

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE LOFTS OF VALLE VISTA

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE LOFTS OF VALLE VISTA

THIS DECLARATION, made on the date hereinafter set forth by Developments, Inc., an Indiana corporation, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Greenwood, County of Johnson, State of Indiana, which is more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein.

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

ARTICLE I

Name

This subdivision shall be known and designated as The Lofts of Valle Vista, a subdivision located in Greenwood, Johnson County, Indiana.

ARTICLE II

Definitions

Section 1: "Association" shall mean and refer to The Lofts of Valle Vista, Homeowners Association, Inc., an Indiana not-for-profit corporation, and its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple

title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described in Exhibit "B", attached hereto and by this reference incorporated herein.

Section 5: "Declarant" shall mean and refer to Developments, Inc., an Indiana corporation, its successors and assigns.

Section 6: "Plat" shall mean and refer to the subdivision plat of the Properties recorded in the Office of the Recorder of Johnson County, Indiana, as the same may be hereafter amended or supplemented.

Section 7: "Driveway Easements" shall mean and refer to the surface easements for vehicular ingress and egress appurtenant to the Lots.

Section 8: "Lot" shall mean and refer to any parcel of land designated as such upon the Plat. With respect to any Dwelling Unit that may be constructed on a part of more than one of such parcels, "Lot" shall mean and refer to the real estate conveyed in connection with such Dwelling Unit.

Section 9: "Building" shall mean and refer to any multi-family dwelling unit that may be constructed on a part of more than one (1) Lot.

Section 10: "Dwelling Unit" shall refer to each one of the single family portions of any Building.

Section 11: "Board of Directors" shall mean and refer to the Board of Directors of the Association.

ARTICLE III

Lots

Section 1: Number of Lots. This subdivision consists of sixty-two (62) Lots numbered 1 thru 62, both inclusive, with streets and Common Area as shown on the Plat.

Section 2: Street Dedication. The streets (but not Driveway Easements) shown on the Plat and not heretofore dedicated are hereby dedicated to the public.

Section 3: Land Use. All Lots shall be used exclusively for multi-family residential purposes.

Section 4: Conveyance of Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein.

ARTICLE IV

Property Rights

Section 1: Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, excluding those areas designated as Driveway Easement, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) The right of the Association to suspend the voting rights and right of use of any recreational or other facilities located in the Common Area, if any, by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2: Owners' Driveway Easement. Each Dwelling Unit will be connected to a street by a driveway, a portion of which will lay in the Common Area. As to such driveway portion, the Owner of the Dwelling Unit served by the same, shall have an exclusive easement of enjoyment to it. No other Owner shall have the right to its use for any purpose.

Section 3: Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area, Dwelling Unit or Driveway Easement and any facilities located thereon to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE V

Access Rights of Association

If any Owner shall fail to adequately maintain the open area and the Dwelling Unit included within his Lot, the Association upon the giving of ten (10) days written notice to such Owner, shall have the right to enter upon such open area and do any necessary maintenance thereon. The cost of such maintenance shall be a special assessment against such Lot and the Owner thereof.

The Association shall have an easement for access to all Lots for ingress and egress as reasonably required by its officers, directors, employees and their agents and independent contractors, in order to perform its obligations and duties as set forth in this Declaration. This easement is also reserved for the Declarant so long as Declarant owns any Lot.

ARTICLE VI

Association, Membership and Voting Rights

Section 1: Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

i) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or

ii) on the ___ day of _____, 198__.

Section 3: Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's By-laws. The Board of Directors shall manage the affairs of the Association.

Section 4: Further Powers. In addition to all other powers granted to the Association by the Declaration, its Articles of Incorporation and By-laws, the Association, through its Board of Directors, may elect to enter into certain agreements providing for:

(a) access by all Owners to recreational and social facilities located outside of the Properties;

- (b) security services upon the Properties;
- (c) assessment billing services;
- (d) professional management services; and,
- (e) snow removal services.

The costs associated with such contracts shall be a common expense of the Association to be included in the regular common assessments as levied by the Association.

Any agreement for the professional management of the Properties or Common Area, or any other contract providing for the services of the Declarant, sponsor or builder, may not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days, or less, written notice.

ARTICLE VII

Covenant for Maintenance Assessments

Section 1: Creation of the Lien and Personal Obligation of Assessment: Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: 1) monthly assessments or charges; (2) special assessments for capital improvements and operating deficits; and (3) special assessments as provided in Article V, Article VI and

Article IX; such assessments to be established and collected as hereinafter provided. The monthly and special assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless

expressly assumed by them.

Section 2: Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvements, maintenance and other purposes as specifically provided herein.

Section 3: Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be _____ Dollars (\$ _____) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen percent (15 %) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment per Lot may also be increased each year without a vote of the membership, in conformance with the Consumer Price Index (CPI) published by the U.S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, All Items, unadjusted for seasonal variation. The maximum assessment for any year shall be the amount determined by (a) taking the dollar amount specified above in the first sentence of this Section, (b) multiplying that amount by the published CPI number for the third month prior to the beginning of the subject year and (c) dividing that resultant by the published CPI number for the third month prior to the month in which this declaration was signed by the Declarant.

(c) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment amount specified above in the first sentence of this Section and used in the above CPI adjustment formula may be changed by a vote of the members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements and Operating Deficits: In addition to the monthly assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain or for operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Notice and Quorum for any Action Authorized under Sections 3 and 4: Written notice of any meeting necessary for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not

present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment: Both monthly and special assessments for capital improvements and operating deficits must be fixed at a uniform rate for all Lots, and may be collected on a monthly basis.

Section 7: Date of Commencement of Monthly Assessments:

Due Dates: The monthly assessment provided for herein and the insurance assessment provided for in Article X shall commence as to each Lot, on the first day of the first month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix any increase in the amount of the monthly assessment at least thirty (30) days in advance of the effective date of such increase. Written notice of special assessments and such other assessment notices as the Board of Directors shall deem appropriate shall be sent to every Owner subject thereto. The due dates for all assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form, signed by an officer of the Association, setting forth whether the assessments on specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association on the date of its issuance.

Section 8: Effect of Non-Payment of Assessments:

Remedies of the Association: If any assessment (or monthly installment of such assessment, if applicable) is not paid within thirty (30) days of the date when due (pursuant to Section 7 hereof), then the entire unpaid assessment shall become delinquent and shall become, together with such interest thereon at the rate

of eight percent (8%) per annum from the due date, and cost of collection thereof as hereinafter provided, a continuing lien on such Lot, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, from the due date, and the Association may bring an action at law against the Owner personally obligated to pay the same and to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and a reasonable attorney fee to be fixed by the court, together with the costs of this action.

No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 9: Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any conveyance in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or conveyance. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10: Exempt Property. All properties dedicated to and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from

taxation by the laws of the State of Indiana, shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VIII

Declarant's Rights

Declarant reserves the right to use any of the Lots as models and to sell, assign or conduct other businesses in connection with the construction and development of the project from any of such Lots prior to their being sold. This reservation of right or privilege in Declarant includes, but is not limited to, the right to maintain a model, erect signs, maintain an office, staff the office with employees, and to show Lots then unsold. Declarant retains the right to be considered an Owner of any Lot that remains unsold. Declarant also reserves the right to make changes in the location or manner of construction of buildings and other improvements. Declarant further reserves the right, until the first conveyance of a Lot, to amend the Declaration by the recording of an amended declaration.

ARTICLE IX

Maintenance

Section 1. Maintenance by Owners. The Owner of each Lot shall furnish and be responsible for, at his own expense, all the maintenance, repairs, decorating and replacements within his residence, including the heating and air conditioning system and any partitions and interior walls. He further shall be responsible for the maintenance, repair and replacement of all windows in his residence and also the doors leading into the residence, and any and all other maintenance, repair and replacements of the improvements on his Lot unless otherwise provided herein.

To the extent that equipment, facilities and fixtures within any Lot shall be connected to similar equipment, facilities

ties or fixtures affecting or serving other Lots, then the use thereof by the Owner of such Lot shall be subject to the rules and regulations of the Association. The authorized representatives of the Association or Board of Directors or the manager or managing agent for the Association shall be entitled to reasonable access to any Lot as may be required in connection with maintenance, repairs or replacements of or to any equipment, facilities or fixtures affecting or serving other Lots.

Section 2: Maintenance of Driveway Easements. The Association shall be responsible for the maintenance, repair and repaving of all Driveway Easements.

Section 3. Exterior Maintenance Obligations of Association, with Respect to Lots. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building and surfaces, and other exterior improvements, lawns, shrubs, trees, trash removal the paved portions of the Driveway Easements and front walks. Such exterior maintenance shall not include glass surfaces, doors, windows, and window frames.

In the event that the need for maintenance or repair is caused through the wilful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X Insurance

Section 1. Casualty Insurance on Insurable Common Area. The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the

Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage, with respect to the Common Area, shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

In addition to casualty insurance on the Common Area, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full-replacement value, without deduction for depreciation or coinsurance, of all of the Dwelling Units, including the structural portions and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association, shall be a Common Expense of the Association to be included in the regular Common Assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Dwelling Units shall be written in the name of, and the proceeds thereof shall be payable to, the Association as Trustee for the homeowners and their mortgagees.

Such master casualty insurance policy and "all risk" coverage if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Association, its 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 pro-

viding further, if the Board of Directors is able to obtain such insurance upon reasonable terms, that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as hereinafter permitted.

Section 2: Liability Insurance. The Association shall also purchase a master comprehensive public liability insurance policy in such amount or amounts, if any, as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Association, its Board of Directors, any committee or organ of the Association or Board of Directors, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Association's obligations under this Declaration, its Articles of Incorporation and By-Laws.

The Association shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Association, its Board of Directors and any managing agent acting on behalf of the Association. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Association. However, no person, other than the Association, the Owner of a Lot, or the mortgagee, where permitted by the mortgage, shall have the right to place hazard or liability insurance for that Lot, nor may the Association require an Owner to place insurance through a particular company or agent or require its approval of such policies.

