & Urban Development, the Federal Housing Association, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, that has an interest or prospective interest in any Condominium Unit, the Lancashire Corporation shall prepare and furnish to such entity within a reasonable time an audited financial statement of the Lancashire Corporation for the immediately preceding fiscal year.

APPROVED
AND
FILED

Paul Roberto
IND. SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
LANCASHIRE AT OAK MANOR
HOMEOWNERS ASSOCIATION, INC.

INDIANA SECRETARY OF STATE
RECEIVED

2007 APR 24 AM 11:19

The undersigned incorporator, desiring to form a corporation (hereinafter referred to as the "Lancashire Corporation"), pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Act"), executes the following Articles of Incorporation:

ARTICLE I

Section 1.1. The name of the Lancashire Corporation is Lancashire at Oak Manor Homeowners Association, Inc.

ARTICLE II

Adoption and Purposes

Section 2.1. Adoption. These Articles of Incorporation creating Lancashire at Oak Manor Homeowners Association, Inc. are adopted as contemplated by, and in accordance with, the Declaration of Condominium Ownership for Lancashire at Oak Manor Condominiums ("Lancashire Declaration"). The Lancashire Declaration was recorded in the Office of the Recorder of Hamilton County, Indiana, as Instrument No 2007022069 on April 20, 2007. The Lancashire Declaration is incorporated herein by reference, and all of the standards, rights, liabilities, covenants and restrictions and other terms and provisions contained in this Lancashire Declaration and any amendments and supplements thereto shall apply to and govern the interpretation of these Articles and the Code of By-Laws of the Lancashire Corporation.

Section 2.2. Purposes. The Lancashire Corporation shall be a mutual benefit corporation. The purposes of the Lancashire Corporation shall be to provide for the administration and enforcement of the standards, covenants and restrictions contained in the Lancashire Declaration, to provide for the maintenance, repair, upkeep, replacement, administration, operation, and ownership of the Lancashire Common Area, to perform such other functions relating to the operation and maintenance of the Lancashire Common Area as determined by the Lancashire Board of Directors to be advisable or appropriate, and to:

(a) Have and exercise all of the powers, rights and privileges and perform all of the duties and obligations of the Lancashire Corporation as set forth herein and in the Lancashire Declaration and the Code of By-laws of the Lancashire Corporation, as the same may be amended from time to time.

(b) Establish, levy, collect and enforce by any lawful means charges, dues or assessments against any Owner of any Condominium Unit, or others pursuant to the terms of the Declaration; to pay all expenses in connection with the Lancashire

Corporation's performance of its duties and obligations pursuant to the Lancashire Declaration including, but not limited to, any fees, taxes or other governmental charges levied or imposed against the property of the Lancashire Corporation.

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in conducting the affairs of the Lancashire Corporation.

(d) Merge and consolidate with other nonprofit corporations organized for the same or similar purposes.

(e) Have and exercise any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise.

Section 2.3. Definitions. Capitalized terms used but not defined herein shall have the meanings attributed to such terms in the Lancashire Declaration.

ARTICLE III

Period of Existence

Section 3.1. Period of Existence. The period during which the Lancashire Corporation shall continue is perpetual.

ARTICLE IV

Registered Agent and Registered Office

Section 4.1 Registered Agent and Registered Office. The name of the Registered Agent is Tammy K. Haney, and the address of the Registered Agent is 301 Pennsylvania Parkway, Suite 300, Indianapolis, Indiana 46280.

ARTICLE V

Membership

Section 5.1. Members. Declarant and each Owner of a Condominium Unit which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Lancashire Corporation and shall remain a Member until such time as his ownership of a Condominium Unit ceases at which time his membership shall terminate and will be transferred to the new Owner of a Condominium Unit; provided, however, that any person who holds the interest of an Owner in a Condominium Unit merely as security for the performance of an obligation shall not be a Member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Lancashire Corporation. In addition, any original Member or any replacement Member of the Lancashire Initial Board of

Directors (as designated in paragraph 12 of the Lancashire Declaration) shall be deemed a Member of the Lancashire Corporation and an Owner solely for the purpose of qualifying to act as a Member of the Lancashire Board of Directors but shall not be deemed an Owner or Member of the Lancashire Corporation for any other purpose.