Section 3. Monthly Assessment for Insurance. The pre-

miums for all such insurance hereinabove described shall be paid by the Association and the pro-rata cost thereof shall become a separate monthly assessment to which each Lot shall be subject under the terms and provisions of Article VIII. Each Owner shall prepay to the Association at the time his Lot is conveyed to such Owner an amount equal to thirteen (13) monthly insurance assessments and shall maintain such prepayment account at all times. The Association shall hold such funds in escrow for the payment for the purchase of insurance as herein provided. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Association, 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 the Association who is required to send notices of meetings of the Association.

Section 4. Distribution to Mortgagee. In no event shall any distribution of proceeds be made by the 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.

Section 5. Additional Insurance. Each Owner shall be solely responsible for and may obtain such additional insurance as he deems necessary or desirable at his own expense affording coverage upon his personal property, the contents of his residence (including, but not limited to, all floor, ceiling and wall coverings and fixtures, betterments and improvements installed by him) and his personal property stored elsewhere on the Properties, and for his personal liability, but 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 the Association. Each Owner may obtain casualty insurance at his own expense upon his Lot but such insurance shall provide that it shall be without

contribution as against the casualty insurance purchased by the Association. 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 the Association pursuant to this paragraph, due to proration of insurance purchased by an Owner under this paragraph, the Owner agrees to assign the proceeds of his latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as herein provided.

Section 6. Casualty and Restoration. Damage to or destruction of any Building due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Association and the proceeds of insurance, if any, shall be applied for that purpose.

Section 7. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Lot Owners.

In the event that the Association is maintaining blanket casualty and fire insurance on the Dwelling Units on the Lots in the Properties, the Association shall repair or replace the same from the insurance proceeds available.

For purposes of Section 6 above, repair, reconstruction and restoration shall mean construction or rebuilding of the Building or Buildings to as near as possible the same condition as it existed immediately prior to the damage or destruction and with the same type of architecture.

Section 8. Surplus of Insurance Proceeds. In the event

that there is a surplus of insurance proceeds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums shall be distributed to the Owners of the Buildings affected and their Mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against another Owner for committing wilful and malicious damage.

Section 9. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE XI Easements

Section 1. Drainage, Utility and Sewer Easements.
There are strips of ground marked "drainage, utility, utility and sewer, and sanitary easements (D.E. - UE - U.S.E. - S.E.)" shown on the Plat which are hereby reserved for public utilities, not including transportation companies, for the installation and maintenance of poles, mains, sewers, drains, ducts, lines, wires and the like. The Association and the Owners of Lots shall take title subject to the easements hereby created and subject at all times to the rights of the proper authorities to service the utilities and the easements hereby created. No permanent structure of any kind, and no part thereof, including fences, shall be built, erected or maintained on said drainage, utility and sewer easements except walkways and paving on the Driveway Easements. The Association shall maintain and repair any storm drainage pipe located in a Common Area but not in a dedicated right-of-way.

Section 2. Driveway Easements. Driveway Easements as specified in Article IV, Section 2, are hereby reserved for the

use and enjoyment of the Owner of the Lot, their families and invitees. Such Driveway Easement shall not be used for parking of trucks or other commercial vehicles, except temporarily or incidentally for the making of pickups and deliveries to neighboring Lots. No velocipedes, bicycles, toys or other private property shall be allowed to obstruct any Driveway Easement, nor shall the same be stored in the open alongside building walls or other locations of public view. Cars, trucks and other vehicles shall not be parked on the paved portion of any Driveway Easement so as to impede access from or to any other Lot which such easement serves or public street. No fence, barrier or other obstruction of any kind shall ever be placed or constructed on any Driveway Easement without the prior written consent of the Association.

ARTICLE XII

Party Walls

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing lines between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or wilful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. Subject to the provisions of Article X hereof, if a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of

restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or wilful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or wilful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator and such arbitrators shall choose one (1) additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE XIII

Architectural Control

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein, including window air conditioners, other than by Declarant, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor

as above provided. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIV

Signs and Home Occupations

Section 1. Signs. Prior to the sale of the last Lot in the Properties by Declarant, no advertising signs of any kind (other than interior window signs) shall be displayed on any Lot without the prior written approval of Declarant. Further, no signs of any nature, kind or description shall be erected, placed or maintained on any Lot which identify, advertise or in any way describe the existence or conduct of a home occupation.

Section 2. Home Occupations. No home occupation shall be conducted or maintained on any Lot. Nothing herein shall be construed or interpreted to affect the activities of Declarant in the sale of lots or single-family dwellings as a part of the development of this subdivision.

ARTICLE XV

Encroachments and Easements for Buildings

If, by reason of the location, construction, settling or shifting of a Building, any part of a Building consisting of the single-family residence appurtenant to a Lot (hereinafter in this Article referred to as the "Encroaching Lot") now encroaches or shall hereafter encroach upon any other adjacent Lot, then in such event, an easement shall be deemed to exist and run to the Owner of the Encroaching Lot for the maintenance, use and enjoyment of the Encroaching Lot and all appurtenances thereto.

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 or on any other Lot and serving his Lot, if any.

ARTICLE XVI

Prohibited Activities

Section 1. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Any mess created by such animal outside of the Dwelling Unit shall be promptly cleaned up by the animal's owner.

Section 2. Waste Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Waste matter or materials shall be kept only in sanitary containers and all incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3. Offensive Activities. No noxious or offensive activity shall be carried on upon any Lot nor shall anything done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. Window Air Conditioners. Window air conditioners may only be placed in the rear of the Dwelling Unit. Use, placement, type and location of any window air conditioner shall be considered an exterior improvement subject to Article XIII.

Section 5. Certain Vehicles Prohibited. Any motor vehicle which is inoperative and not being used for normal transportation shall not be permitted to remain on any Lot.

Section 6. Drainage. Any field tile or underground drain which is encountered in the construction of any improvements on any Lot shall be perpetuated and the Association as well

as all Owners of Lots and their successors shall comply with the Indiana Drainage Code of 1965, and all amendments thereto.

Section 7. Construction and Sale Period.

Notwithstanding any provisions contained herein to the contrary, it shall be expressly permissible for Declarant to maintain, during the period of construction and sale of Lots, upon such portion of the Properties as Declarant may deem necessary, such facilities as in the sole opinion of Declarant may be reasonably required, or be convenient or incidental to the construction and sale of the Lots, including, but not without limitation, storage areas, signs, model residences, construction offices, sales offices and business offices.

ARTICLE XVII

Mortgagee's Rights

Section 1. Notice of Rights of Mortgage of a Lot.

Upon written request by a mortgagee to the Association, a mortgagee of a Dwelling shall be entitled to receive written notification of: (a) any default, not cured within sixty (60) days after its occurrence by the Owner of the Lot of any obligation of the Owner under the Declaration, the By-Laws of the Association or the Articles of Incorporation of the Association; and (b) cancellation or notice of cancellation of any master casualty insurance policy. The request for notification may be made by any mortgagee of a Dwelling, its successor or assign. The notification shall be sent not later than the 65th day after the occurrence of an uncured fault.

Section 2. Rights of First Refusal. Any right of first refusal now or hereafter contained in this Declaration or any amendment or modification hereto or otherwise arising in favor of the Association or certain Owners of Lots shall not apply to or preclude or impair in any way the right of the first mortgagee to (i) foreclose or take title to any Lots or to remedies provided in its mortgage; (ii) accept a deed or assignment in lieu of foreclosure in the event of a default under the mortgage; or (iii) sell or lease a unit acquired by the mortgagee or its mortgage guarantor.

Section 3. Rights of Mortgagee. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), and the Class A Members have given their prior written approval, the Association shall not:

(a) by an act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Properties or Common Area or improvements located thereon which are owned directly or indirectly by the Association for the benefit of the Dwellings. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties by the Association shall not be deemed a transfer within the meaning of this clause.

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner.

(c) by act or omission change, waive or abandon any scheme of regulation or enforcement thereof pertaining to the architectural design or exterior appearance of the Dwellings, the exterior maintenance of the Dwellings, the maintenance of party walls or common fences, driveways or the upkeep of lawns and plantings in the Properties.

(d) fail to maintain fire and extended coverage insurance on insurable common property on current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

(e) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area.

Section 4. Right to Examine Books and Records. Mortgagees, their successors or assigns, shall have the right to examine the books and records of the Association.

Section 5. Taxes and Insurance. First mortgagee of Lots may, jointly or singly, pay taxes or other charges which are

in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 6. Insurance Proceeds and Condemnation Awards.

No provision of this Declaration, or any other documents or instrument affecting the title to the Property, Common Area, any Lot or the organization or operation of the Association, shall give a Lot Owner or any other party, priority over any rights of first mortgages of Lots within the Properties pursuant to their mortgages in the case of a distribution to Lot Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

ARTICLE XVIII

General Provisions

Section 1. Right of Enforcement: In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the persons in ownership from time to time of the Lots and all parties claiming under them, shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue any and all remedies at law or in equity available under applicable Indiana Law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorney fees, costs and expenses incurred as a result thereof. Failure by the Association or by

any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of any right do so thereafter.

Section 2. Amendment. This Declaration may be amended or changed at any time within twenty (20) years following the date of recordation by an instrument recorded in the Office of the Recorder of Johnson County, Indiana, signed by at least ninety percent (90%) of the then Owners and thereafter by a similar recorded instrument signed by at least seventy-five percent (75%) of such Owners; provided, however, none of the rights of Declarant reserved hereunder may be amended or changed without Declarant's prior written approval. This Declaration shall run with the land and shall be binding upon all parties claiming under them for a period of twenty (20) years from the date of recordation in the Office of the Recorder of Johnson County, Indiana, and shall automatically extend for successive periods of ten (10) years each unless prior to the expiration of any such ten-year period, it is amended or changed in whole or in part as hereinabove provided. Invalidation of any of the covenants, conditions or restrictions of this Declaration by judgment or decree shall in no way affect any of the other provisions hereof, but the same shall remain in full force and effect.

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

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants,

INFORMATION BROCHURE

1. Organizational Structure of the Association. The Homeowners Association, known as "The Lofts of Valle Vista Homeowners Association, Inc.", is an Indiana Not-For-Profit Corporation. The Board of Directors of the Association consist of five (5) members who each serve a one (1) year term. The Directors are elected at an annual meeting of the Association Members. Immediately after that election, the Directors meet to elect their officers.

The Board has four (4) Officers: President, Vice-President, Secretary, and Treasurer. Additionally, it must appoint two (2) committees, the Architectural Control Committee and the Nominating Committee. It may also appoint such committees it feels necessary.

A Director need not be a homeowner. The Nominating Committee submits its list of nominees to the Homeowners prior to the annual meeting of Members, but each Member has the right to vote for whomever he pleases, even if that person is not nominated by the Nominating Committee.

2. Membership and Voting Rights of Homeowners and the Developer. There are two (2) classes of Membership, Class A and Class B. Upon receiving a Deed, each homeowner automatically becomes a Class A Member of the Association. It is possible that several people may buy a Lot, but they can only cast one vote in toto. It is up to the Owners to decide who will cast the vote.

There will be sixty-two (62) Lots in the Development. The Developer, who is the only Class B Member, will be entitled to cast three (3) votes for each unsold Lot until the total Class A votes are equal to his votes, or _____, 198____, whichever is sooner. At that time, the Developer will become a Class A Member and be entitled to only one (1) vote for every unsold Lot.

Votes may be cast by proxy. All proxies have to be in writing and filed with the Secretary of the Board of Directors. Every proxy will be revocable and automatically terminate upon conveyance by the Member of his Lot.

3. Requirements for Annexation, Merger and Dissolution and an Explanation that the Total Membership of the Homeowners Association may be Increased. The Developer does not presently intend to expand the Development beyond sixty-two (62) Lots. However, you should be aware that the project can be expanded, but only with the consent of two-thirds (2/3) of the Class A and Class B Members. Additionally, so long as there is a Class B Membership, it will be necessary for the Federal Housing Administration or Veterans Administration to approve annexation of any additional properties.

The Association may participate in mergers and consolidations with all other non-profit corporations organized for the same purpose. However, like annexation, merger or consolidation would require the consent of two-thirds (2/3) of each Class of Members and while there is a Class B Membership, the further consent of the Veterans Administration or the Federal Housing Administration will be required.

The Association can also be dissolved with the assent given in writing, signed by not less than two-thirds (2/3) of each class of Members. If there is a Class B Member, dissolution must also be approved by the Federal Housing Administration or the Veterans Administration.

Upon dissolution, other than as a part of a merger or consolidation, the assets of the Association will be dedicated to the appropriate public agency to be used for the purposes similar to those which the Association was created. If such dedication is refused, those assets will then be conveyed to a not-for-profit corporation, Association, Trust or other organization devoted to a similar purpose.

4. The Maximum Amount on the Initial Amount of Assessments, the Assessment Lien, and the Method of Enforcement. Until January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall

be _____ Dollars (\$ _____)
per Lot for each Class Member. After January 1 of the year immediately following conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by the higher of fifteen percent (15 %), or by the "Consumer Price Index" percentage above the maximum assessment for the previous year without a vote of the Membership.

To determine the "Consumer Price Index" percentage, the Association Board of Directors would use the "Consumer Price Index" (C.P.I.) published by the U. S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U. S. City Average, All Items, unadjusted for seasonal variation. The maximum assessment for any year shall be the amount determined by (a) taking the dollar amount specified above in the first sentence of this Section, (b) multiplying that amount by the published C.P.I. number for the third month prior to the beginning of the subject year and (c) dividing that resultant by the published C.P.I. number for the third month prior to the month in which the Declaration was signed by the Declarant.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment amount specified above in the first sentence of this Section and used in the above C.P.I. adjustment formula may be changed by a vote of the Members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The Limitations hereof shall not apply to any change in the maximum basis of the assessments

undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

In addition to the monthly assessments, the Association can also levy a special assessment for defraying the cost of any construction, reconstruction, repair or replacement of any Improvement which it is required to maintain for operating deficits that are incurred, provided that any such special assessment has the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting called for that purpose.

Additionally, a special assessment may be made against a particular Owner if he fails to adequately maintain his open area and Dwelling Unit under the Declaration. Then, after ten (10) days written notice to the Owner, the Association has the right to enter upon the open area and do any necessary maintenance.

There is also a provision in the Declaration for a special assessment against a homeowner where the need for maintenance and repair is caused by some willful negligent act of the Owner, his family, guests, or invitees. The Costs of such maintenance or repairs are then added to and become a part of his assessment.

If the assessment is not paid within thirty (30) days from the date when due, the entire unpaid assessment becomes delinquent and together with interest at the rate of eight percent (8%) from the due date, and cost of collection, is a continuing lien upon the Lot, by and upon the Owner, his heirs, purchasers, successors and assigns. The personal obligation of the Owner to pay the assessment does not pass to his successor in title unless it is assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, it bears interest from the delinquency date at eight percent (8%) per year. The Association may bring an

action against the Owner personally, or foreclose its lien against the Property or both. If that happens, the cost of preparing and filing the Complaint, other court costs and attorneys fees are recoverable against the Owner.

5. Method of Change in the Maximum Assessment. After January 1 of the year immediately following conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by the higher of Fifteen percent (15 %), or by the "Consumer Price Index" percentage above the maximum assessment for the previous year without a vote of the Membership.

To determine the "Consumer Price Index" percentage, the Association Board of Directors would use the "Consumer Price Index" (C.P.I.) published by the U. S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U. S. City Average, All Items, unadjusted for seasonal variation. The maximum assessment for any year shall be the amount determined by (a) taking the dollar amount specified above in the first sentence of this Section, (b) multiplying that amount by the published C.P.I. number for the third month prior to the beginning of the subject year and (c) dividing that resultant by the published C.P.I. number for the third month prior to the month in which the Declaration was signed by the Declarant.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment amount specified above in the first sentence of this Section and used in the above C.P.I. adjustment formula may be changed by a vote of the Members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which

shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

6. User Fees. The Developer has not planned any recreational facilities in the Development for which user fees will be charged.

However, as a part of your monthly homeowners assessment, _____

_____ Dollars, (\$ _____) will be collected for a social membership in the Valle Vista Country Club. The Homeowners Association has signed an Agreement with Valle Vista, giving you access as a social member to the facilities at Valle Vista (see brochure). There will be user fee charges on these recreational facilities, but they will be billed separately to you by the Country Club.

7. Complete Description of All Elements of the Common Property, including Improvements. The Common Area is shown on the plat included at the back of this brochure. The Common Area shall include an entrance-way to "The Lofts" as well as portions of the driveways to each Unit. Otherwise, the Common Area will be "Greenspace", containing trees and other landscape plantings done by Deluxe Homes, Inc. Most planting, however, will be concentrated adjacent to the Units, within the land deeded to the individual Owners.

8. Services Provided by the Association. The Association maintains the Common Area. The Common Area is all the Property except for the Lots and the streets. Additionally, the Association provide exterior maintenance upon each Lot as follows: paint, repair, replace and care for the roofs, gutters, downspouts,

exterior building and services, and other exterior improvements, lawns, shrubs, trees, trash removal and the paved portion of the driveway easements and front walks. This exterior maintenance though does not include glass services, doorways, windows, and window frames. You as an Owner will be responsible for the maintenance, repairs, decorating replacement within your unit, including the heating and air conditioning system and any partitions and interior walls. You are also responsible for maintenance, repair and replacement of all windows in your residence and the doors leading into the residence and all other maintenance, repair, replacement of improvements on your Lot, unless specifically reserved by the Association.

The Homeowners Association will also maintain blanket casualty and fire insurance, in an amount equal to the full insurable replacement value, for all Dwelling Units, including structural portions and fixtures thereof, owned by you.

9. Exterior Maintenance and Dwellings, if any. The Association provides exterior maintenance upon each Lot as follows: paint, repair, replace and care for the roofs, gutters, downspouts, exterior building and services, and other exterior improvements, lawns, shrubs, trees, trash removal and the paved portion of the driveway easements and front walks. This exterior maintenance though, does not include glass services, doorways, windows, and window frames.

10. Architectural Control. The Board of Directors, or an appointed committee, will be set up to have architectural control over the Development. Basically, no exterior addition to, change or alteration of a unit can be made until plans and specifications for it are approved either by the Board of Directors or the Architectural Control Committee.

If you submit plans and the Board or Committee fail to approve or disapprove them within thirty (30) days, the plans will be deemed to have been approved.



Valle Vista
The Club in the Country

Member-Guest Charges—Effective January 1, 1981

GUEST GREEN FEES: (Includes use of swimming pool and health spa)	18 Holes	9 Holes	Prime Time	Non-Prime Time
WEEKENDS (Sat., Sun., & Holidays)	\$13.00	\$8.00	\$9.00	\$6.00
WEEKDAYS (Mon.-Fri.)	9.00	5.00		
RIDING CARTS	12.00	8.00		
PULL CARTS	2.00	2.00		
BAG STORAGE & CLUB CARE (Members Only) (May 1 through September 30)	43.00	per season		

COURT FEES:
(Includes use of swimming pool and health spa)

POOL & HEALTH CENTER:
Adults \$3.00/Day
17 and under \$2.00/Day

LOCKER & TOWEL SERVICE:
Per Day 50c
Per Month \$6.00



Valle Vista

The Club in the Country
755 E. MAIN ST., GREENWOOD, IN 46142

(see other side for types of memberships available)

NAME (Please Print) _____ PHONE NUMBER _____

ADDRESS _____ STATE _____ ZIP CODE _____

Membership Classification

- Full Family
- Full Individual
- Family Golf/Swim Spa
- Individual Golf/Swim/Spa
- Family Racquet/Swim/Spa
- Individual Racquet/Swim/Spa
- Family Swim/Spa
- Individual Swim/Spa
- Family Social
- Individual Social

MONTHLY DUES

\$100.00	\$1,200.00
70.00	800.00
80.00	1,000.00
60.00	700.00
70.00	800.00
50.00	600.00
30.00	500.00
15.00	300.00
12.50	250.00
10.00	150.00

ONE-TIME INITIATION FEES

2-1-1

DESCRIPTION OF MEMBERSHIP CLASSIFICATIONS

FAMILY MEMBERSHIP—a FAMILY MEMBERSHIP is issued in the name of the head of a household and entitles all of his or her dependents (as defined by IRS) to the benefits of membership.