Section 5.2. Rights, Preferences, Limitations, and Restrictions of Classes. All Members of the Lancashire Corporation shall have the same rights, privileges, duties, liabilities, limitations and restrictions as the other Members. All Members shall abide by the Articles of Incorporation, the Code of By-Laws of the Lancashire Corporation, the rules and regulations adopted by the Lancashire Board of Directors, and all covenants, restrictions and other provisions contained in the Lancashire Declaration.

Section 5.3. Voting Rights. The Percentage Interest, as defined in the Lancashire Declaration, appertaining to each Condominium Unit shall also be the Percentage Vote, as defined in the Lancashire Declaration, allocable to the Owner thereof in all matters with respect to Lancashire at Oak Manor Condominiums, and the Lancashire Corporation upon which the Co-owners are entitled to vote.

Section 5.4. Function. The Lancashire Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, administration, operation and ownership of the Lancashire Common Area, to pay taxes assessed against and payable with respect to the Lancashire Common Area and to pay any other necessary expenses and costs in connection with the Lancashire Common Area, and to perform such other functions as may be designated for it to perform under the Lancashire Declaration.

ARTICLE VI **Directors**

Section 6.1. Number of Directors. The Lancashire Initial Board of Directors shall be composed of three (3) members.

Section 6.2. Election of Directors. Except for the Lancashire Initial Board of Directors, who shall be appointed as provided in the Lancashire Declaration, all Directors shall be elected by the Members.

Section 6.3. Names and Post Office Addresses of the Directors. The names and addresses of the members of the Lancashire Initial Board of Directors, who shall serve for terms as specified or fixed in accordance with the Bylaws of the Lancashire Corporation, are as follows:

<u>Name</u>	<u>Number and Street or Building</u>	<u>City and State</u>	<u>Zip Code</u>
Chris Lebling	4901 Hunt Road, Suite 300	Cincinnati, OH	45242
Sean Carney	4901 Hunt Road, Suite 300	Cincinnati, OH	45242
Kevin Junker	4901 Hunt Road, Suite 300	Cincinnati, OH	45242

ARTICLE VII

Incorporator

Section 7.1. Name and Post Office Address. The name and post office address of the incorporator of the Lancashire Corporation is Tammy K. Haney, 301 Pennsylvania Parkway, Suite 300, Indianapolis, Indiana 46280.

ARTICLE VIII

Provisions for the Regulation and Conduct of the Affairs of the Lancashire Corporation

Section 8.1. Contributions and Liabilities of Members. No Member of the Lancashire Corporation nor any property of a Member shall be subject to any liability for any debts of the Lancashire Corporation with the sole exception of the Member's Lancashire Regular Assessments and Lancashire Special Assessments which both (i) are specifically approved by a majority of Directors elected by the Members in accordance with these Articles of Incorporation and (ii) are, to the extent of the Member's proportionate share thereof, the personal obligation of the Member, or a lien upon property of the Member, pursuant to the terms and provisions of the Lancashire Declaration.

Section 8.2. Code of By-Laws. The power to make, alter, amend or repeal the Code of By-Laws of the Lancashire Corporation and the rules and regulations for the conduct of the affairs of the Lancashire Corporation, including the power to elect officers of the Lancashire Corporation, shall be vested in the Lancashire Board of Directors; provided, however, any amendment that would change any provision of the Code of By-Laws of the Lancashire Corporation that are a part of the Lancashire Declaration must be approved in accordance with the amendment provisions or requirements of such Code of By-Laws of the Lancashire Corporation; provided, however, that no acts of the Lancashire Board of Directors shall be inconsistent with or contradictory to these Articles of Incorporation or any applicable law.

Section 8.3. Dissolution. The Lancashire Corporation may be dissolved only with the written consent of not less than a majority of the votes of the Members. Upon dissolution of the Lancashire Corporation, any assets remaining after payment of any known debts and obligations shall be transferred or distributed ratably to the Members consistent with the provisions of I.C. 23-17-22-5(a)(7).

Section 8.4. Amendment of Articles of Incorporation. These Articles of Incorporation may be amended with the consent of a majority of the votes of the Members, but no amendment may modify or change any provision of the Lancashire Declaration, unless such change is approved in accordance with the provision of the Lancashire Declaration for amendment to the Lancashire Declaration.