INDIVIDUAL MEMBERSHIP—an INDIVIDUAL MEMBERSHIP entitles the benefits of membership to the named member only. Available to unmarried persons only.

SOCIAL—a SOCIAL MEMBER has full charging privileges and admittance to the Members Lounge and locker rooms, may periodically utilize other club facilities upon payment of the standard "guest fee" rates, plus has full participation in all programs held for members throughout the year.

SWIM/SPA—a SWIM/SPA MEMBER has full benefits of the club's Swim/Spa Center, including use of the indoor swimming facilities, the exercise area, steam room, sun room, sauna, jogging track and indoor driving range, at no charge, plus all benefits of a SOCIAL MEMBERSHIP.

RACQUET/SWIM/SPA—a RACQUET/SWIM/SPA MEMBER has use of the club's indoor racquetball courts and outdoor tennis courts, plus benefits of the Swim/Spa Center, without charge, and all benefits of a SOCIAL MEMBERSHIP.

GOLF/SWIM/SPA—a GOLF/SWIM/SPA MEMBER has use of the golf course, plus benefits of the Swim/Spa Center, without charge, and all benefits of a SOCIAL MEMBERSHIP.

FULL MEMBERSHIP—a FULL MEMBERSHIP includes the privileges of all types of memberships.

GROUP DISCOUNT—Your business, association or fraternal organization may qualify for a 30% discount off your initiation fees with three (3) or more members.

JUNIOR & SENIOR CITIZENS—An individual or head of a household who is under 30 or over 65 years of age will be granted a fifty percent (50%) initiation fee discount.

* "Lofts" homeowners may upgrade their Social Membership without payment of any further initiation fee within six (6) months of closing. The monthly dues would increase from \$12.50 to \$100.00.

DEVIATION FROM MODEL FORM
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
THE LOFTS OF VALLE VISTA

The following deviations are noted by interlineation:

Article I. Name, no deviation.

Article II. Definitions. Definitions are added for "Plat", "Driveway Easement", "Lot", "Building", "Dwelling Unit", and "Board of Directors", because of the latter reference to these terms in the Declaration.

Article III. Lots. The entire Article is an addition to the text. This Article describes the number of Lots and their multi-family use." Additionally, it informs the buyer that the streets are publically dedicated.

Article IV. Property Rights. Section 2 describes the Owner's driveway easement. Adjacent units are connected to the street by an asphalt driveway running through the Common Area. Because it lays in the Common Area, potentially a conflict could arise as to its use. Section 2 limits the use of the driveway to the Owners of the Dwelling Units served by it.

Article V. Access Rights of the Association. Along with the Dwelling Unit, each Owner will receive a small Lot. For the most part, the exterior of the Unit and the Lot will be maintained by the Association. Article V provides an access easement for the Association to perform maintenance. Additionally, it provides that the Association may enter upon the open area and perform maintenance otherwise the responsibility of the Owner. In such case, the cost will be added to that particular Owner's assessment.

Article VI. Association, Membership and Voting Rights. Section 3 of this Article provides that the Owners will elect a Board of Directors of the Association pursuant to the By-Laws.

Section 4, Further Powers, is provided to specifically advise the homeowner of certain types of contracts the Association may enter into. It also assures the homeowner that any contract with the Declarant, sponsor or builder, cannot exceed three (3) years or provide anything more than ninety (90) days termination notice.

Article VII. Covenant for Maintenance Assessments. Section 3 has been modified to allow increases in the maximum annual assessment, without vote of the Membership, to the higher of a fixed percentage or, a percentage determined by the "Consumer Price Index" (C.P.I.). The C.P.I. language is taken from a Memorandum to all Regional Counsel, dated January 8, 1975, from the HUD-FHA Central Office, and sent to me by Keith W. Lerch, Area Counsel for the Indianapolis Area Office for HUD. The fixed percentage language is taken from the Model Form

Section 8, Effect of Non-Payment of Assessments: Remedies of the Association, specifically defines the rate of interest on unpaid assessments as eight percent (8%), as well as the fact that the Owner, his heirs, devisees, successors and assigns are personally responsible for it. However, this obligation does not pass to successors in title unless expressly assumed by them.

Article VIII. Declarant's Rights. This Article spells out the Declarant's basic right to do what is necessary and reasonable to develop the subdivision. Additionally, it provides that the Declarant can amend the Declaration by the simple act of recording, until the first Lot is sold to an Owner.

Article IX. Maintenance. Section 1, Maintenance by Owners, specifically provides for certain maintenance by the Owner.

Section 2 provides that the Association is responsible for the maintenance of the driveway easement.

Article X. Insurance. Paragraphs one (1) and two (2) of Section 1 are taken directly from a Memorandum to All Regional Counsel, dated April 3, 1980, from David E. Pinsky, concerning blanket hazard insurance in planned unit developments. This letter was sent to me pursuant to a request to Keith W. Lerch, Area Counsel. The rest of that Section is to flesh out the nature of the policy which can be obtained.

Section 2, Liability Insurance, provides that the Association can also purchase a master comprehensive public liability insurance policy, any other insurance required by law or insurance which is deemed reasonably necessary.

Section 3, Monthly Assessment for Insurance, provides the method for collection of the insurance premiums.

Section 4, Distribution to Mortgagee, provides that no insurance proceeds can be paid directly to an Owner if he has a mortgagee.

Section 5, Additional Insurance, advises the homeowner that he is responsible for his personal property within the Unit.

Section 6, Casualty and Restoration, requires that damage to a building be promptly repaired with insurance proceeds. Repair is defined in Section 7, while Section 8 provides for the distribution of insurance proceeds surplus.

Article XI. Easements. Section 1, Drainage, Utility and Sewer Easements, advises the Owner that there are certain drainage, utility and sewer easements within the Development which the Association and the Owners take notice of.

Section 2, Driveway Easements, provides a specific driveway easement for that portion of the driveway that runs through the Common Area.

Article XII. Party Walls. No deviation.

Article XIII. Architectural Control. No deviation.

Article XIV. Signs and Home Occupations. Basically, both Sections in this Article prohibit advertising and home occupations.

Article XV. Encroachments, and Easements for Buildings. This Article provides an easement for an Owner whose Lot inadvertently encroaches upon an adjacent Lot.

Article XVI. Prohibited Activities. This Article prohibits certain activities detrimental to the Development and habitability of the Units.

Article XVII. Mortgagee's Rights. In these days of "tight money" it is always a good idea to try to please your mortgage lender. This Article is provided to give the mortgagees certain specific rights with regards to the Association, the Declaration, insurance proceeds and condemnation awards.

Article XVIII. General Provisions. Section 1 defines who has the right of enforcement of the Declaration.

Section 2 provides for the continuity of the Declaration as well as preserving certain Declarant's rights.

UNION TRUST CO. P.

CODE OF BY-LAWS

OF

THE LOFTS OF VALLE VISTA

HOMEOWNERS ASSOCIATION, INC.

CODE OF BY-LAWS

OF

THE LOFTS OF VALLE VISTA
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Identification

Section 1. Name. The name of the Corporation is "The Lofts of Valle Vista Homeowners Association, Inc."

Section 2. Principal Office and Resident Agent. The post-office address of the Principal Office of the Association is 500 Polk Avenue, #8, Greenwood, Indiana 46142; and the name and post-office address of its Resident Agent in charge of such office is Robert K. Yeager, 500 Polk Avenue, #8, Greenwood, Indiana 46142.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to "The Lofts of Valle Vista Homeowners Association, Inc.", its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land designated as such and shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Developments, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions applicable to the Properties recorded in the Office of the Johnson County Recorder.

ARTICLE III

Association Members

Section 1. Membership. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 2. Place of Meeting. All meetings of Members of the Association shall be held within the State of Indiana and County of Johnson at such place as may be determined by the Board of Directors and specified in the notices or waivers of notice thereof or proxies to represent Members at such meetings.

Section 3. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month each year thereafter, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 4. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the Class A Membership.

Section 5. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days prior to such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the

meeting, and, in the case of a special meeting, the purpose of the meeting. Notice of any meeting of the Members may be waived in writing by any Member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 6. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 8. Voting Rights. There shall be one person with respect to each Lot who shall be entitled to vote at any meeting of the Members. Such persons shall be known as a "Voting Member". Such Voting Member may be the owner or one of the group composed of all the Owners of a Lot, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Any or all of such Voting Members may be present at any meeting of the Voting Members and may vote or take any action as a Voting Member, either in person or by proxy. Declarant (or its nominee) may exercise the voting rights with respect to any Lot owned by it. The Association shall have two (2) classes of Voting Members, as defined in the Declaration. Class A Members shall be entitled to one (1) vote for each Lot owned and Class B Members shall be entitled to three (3) votes for each Lot owned.

ARTICLE IV

Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting the Members shall elect 5 Director(s) for a term of one (1) year, 0 Director(s) for a term of two (2) years, and 0 Directors for a term of three (3) years and at each annual meeting thereafter the Members shall elect 5 for a term of one year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they

are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Waiver of Notice. Any Member of the Board of Directors may waive notice of any meeting in writing. Attendance by a Member at any meeting shall constitute a waiver of notice of such meeting.

ARTICLE VII

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities, if any, of a Member during any period in which

such Member shall be in default of the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations:

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and,

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members, at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote.

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any

assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) procure and maintain adequate liability and casualty insurance pursuant to the Declaration;
- (f) cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area and Owner's Lot to be maintained as required by the Declaration.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Offices. The Officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it all on the papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall sign proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

Committees

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

Books and Records

Section 1. Books and Records, In General. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 2. Receipts and Expenditures. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Properties as defined in the Declaration, specifying and itemizing the maintenance and repair expenses of the Properties and other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or representative of an Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement in recordable form of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, and such amount shall be binding upon the Board and the Association, and any mortgagee or grantee of such Owner furnished with such statement shall not be liable for, and the lot of such Owner shall not be conveyed subject to a lien for, any unpaid assessment in excess of the amount set forth in such statement.

ARTICLE XI

Execution of Instruments

Section 1. Checks, Drafts, Etc. All checks, drafts, bills of exchange or other orders for the payment of money, obligations, notes or other evidences of indebtedness of the Association shall be signed

or endorsed by such officer or officers, employee or employees of the Association as shall from time to time be designated by the Board of Directors.

Section 2. Contracts. All contracts, agreements, deeds, conveyances, mortgages and similar instruments authorized by the Board of Directors shall be signed, unless otherwise directed by the Board or required by law, by the President and attested by the Secretary.

ARTICLE XII

Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIII

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: THE LOFTS OF VALLE VISTA HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIV

Amendments

Section 1. Voting. These By-Laws may be amended, at a regular

or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. The Indiana Not-For-Profit Corporation Act of 1971. The provisions of the Indiana Not-For-Profit Corporation Act of 1971, as amended, applicable to any of the matters not herein specifically covered by these By-Laws, are hereby incorporated by reference in and made a part of these By-Laws.

IN WITNESS WHEREOF, we, being all of the Directors of THE LOFTS OF VALLE VISTA HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this _____ day of _____, 1981.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of THE LOFTS OF VALLE VISTA HOMEOWNERS ASSOCIATION, INC., an Indiana Not-For-Profit Corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, 1981.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal of said Association this _____ day of _____, 1981.

VIRGINIA M. YEAGER, Secretary of
THE LOFTS OF VALLE VISTA HOMEOWNERS
ASSOCIATION, INC.

Prepared by:
John W. Tousley
Attorney at Law
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Indianapolis, Indiana 46204
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File: 81-043

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE LOFTS OF VALLE VISTA

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE LOFTS OF VALLE VISTA

THIS DECLARATION, made on the date hereinafter set forth by Developments, Inc., an Indiana corporation, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Greenwood, County of Johnson, State of Indiana, which is more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein.

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

ARTICLE I

Name

This subdivision shall be known and designated as The Lofts of Valle Vista, a subdivision located in Greenwood, Johnson County, Indiana.

ARTICLE II

Definitions

Section 1: "Association" shall mean and refer to The Lofts of Valle Vista Homeowners Association, Inc., an Indiana not-for-profit corporation, and its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "properties" shall mean and refer to that certain real property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot as described in Exhibit "B", attached hereto and by this reference incorporated herein.

Section 5: "Declarant" shall mean and refer to Developments, Inc., an Indiana corporation, its successors and assigns.

Section 6: "Plat" shall mean and refer to the subdivision plat of the Properties recorded in the Office of the Recorder of Johnson County, Indiana, as the same may be hereafter amended or supplemented.

Section 7: "Driveway-Easements" shall mean and refer to the surface easements for vehicular ingress and egress appurtenant to the Lots.

Section 8: "Lot" shall mean and refer to any parcel of land designated as such upon the Plat. With respect to any Dwelling Unit that may be constructed on a part of more than one of such parcels, "Lot" shall mean and refer to the real estate conveyed in connection with such Dwelling Unit.

Section 9: "Building" shall mean and refer to any multi-family dwelling unit that may be constructed on a part of more than one (1) Lot.

Section 10: "Dwelling Unit" shall mean and refer to each one of the single family portions of any Building.

Section 11: "Board of Directors" shall mean and refer to the Board of Directors of the Association.

ARTICLE III

Lots

Section 1: Number of Lots. This subdivision consists of sixty-two (62) Lots numbered 1 thru 62, both inclusive, with streets and Common Area as shown on the Plat.

Section 2: Street Dedication. The streets (but not Driveway Easements) shown on the Plat and not heretofore dedicated are hereby dedicated to the public.

Section 3: Land Use. All Lots shall be used exclusively for multi-family residential purposes.

Section 4: Conveyance of Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein.

ARTICLE IV

Property Rights

Section 1: Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, excluding those areas designated as Driveway Easement, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) The right of the Association to suspend the voting rights and right of use of any recreational or other facilities located in the Common Area, if any, by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency,

authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2: Owners' Driveway Easement. Each Dwelling Unit will be connected to a street by a driveway, a portion of which will lie in the Common Area. As to such driveway portion, the Owner of the Dwelling Unit served by the same, shall have an exclusive easement of enjoyment to it. No other Owner shall have the right to its use for any purpose.

Section 3: Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area, Dwelling Unit or Driveway Easement and any facilities located thereon to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE V

Access Rights of Association

If any Owner shall fail to adequately maintain the open area and the Dwelling Unit included within his Lot, the Association upon the giving of ten (10) days written notice to such Owner, shall have the right to enter upon such open area and do any necessary maintenance thereon. The cost of such maintenance shall be a special assessment against such Lot and the Owner thereof.

The Association shall have an easement for access to all Lots for ingress and egress as reasonably required by its officers, directors, employees and their agents and independent contractors, in order to perform its obligations and duties as set forth in this Declaration. This easement is also reserved for the Declarant so long as Declarant owns any Lot.

ARTICLE VI

Association, Membership and Voting Rights

Section 1: Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

i) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or

ii) on the 1st day of October, 1985.

Section 3: Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's By-laws. The Board of Directors shall manage the affairs of the Association.

Section 4: Further Powers. In addition to all other powers granted to the Association by the Declaration, its Articles of Incorporation and By-laws, the Association, through its Board of Directors, may elect to enter into certain agreements providing for:

- (a) access by all Owners to recreational and social facilities located outside of the Properties;
- (b) security services upon the Properties;
- (c) assessment billing services;
- (d) professional management services; and,
- (e) snow removal services.

The costs associated with such contracts shall be a common expense of the Association to be included in the regular common assessments as levied by the Association.

Any agreement for the professional management of the Properties or Common Area, or any other contract providing for the services of the Declarant, sponsor or builder, may not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days, or less, written notice.

ARTICLE VII

Covenant for Maintenance Assessments

Section 1: Creation of the Lien and Personal Obligation of Assessment: Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: 1) monthly assessments or charges; (2) special assessments for capital improvements and operating deficits; and (3) special assessments as provided in Article V, Article VI and Article IX; such assessments to be established and collected as hereinafter provided. Any Lot that has not been conveyed by Declarant shall be assessed at a rate of twenty-five percent (25%) of the other Lots, excluding any assessment for access to recreational facilities. The monthly and special assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvements, maintenance and other purposes as

specifically provided herein.

Section 3: Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Forty and no/100ths Dollars (\$40.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership unless such increase is pursuant to sub-section (b) hereafter.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment per Lot may also be increased each year without a vote of the membership, in conformance with the Consumer Price Index (CPI) published by the U.S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, All Items, unadjusted for seasonal variation. The maximum assessment for any year shall be the amount determined by (a) taking the dollar amount specified above in the first sentence of this Section, (b) multiplying that amount by the published CPI number for the third month prior to the beginning of the subject year and (c) dividing that resultant by the published CPI number for the third month prior to the month in which this Declaration was signed by the Declarant.

(c) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment amount specified above in the first sentence of this Section and used in the above CPI adjustment formula may be changed by a vote of the members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor

more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements and Operating Deficits: In addition to the monthly assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain or for operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Notice and Quorum for any Action Authorized under Sections 3 and 4: Written notice of any meeting necessary for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment: Both monthly and special assessments for capital improvements and operating

deficits must be fixed at a uniform rate for all Lots not owned by the Declarant. Lots owned by the Declarant shall be assessed at a rate equal to twenty-five percent (25%) of the regular and special assessment on all other Lots, excluding any portion of such assessment collected for access to outside recreational facilities. Assessments may be collected on a monthly basis.

Section 7: Date of Commencement of Monthly Assessments:

Due Dates: The monthly assessment provided for herein and the insurance assessment provided for in Article X shall commence as to each Lot on the first day of the first month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix any increase in the amount of the monthly assessment at least thirty (30) days in advance of the effective date of such increase. Written notice of special assessments and such other assessment notices as the Board of Directors shall deem appropriate shall be sent to every Owner subject thereto. The due dates for all assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form, signed by an officer of the Association, setting forth whether the assessments on specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association on the date of its issuance.

Section 8: Effect of Non-Payment of Assessments:

Remedies of the Association: If any assessment (or monthly installment of such assessment, if applicable) is not paid within thirty (30) days of the date when due (pursuant to Section 7 hereof), then the entire unpaid assessment shall become delinquent and shall become, together with such interest thereon at the rate of eight percent (8%) per annum from the due date, and cost of collection thereof as hereinafter provided, a continuing lien on such Lot, binding upon the then Owner, his heirs, devisees, ^{heirs} successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall remain his personal obli-

COMMON AREA NO 2

Part of the South half of Section 33, Township 14 North and part of the North half of Section 4, Township 13 North all in Range 4 East of the Second Principal Meridian located in Pleasant Township of Johnson County, Indiana, described as follows:

Commencing at the Southeast corner of the South half of said Section 33, thence West along the south line of said Section 33 a distance of 3097.25 feet; thence North 01 degree 39 minutes 34 seconds West 90.00 feet; thence North 80 degrees 27 minutes 26 seconds East 216.12 feet, also being the Northwest corner of The Cloister Subdivision; thence South 01 degree 39 minutes 34 seconds East 340.78 feet to the North right-of-way line of Smith Valley Road; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line 170.00 feet to the west right-of-way line of Monte Vista Court; thence North 01 degree 39 minutes 34 seconds West on and along said right-of-way line 150.00 feet to the Point of Beginning, being the north right-of-way line of Monte Vista Drive; thence South 88 degrees 20 minutes 26 seconds East on and along said right-of-way line 210.00 feet to the East right-of-way line of Monte Vista Court; thence North 01 degree 39 minutes 34 seconds West on and along said right-of-way line 57.35 feet; thence Northeasterly along said right-of-way line on a curve to the right which has a radius of 50.00 feet, a chord bearing of North 48 degrees 56 minutes 30 seconds East 77.28 feet and a curved distance of 88.32 feet; thence South 80 degrees 27 minutes 26 seconds East on and along said right-of-way line 91.60 feet; thence Southeasterly on a curve to the right which has a radius of 75.00 feet, a chord bearing South 41 degrees 03 minutes 30 seconds East 95.21 feet and a curved distance of 103.15 feet; thence South 01 degree 39 minutes 34 seconds East on and along said right-of-way line 15.03 feet to the Point of Beginning.