Section 8.5. Non-Liability of Directors. The Directors shall not be liable to the Members of the Lancashire Corporation for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Lancashire Corporation shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or Lancashire Corporation arising out of contracts made by the Lancashire Board on behalf of the Lancashire Corporation, unless any such contract shall have been made in bad faith or contrary to the provisions of the Articles of Incorporation or Code of By-Laws of the Lancashire Corporation. The Directors shall have no personal liability with respect to any contract made by them on behalf of the Lancashire Corporation, and in all matters the Lancashire Board shall act for and on behalf of the Lancashire Corporation and as its agent.

Section 8.6. Additional Indemnity of Directors, Officers and Employees. The Lancashire Corporation shall indemnify any person made a party to any action, suit or proceeding by reason of the fact that he is or was a director, officer, employee or agent of the Lancashire Corporation against all liability and reasonable expense incurred or suffered by such person in connection therewith, if:

- (a) the individual's conduct was in good faith; and
- (b) the individual reasonably believed:
 - (i) in the case of conduct in the individual's official capacity with the Lancashire Corporation, that the individual's conduct was in the Lancashire Corporation's best interests; and
 - (ii) in all other cases, that the individual's conduct was at least not opposed to the Lancashire Corporation's best interests; and
- (c) in the case of any criminal proceeding, the individual either:
 - (i) had reasonable cause to believe the individual's conduct was lawful; or
 - (ii) had no reasonable cause to believe the individual's conduct was unlawful.

The terms used in this section shall have the same meaning as set forth in I.C. 23-17-16. Nothing contained in this section shall limit or preclude the ability of the Lancashire Corporation to otherwise indemnify or to advance expenses to any director, officer, employee or agent.

The Lancashire Corporation may also reimburse to any such person the reasonable cost of settlement of, or the amount of any judgment, fine or penalty rendered or assessed in, any such claim, action, suit or proceeding, if it shall be found by a majority of a committee composed of the directors not involved in the matter in controversy (whether or not a quorum) in their judgment reasonably exercised that such person was not guilty of negligence or misconduct in

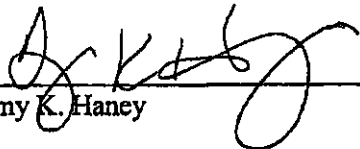
the performance of his duties to the Lancashire Corporation (or such other entity) and, with respect to any criminal action or proceeding, acted in a manner which he had no reasonable cause to believe was unlawful. In making such findings, and notwithstanding any adjudication in such action, suit or proceeding, such person shall not be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties to the Lancashire Corporation (or such other entity) where, acting in good faith, he relied upon the books and records of the Lancashire Corporation (or such other entity) or statements or advice made by or prepared by any officer, employee or agent of the Lancashire Corporation (or such other entity) or any accountant, attorney or other person, firm or Lancashire Corporation employed by the Lancashire Corporation (or such other entity) to render advice or service, unless he had actual knowledge of the falsity or incorrectness thereof; nor shall such person be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Lancashire Board of Directors of the Lancashire Corporation.

The Lancashire Corporation may pay in advance of the final disposition of any such claim, action, suit or proceeding the expenses incurred in defending the same pursuant to the restrictions of I.C. 23-17-16-10.

The rights of indemnification, reimbursement and advance payments set forth above shall not be deemed exclusive of any other rights to which such person may be entitled apart from the provisions of this section, and shall inure to the benefit of the heirs and legal representatives of such person.

Section 8.7. Reliance by Directors on Books of Account, etc. Each Director of the Lancashire Corporation shall be fully protected in relying in good faith upon (a) the books of account of the Lancashire Corporation, (b) statements prepared by any of its officers and employees as to the value and amount of the assets, liabilities and net profits of the Lancashire Corporation, or any of such items, or (c) statements or advice made by or prepared by any officer or employee of the Lancashire Corporation or any accountant, attorney, other person or firm employed by the Lancashire Corporation to render advice or service.

IN WITNESS WHEREOF, the undersigned does hereby execute these Articles of Incorporation and certifies to the truth of the facts herein stated, this 23rd day of April, 2007.



Tammy K. Haney