Subject to all legal rights-of-ways and easements of record.

Except therefrom the following:

Lots numbered 21, 22 and 23 in The "Lofts" of Valle Vista, as per plat thereof recorded in Plat Book 10, Page 31, in the Office of the Recorder of Johnson County, Indiana.

Note:

The above description of Common Area No 2, less said exception, contains 0.33 acres, more or less.

2025

LEGAL DESCRIPTION

COMMON AREA NO 1

Part of the South half of Section 33, Township 14 North and part of the North half of Section 4, Township 13 North all in Range 4 East of the Second Principal Meridian located in Pleasant Township of Johnson County, Indiana, described as follows:

Commencing at the Southeast corner of the South half of said Section 33; thence west along the south line of said Section 33 a distance of 3097.25 feet; thence North 01 degree 39 minutes 34 seconds West 90.00 feet; thence North 80 degrees 27 minutes 26 seconds West 216.12 feet to the Point of Beginning, being the Northwest corner of The Cloister Subdivision; thence South 01 degree 39 minutes 34 seconds East 340.78 feet to the North right-of-way line of Smith Valley Road; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line 120.00 feet to the East right-of-way line of Monte Vista Court; thence North 01 degree 39 minutes 34 seconds West on and along said right-of-way 165.03 feet; thence Northwesterly on and along said right-of-way line on a curve to the left which has a radius of 125.00 feet, a chord bearing of North 41 degrees 03 minutes 30 seconds West 158.68 feet and a curved distance of 171.91 feet; thence North 80 degrees 27 minutes 26 seconds West on and along said right-of-way line on a curve to the left which has a radius of 100.00 feet, a chord bearing of South 48 degrees 56 minutes 30 seconds West 154.55 feet and a curved distance of 176.63 feet; thence South 01 degree 39 minutes 34 seconds East on and along said tight-of-way line 57.35 feet to the North right-of-way line of Monte Vista Drive; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line on a curve to the left which has a radius of 75.00 feet, a chord bearing North 68 degrees 45 minutes 04 seconds West 58.39 feet and a curved distance of 59.97 feet; thence North 45 degrees 50 minutes 34 seconds West on and along said right-of-way line 93.74 feet to the east right-of-way line of Polk Street; thence North 44 degrees 09 minutes 26 seconds East on and along said right-of-way line 90.00 feet; thence Northwesterly on and along said right-of-way line on a curve to the left which has a radius of 184.03 feet, a chord bearing of North 27 degrees 34 minutes 07 seconds East 105.08 feet and a curved distance of 106.56 feet; thence North 44 degrees 09 minutes 26 seconds East on and along said right-of-way 22.26 feet to the east right-of-way line of Cielo Vista Court; thence Northeasterly on and along said right-of-way line on a curve to the left which has a radius of 128.53 feet, a chord bearing of North 64 degrees 08 minutes 00 seconds East 87.82 feet and a curved distance of 89.62 feet; thence North 44 degrees 09 minutes 26 seconds East on and along said right-of-way line 98.77 feet; thence South 26 degrees 09 minutes 11 seconds East 95.35 feet; thence South 80 degrees 27 minutes 26 seconds East 448.78 feet to the point of beginning. Subject to all legal rights-of-ways and easements of record.

Except therefrom the following:

Lots numbered 1 thru 20 and lots numbered 24 thru 41 inclusively in The "Lofts" of Valle Vista as per plat thereof recorded in Plat Book 10, Page 31, in the Office of the Recorder of Johnson County, Indiana.

Note:

The above description of Common Area No 1, less said exception, contains 2.31 acres, more or less.

EXHIBIT "A" , page 1 of 1

LEGAL DESCRIPTION

Lofts of Valle Vista

Part of the South half of Section 33, Township 14 North and part of the North half of Section 4, Township 13 North all in Range 4 East of the Second Principal Meridian located in Pleasant Township of Johnson County, Indiana, decribed as follows:

Commencing at the Southeast corner of the South half of said Section 33; thence west along the south line of said Section 33, a distance of 3097.25 feet; thence North 01 degree 39 minutes 34 seconds West 90.00 feet; thence North 80 degrees 27 minutes 26 seconds West 216.12 feet to the Point of Beginning, being the Northwest corner of The Cloister Subdivision; thence South 01 degree 39 minutes 34 seconds East 340.78 feet to the north right-of-way line of Smith Valley Road; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line 662.62 feet; thence Northwesterly along said right-of-way line on a curve to the right which has a radius of 377.46 feet, a chord bearing of North 70 degrees 57 minutes 15 seconds West 266.91 feet and a curved distance of 272.81 feet to the East right-of-way line of Polk Street; thence North 44 degrees 09 minutes 26 seconds East on and along said right-of-way line 298.88 feet; thence Northwesterly on and along said right-of-way line on a curve to the left which has a radius of 184.03 feet, a chord bearing of North 27 degrees 34 minutes 07 seconds East 105.08 feet and a curved distance of 106.56 feet; thence North 44 degrees 09 minutes 26 seconds East 214.29 feet; thence South 26 degrees 09 minutes 11 seconds East 127.21 feet; thence South 80 degrees 27 minutes 26 seconds East 448.78 feet to the point of beginning, containing 7.33 acres, more or less.

Subject ot all legal highways, rights-of-ways and easements of record.

As per Plat thereof recorded in Plat Book 10, Page 31 in the Office of the Recorder of Johnson County

FILED 4-23-03

gation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, from the due date, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and a reasonable attorney fee to be fixed by the court, together with the costs of this action.

No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 9: Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceedings in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10: Exempt Property. All properties dedicated to and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Indiana, shall be exempt from the assessments created herein, except no land or improvements elevated to dwelling use shall be exempt from said assessments.

ARTICLE VIII

Declarant's Rights

Declarant reserves the right to use any of the Lots as models and to sell, assign or conduct other businesses in connection with the construction and development of the project from any of such Lots prior to their being sold. This reservation of right or privilege in Declarant includes, but is not limited to, the right to maintain a model, erect signs, maintain an office, staff the office with employees, and to show Lots then unsold. Declarant retains the right to be considered an Owner of any Lot that remains unsold. Declarant also reserves the right to make changes in the location or manner of construction of buildings and other improvements. Declarant further reserves the right, until the first conveyance of a Lot to a resident Owner, to amend the Declaration by the recording of an amended declaration.

ARTICLE IX

Maintenance

Section 1. Maintenance by Owners. The Owner of each Lot shall furnish and be responsible for, at his own expense, all the maintenance, repairs, decorating and replacements within his residence, including the heating and air conditioning system and any partitions and interior walls. He further shall be responsible for the maintenance, repair and replacement of all windows in his residence and also the doors leading into the residence, and any and all other maintenance, repair and replacements of the improvements on his Lot unless otherwise provided herein.

To the extent that equipment, facilities and fixtures within any Lot shall be connected to similar equipment, facilities or fixtures affecting or serving other Lots, then the use thereof by the Owner of such Lot shall be subject to the rules and regulations of the Association. The authorized representatives of the Association or Board of Directors or the manager or managing agent for the Association shall be entitled to

reasonable access to any Lot as may be required in connection with maintenance, repairs or replacements of or to any equipment, facilities or fixtures affecting or serving other Lots.

Section 2: Maintenance of Driveway Easements. The Association shall be responsible for the maintenance, repair and repaving of all Driveway Easements.

Section 3. Exterior Maintenance Obligations of Association with Respect to Lots. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building and surfaces, and other exterior improvements, lawns, shrubs, trees, trash removal the paved portions of the Driveway Easements and front walks. Such exterior maintenance shall not include glass surfaces, doorways, windows, and window frames.

In the event that the need for maintenance or repair is caused through the wilful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X Insurance

Section 1. Casualty Insurance on Insurable Common Area.
The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss by damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage, with respect to the Common Area, shall

be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

In addition to casualty insurance on the Common Area, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all the Dwelling Units, including the structural portions and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association, shall be a Common Expense of the Association to be included in the regular Common Assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Dwelling Units shall be written in the name of, and the proceeds thereof shall be payable to, the Association as Trustee for the homeowners.

Such master casualty insurance policy and "all risk" coverage if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Association, its 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 providing further, if the Board of Directors is able to obtain such insurance upon reasonable terms, that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as hereinafter permitted.

Section 2: Liability Insurance. The Association shall also purchase a master comprehensive public liability insurance policy in such amount or amounts, if any, as the Board of

Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Association, its Board of Directors, any committee or organ of the Association or Board of Directors, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Association's obligations under this Declaration, its Articles of Incorporation and By-Laws.

The Association shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall inure to the benefit of each Owner, the Association, its Board of Directors and any managing agent acting on behalf of the Association. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Association. However, no person, other than the Association, the Owner of a Lot, or the mortgagee, where permitted by the mortgage, shall have the right to place hazard or liability insurance for that Lot, nor may the Association require an Owner to place insurance through a particular company or agent or require its approval of such policies.

Section 3. Monthly Assessment for Insurance. The premiums for all such insurance hereinabove described shall be paid by the Association and the pro-rata cost thereof shall become a separate monthly assessment to which each Lot shall be subject under the terms and provisions of Article VII. Each Owner shall prepay to the Association at the time his Lot is conveyed to such Owner an amount equal to thirteen (13) monthly insurance assessments and shall maintain such prepayment account at all times. The Association shall hold such funds in escrow for the payment for the purchase of insurance as herein provided. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Association, 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 the Association who is required to send notices of meetings of the Association.

Section 4. Distribution to Mortgagee. In no event shall any distribution of proceeds be made by the 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.

Section 5. Additional Insurance. Each Owner shall be solely responsible for and may obtain such additional insurance as he deems necessary or desirable at his own expense affording coverage upon his personal property, the contents of his residence (including, but not limited to, all floor, ceiling and wall coverings and fixtures, betterments and improvements installed by him) and his personal property stored elsewhere on the Properties, and for his personal liability, but 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 the Association. Each Owner may obtain casualty insurance at his own expense upon his Lot but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association. 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 the Association pursuant to this paragraph, due to proration of insurance purchased by an Owner under this paragraph, the Owner agrees to assign the proceeds of his latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as herein provided.

Section 6. Casualty and Restoration. Damage to or destruction of any Building due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the

Association and the proceeds of insurance, if any, shall be applied for that purpose.

Section 7. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Lot Owners.

In the event that the Association is maintaining blanket casualty and fire insurance on the Dwelling Units on the Lots in the Properties, the Association shall repair or replace the same from the insurance proceeds available.

For purposes of Section 6 above, repair, reconstruction and restoration shall mean construction or rebuilding of the Building or Buildings to as near as possible the same condition as it existed immediately prior to the damage or destruction and with the same type of architecture.

Section 8. Surplus of Insurance Proceeds. In the event that there is a surplus of insurance proceeds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums shall be distributed to the Owners of the Buildings affected and their Mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against another Owner for committing wilful and malicious damage.

Section 9. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE XI

Easements

Section 1. Drainage, Utility and Sewer Easements.
There are strips of ground marked "drainage, utility, utility and sewer, and sanitary easements (D.E. - U.E. - U.S.E. - S.E.)" shown on the Plat which are hereby reserved for public utilities, not including transportation companies, for the installation and maintenance of poles, mains, sewers, drains, ducts, lines, wires and the like. The Association and the Owners of Lots shall take title subject to the easements hereby created and subject at all times to the rights of the proper authorities to service the utilities and the easements hereby created. No permanent structure of any kind, and no part thereof, including fences, shall be built, erected or maintained on said drainage, utility and sewer easements except walkways and paving on the Driveway Easements located in a Common Area but not in a dedicated right-of-way.

Section 2. Driveway Easements. Driveway Easements as specified in Article IV, Section 2, are hereby reserved for the use and enjoyment of the Owner of the Lot, their families and invitees. Such Driveway Easement shall not be used for parking of trucks or other commercial vehicles, except temporarily or incidentally for the making of pickups and deliveries to neighboring-Lots. No velocipedes, bicycles, toys or other private property shall be allowed to obstruct any Driveway Easement, nor shall the same be stored in the open alongside building walls or other locations of public view. Cars, trucks and other vehicles shall not be parked on the paved portion of any Driveway Easement so as to impede access from or to any other Lot which such easement serves or public street. No fence, barrier or other obstruction of any kind shall ever be placed or constructed on any Driveway Easement without the prior written consent of the Association.

ARTICLE XII

Party Walls

Section 1. General Rules of Law to Apply. Each wall

which is built as a part of the original construction of all the homes upon the properties and placed on the dividing lines between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or wilful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. Subject to the provisions of Article X hereof, if a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or wilful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator and such arbitrators shall choose one (1) additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE XIII

Architectural Control

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein, including window air conditioners, other than by Declarant, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor as above provided. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIV

Signs and Home Occupations

Section 1. Signs. Prior to the sale of the last Lot in the Properties by Declarant, no advertising signs of any kind (other than interior window signs) shall be displayed on any Lot without the prior written approval of Declarant. Further, no signs of any nature, kind or description shall be erected, placed or maintained on any Lot which identify, advertise or in any way describe the existence or conduct of a home occupation.

Section 2. Home Occupations. No home occupation shall be conducted or maintained on any Lot. Nothing contained herein shall be construed or interpreted to affect the activities of the

Declarant in the sale of Lots or Dwelling Units as a part of the development of this subdivision.

ARTICLE XV

Encroachments and Easements for Buildings

If, by reason of the location, construction, settling or shifting of a Building, any part of a Building consisting of the single-family residence appurtenant to a Lot (hereinafter in this Article referred to as the "Encroaching Lot") now encroaches or shall hereafter encroach upon any other adjacent Lot, then in such event, an easement shall be deemed to exist and run to the Owner of the Encroaching Lot for the maintenance, use and enjoyment of the Encroaching Lot and all appurtenances thereto.

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, if any, located in or on any other Lot and serving his Lot.

ARTICLE XVI

Prohibited Activities

Section 1. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Any mess created by such animal outside of the Dwelling Unit shall be promptly cleaned up by the animal's owner.

Section 2. Waste Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Waste matter or materials shall be kept only in sanitary containers and all incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3. Offensive Activities. No noxious or offensive activity shall be carried on upon any Lot nor shall anything done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. Window Air Conditioners. Window air conditioners may only be placed in the rear of the Dwelling Unit. Use, placement, type and location of any window air conditioner shall be considered an exterior improvement subject to Article XIII.

Section 5. Certain Vehicles Prohibited. Any motor vehicle which is inoperative and not being used for normal transportation shall not be permitted to remain on any Lot.

Section 6. Drainage. Any field tile or underground drain which is encountered in the construction of any improvements on any Lot shall be perpetuated and the Association as well as all Owners of Lots and their successors shall comply with the Indiana Drainage Code of 1965, and all amendments thereto.

Section 7. Construction and Sale Period. Notwithstanding any provisions contained herein to the contrary, it shall be expressly permissible for Declarant to maintain, during the period of construction and sale of Lots, upon such portion of the Properties as Declarant may deem necessary, such facilities as in the sole opinion of Declarant may be reasonably required, or be convenient or incidental to the construction and sale of the Lots, including, but not without limitation, storage areas, signs, model residences, construction offices, sales offices and business offices.

ARTICLE XVII
Mortgagee's Rights

Section 1. Notice of Rights of Mortgagee of a Lot. Upon written request by a mortgagee to the Association, a mortgagee of a Dwelling shall be entitled to receive written notification of any default, not cured within sixty (60) days after its occurrence, by the Owner of the Lot of any obligation of the Owner under the Declaration, the By-laws of the Association or the Articles of Incorporation of the Association. The request for notification can be made by any mortgagee of a Dwelling ^{its} successor or assign. The notification shall be sent not later

than the 65th day after the occurrence of an uncured default.

Section 2. Rights of First Refusal. Any right of first refusal now or hereafter contained in this Declaration or any amendment or modification hereto or otherwise arising in favor of the Association or certain Owners of Lots shall not apply to or preclude or impair in any way the right of the first mortgagee to (i) foreclose or take title to any Lots or to remedies provided in its mortgage; (ii) accept a deed or assignment in lieu of foreclosure in the event of a default under the mortgage; or (iii) sell or lease a unit acquired by the mortgagee.

Section 3. Rights of Mortgagee. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), and seventy-five percent (75%) of the Class A Members have given their prior written approval, the Association shall not:

(a) by an act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Properties or Common Area or improvements located thereon which are owned directly or indirectly by the Association for the benefit of the Dwellings. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties by the Association shall not be deemed a transfer within the meaning of this clause.

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner.

(c) by act or omission change, waive or abandon any scheme of regulation or enforcement thereof pertaining to the architectural design or exterior appearance of the Dwellings, the exterior maintenance of the Dwellings, the maintenance of party walls or common fences, driveways or the upkeep of lawns and plantings in the Properties.

(d) fail to maintain fire and extended coverage insurance on insurable common property on current replacement ^{cost} ~~cost~~ basis in an amount not less than one hundred percent (100%)

of the insurable value (based on current replacement costs).

(e) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area.

Section 4. Right to Examine Books and Records. Mortgagees, their successors or assigns, shall have the right to examine the books and records of the Association.

Section 5. Taxes and Insurance. First mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. The Association shall duly execute an agreement to such effect in favor of all first mortgagees and shall deliver an original or certified copy of such agreement to all first mortgagees.

Section 6. Insurance Proceeds and Condemnation Awards. No provision of this Declaration, or any other documents or instrument affecting the title to the Property, Common Area, any Lot or the organization or operation of the Association, shall give a Lot Owner or any other party, priority over any rights of first mortgagees of Lots within the Properties pursuant to their mortgages in the case of a distribution to Lot Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

ARTICLE XVIII

General Provisions

Section 1. Right of Enforcement: In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the persons in ownership from time to time of the Lots and all parties claiming under them, shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue

any and all remedies at law or in equity available under applicable Indiana Law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorney fees, costs and expenses incurred as a result thereof. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of any right do so thereafter.

Section 2. Amendment. This Declaration may be amended or changed at any time within ten (10) years following the date of recordation by an instrument recorded in the Office of the Recorder of Johnson County, Indiana, signed by at least a majority of the then Owners and thereafter by a similar recorded instrument signed by at least seventy-five percent (75%) of such Owners; provided, however, none of the rights of Declarant reserved hereunder may be amended or changed without Declarant's prior written approval. This Declaration shall run with the land and shall be binding upon all parties claiming under them for a period of twenty (20) years from the date of recordation in the Office of the Recorder of Johnson County, Indiana, and shall automatically extend for successive periods of ten (10) years each unless prior to the expiration of any such ten-year period, it is amended or changed in whole or in part as hereinabove provided. Invalidation of any of the covenants, conditions or restrictions of this Declaration by judgment or decree shall in no way affect any of the other provisions hereof, but the same shall remain in full force and effect.

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

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, Developments, Inc. by Robert K. Yeager, President and Virginia M. Yeager, Secretary, has caused this Declaration to be executed this 31st day of July, 1981.
DEVELOPMENTS, INC.

By: Robert K. Yeager, President
Robert K. Yeager, President

Attest:
Virginia M. Yeager, Sec.
Virginia M. Yeager Secretary

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

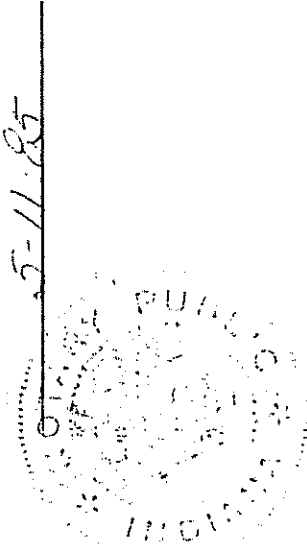
Before me, a Notary Public in and for said County and State, personally appeared Robert K. Yeager, President, and Virginia M. Yeager, Secretary, of Developments, Inc. an Indiana Corporation, each of whom, after having been first duly sworn, acknowledged the execution of the foregoing Declaration for and on behalf of said Corporation.

Dated this 31st day of July, 1981.

John A. Kottkamp
Notary Public

John A. Kottkamp
Printed

Resident of Johnson County



This instrument prepared by:
John W. Tousley
Attorney at Law
600 Union Federal Building
45 North Pennsylvania Street
Indianapolis, Indiana 46204
317-635-4500
File: 81-043
7/13/81
Code: Rev. Declthru25
Valle Vista Disk

44 42 43

EXHIBIT "B", page 3 of 3

COMMON AREA NO 3

Part of the South half of Section 33, Township 14 North and part of the North half of Section 4, Township 13 North all in Range 4 East of the Second Principal Meridian located in Pleasant Township of Johnson County, Indiana, described as follows:

Commencing at the Southeast corner of the South half of said Section 33; thence west along the south line of said Section 33 a distance of 3097.25 feet; thence North 01 degree 39 minutes 34 seconds West 90.00 feet; thence North 80 degrees 27 minutes 26 seconds East 216.12 feet, also being the Northwest corner of The Cloister Subdivision; thence South 01 degree 39 minutes 34 seconds East 340.78 feet to the north right-of-way line of Smith Valley Road; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line 170.00 feet to the Point of Beginning; thence South 88 degrees 20 minutes 26 seconds West on and along said right-of-way line 492.62 feet; thence Northwesterly on and along said right-of-way line on a curve to the right which has a radius of 377.46 feet, a chord bearing of North 70 degrees 57 minutes 15 seconds West 266.91 feet and a curved distance of 272.81 feet to the East right-of-way line of Polk Street; thence North 44 degrees 09 minutes 26 seconds East on and along said right-of-way line 158.88 feet to the south right-of-way line of Monte Vista Drive; thence South 45 degrees 50 minutes 34 seconds East on and along said right-of-way 93.74 feet; thence Southeasterly on and along said right-of-way line on a curve to the left which has a radius of 125.00 feet, a chord bearing of South 68 degrees 45 minutes 04 seconds East 97.31 feet and a curved distance of 99.96 feet; thence North 88 degrees 20 minutes 26 seconds East on and along said right-of-way line 473.38 feet to the west right-of-way line of Monte Vista Court; thence South 01 degree 39 minutes 34 seconds East on and along said right-of-way line 100.00 feet to the Point of Beginning.

Subject to all legal rights-of-ways and easements of record.

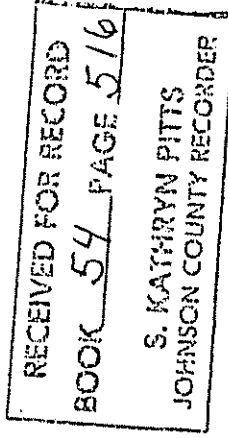
Except therefrom the following:

Lots numbered 42 thru 62 inclusively in The "Lofts" of Valle Vista, as per plat thereof recorded in Plat Book 10____, Page 31____, in the Office of the Recorder of Johnson County, Indiana.

Note:

The above description of Common Area NO 3, less said exception, contains 1.10 acres, more or less.

AUG 11 11 44 AM '81



REC'D
AUG 11 1981

006311

FIRST AMENDED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF
THE LOFTS OF VALLE VISTA

THIS DECLARATION, made on the date hereinafter set forth by Developments, Inc., an Indiana corporation, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Greenwood, County of Johnson, State of Indiana, which is more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein.

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

ARTICLE I

Name

This subdivision shall be known and designated as The Lofts of Valle Vista, a subdivision located in Greenwood, Johnson County, Indiana.

ARTICLE II

Definitions

Section 1: "Association" shall mean and refer to The Lofts of Valle Vista Homeowners Association, Inc., an Indiana non-profit corporation, and its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot as described in Exhibit "B", attached hereto and by this reference incorporated herein.

Section 5: "Declarant" shall mean and refer to Developments, Inc., an Indiana corporation, its successors and assigns.

Section 6: "Plat" shall mean and refer to the subdivision plat of the Properties recorded in the Office of the Recorder of Johnson County, Indiana, as the same may be hereafter amended or supplemented.

Section 7: "Driveway Easements" shall mean and refer to the surface easements for vehicular ingress and egress appurtenant to the Lots.

Section 8: "Lot" shall mean and refer to any parcel of land designated as such upon the Plat. With respect to any Dwelling Unit that may be constructed on a part of more than one of such parcels, "Lot" shall mean and refer to the real estate conveyed in connection with such Dwelling Unit.

Section 9: "Building" shall mean and refer to any multi-family dwelling unit that may be constructed on a part of more than one (1) Lot.

Section 10: "Dwelling Unit" shall refer to each one of the single family portions of any Building.

Section 11: "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 12: "Declaration" shall mean and refer to the First Amended Declaration of Covenants, Conditions and Restrictions of the Lofts of Valle Vista

ARTICLE III

Lots

Section 1: Number of Lots. This subdivision consists of sixty-two (62) Lots numbered 1 thru 62, both inclusive, with streets and Common Area, as shown on the Plat.

Section 2: Street Dedication. The streets (but not Driveway Easements) shown on the Plat and not heretofore dedicated are hereby dedicated to the public.

Section 3: Land Use. All Lots shall be used exclusively for multi-family residential purposes.

Section 4: Conveyance of Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein.

ARTICLE IV

Property Rights

Section 1: Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, excluding those areas designated as Driveway Easement, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) The right of the Association to suspend the voting rights and right of use of any recreational or other facilities located in the Common Area, if any, by an owner for any period during which any assessment against his Lot remains unpaid; and

no such suspension shall exceed sixty (60) days for any infraction of

regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2: Owners' Driveway Easement. Each Dwelling Unit will be connected to a street by a driveway, a portion of which will lie in the Common Area. As to such driveway portion, the Owner of the Dwelling Unit served by the same, shall have an exclusive easement of enjoyment to it. No other Owner shall have the right to its use for any purpose.

Section 3: Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area, Dwelling Unit or Driveway Easement and any facilities located thereon to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE V

Access Rights of Association

If any Owner shall fail to adequately maintain the open area and the Dwelling Unit included within his Lot, the Association upon the giving of ten (10) days written notice to such Owner, shall have the right to enter upon such open area and do any necessary maintenance thereon. The cost of such maintenance shall be a special assessment against such Lot and the Owner thereof.

The Association shall have an easement for access to all Lots for ingress and egress as reasonably required by its officers, directors, employees and their agents and independent contractors, in order to perform its obligations and duties as set forth in this Declaration. This easement is also reserved for the Declarant so long as Declarant owns any Lot.

ARTICLE VI

Association, Membership and Voting Rights

Section 1: Membership. Every Owner of a Lot which is assessed shall be a member of the Association. The assessment shall be a member of the Association. The assessment shall be a member of the Association. The assessment shall be a member of the Association.

Section 2: Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class B membership, or
- ii) on the 1st day of October, 1985.

Section 3: Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's By-laws. The Board of Directors shall manage the affairs of the Association.

Section 4: Further Powers. In addition to all other powers granted to the Association by the Declaration, its Articles of Incorporation and By-laws, the Association, through its Board of Directors, may elect to enter into certain agreements providing for:

- (a) access by all Owners to recreational and social facilities located outside of the Properties;
- (b) security services upon the Properties;
- (c) assessment billing services;
- (d) professional management services; and,
- (e) snow removal services.

The costs associated with such contracts shall be a common expense of the Association to be included in the regular common charges levied by the Association.

Any agreement for the professional management of the Properties or Common Area, or any other contract providing for the services of the Declarant, sponsor or builder, may not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days, or less, written notice.

ARTICLE VII

Covenant for Maintenance Assessments

Section 1: Creation of the Lien and Personal Obligation of Assessment: Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: 1) monthly assessments or charges; (2) special assessments for capital improvements and operating deficits; and (3) special assessments as provided in Article V, Article VI and Article IX; such assessments to be established and collected as hereinafter provided. Any Lot that has not been conveyed by Declarant shall be assessed at a rate of twenty-five percent (25%) of the other Lots, excluding any assessment for access to recreational facilities. The monthly and special assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the safety and welfare of the residents in the Properties and to defray the cost of maintenance and other purposes as

specifically provided herein.

Section 3: Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Forty and no/100ths Dollars (\$40.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership unless such increase is pursuant to sub-section (b) hereafter.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment per Lot may also be increased each year without a vote of the membership, in conformance with the Consumer Price Index (CPI) published by the U.S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, All Items, unadjusted for seasonal variation. The maximum assessment for any year shall be the amount determined by (a) taking the dollar amount specified above in the first sentence of this Section, (b) multiplying that amount by the published CPI number for the third month prior to the beginning of the subject year and (c) dividing that resultant by the published CPI number for the third month prior to the month in which this Declaration was signed by the Declarant.

(c) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment amount specified above in the first sentence of this Section and used in the above CPI adjustment formula may be changed by a vote of the members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor

more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements and Operating Deficits: In addition to the monthly assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain or for operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Notice and Quorum for any Action Authorized under Sections 3 and 4: Written notice of any meeting necessary for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment: Both monthly assessments for capital improvements and operating