

master casualty insurance policy to be obtained by the Association. Each Owner may obtain casualty insurance at his own expense upon his Condominium Unit 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 this latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as herein provided.

16. Casualty and Restoration.

(a) Except as hereinafter provided, damage to or destruction of any Building due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Association and the proceeds of insurance, if any, shall be applied for that purpose; provided, however, that repair and reconstruction shall not be compulsory in the event of "complete destruction of all of the Buildings" (hereinafter defined) and shall only be done in accordance with the provisions hereinafter set forth. As used herein, the term "complete destruction of all of the Buildings" means a determination, made by a vote of two-thirds (2/3) of all Co-owners at a special meeting of the Association called for the purpose of making such determination, that total destruction of all of the Buildings has occurred. A special meeting of the Association shall be called and held within ninety (90) days after any fire or any other casualty or disaster damaging or destroying any of the Buildings for the purpose of making the determination of whether or not there has been a complete destruction of all of the Buildings. If such a special meeting is not called and held within such ninety (90) day period, then it shall be conclusively presumed that the Co-owners determined that there was not a complete destruction of all of the Buildings, and the Association shall proceed with repair and reconstruction as herein provided.

S-1 35904

(b) If the insurance proceeds, if any, received by the Association as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and

reconstruction, or in the event there are no insurance proceeds, and if the Property is not to be removed from the Horizontal Property Regime, the cost for restoring the damage and repairing and reconstructing the Building or Buildings so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by all of the Owners of Condominium Units in proportion to the ratio that the Percentage Interest of each Condominium Unit bears to the total Percentage Interest of all Condominium Units. Any such amounts payable by the Co-owners shall be assessed as part of the Common Expenses and shall constitute a Lien from the time of assessment as provided herein and in the Act.

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

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

(e) If, in any case of the complete destruction of all of the Buildings, less than two-thirds (2/3) of all of the Co-owners vote in favor of the rebuilding, reconstruction and repair of the Buildings, the Buildings shall not be rebuilt, reconstructed or repaired and, in such event, the Property shall be deemed and considered as to be removed from the provisions of the Act under

Section 28 of the Act and, in accordance with Sections 19 and 21 of the Act:

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

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

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

(iv) the insurance proceeds on the buildings containing Condominium Units shall be divided among the Co-owners proportionately according to the fair market value of all the Condominium Units immediately before the casualty as compared with all other Condominium Units.

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

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

(g) The proceeds of insurance collected on account of any such casualty, and the sums received by the Board of Directors from collections of assessments against Owners on account of such

31 35904

casualty, shall constitute a construction fund which shall be disbursed, if the Building or Buildings are to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

(i) If the amount of the estimated cost of reconstruction and repair is less than Five Thousand Dollars (\$5,000.00), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided in the following paragraph (ii).

(ii) If the estimated cost of reconstruction and repair of the Building or other improvement is more than Five Thousand Dollars (\$5,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Indiana and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, (1) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (2) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (3) that the costs as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(iii) Encroachments upon or in favor of Condominium Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the Buildings

were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Buildings stand.

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

17. Covenants and Restrictions. The covenants and restrictions applicable to the use and enjoyment of the Condominium Units and the Common Areas and Limited Areas are set forth in the By-Laws, including the limitation that each of the Condominium Units shall be limited to residential use. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by the Association. Present or future Owners or the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation.

Notwithstanding anything to the contrary contained herein or in the By-Laws, including but not limited to any covenants and restrictions set forth in the By-Laws, Declarant shall have, until the date described in Paragraph 22 hereof as the date upon which Declarant's right to expand the Property and Sun Lakes terminates, the right to use and maintain any Condominium Units owned by Declarant, such other portions of the Property (other than individual Condominium Units owned by persons other than Declarant) and any portions of the Real Estate not then part of the Property, all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable

or necessary in its sole discretion to aid in the construction and sale of Condominium Units, or to promote or effect sales of Condominium Units or for the conduction of any business or activity attendant thereto, including, but not limited to, model Condominium Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Common Areas, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Property at any time.

18. Lease of Condominium Units by Owner. It is in the best interest of all the Owners that those persons residing in Sun Lakes have similar proprietary interests in their Condominium Units and be Owners. Accordingly, no Owner shall lease his Condominium Unit or enter into any other rental or letting arrangement for his Condominium Unit for a term longer than one year.

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

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

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

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

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

S4 35804

prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the By-Laws.

(e) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the Percentage Interest with respect to any Condominium Unit or the applicable share of an Owner's liability for the Common Expenses, without the approval of one hundred percent (100%) of the Co-owners, except for changes pursuant to paragraph 22 herein, or (2) the provisions of paragraph 16 of this Declaration with respect to reconstruction or repair in the event of fire or any other casualty or disaster, without the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the By-Laws.

(f) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Association and shall be recorded in the office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.

(g) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners, the Association, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration from time to time if (i) such amendment or supplement is necessary to conform this Declaration to the Act, as amended from time to time, or (ii) such amendment or supplement is made to implement expansion of the Property and Sun Lakes pursuant to Declarant's reserved rights to so expand the same as set forth in paragraph 22 hereof, or (iii) if such amendment or supplement is necessary to satisfy the requirements of any federal mortgage agency.

§1 35804

20. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Condominium Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-Laws appended hereto, and the rules and regulations as adopted by the Board of Directors as each may be amended or supplemented from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Condominium Unit

shall constitute an agreement that the provisions of this Declaration, the Act, the By-Laws and rules and regulations as each may be amended or supplemented from time to time are accepted and ratified by such Owner, Tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at anytime any interest or estate in a Condominium Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Condominium Unit or Condominium Units or any part of the Property in any manner shall be subject to the Declaration, the Act, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

21. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

22. Expandable Condominium and Declarant's Reserved Rights. Sun Lakes is and shall be an "expandable condominium", as defined in the Act, and Declarant expressly reserves the right and option to expand the Property and Sun Lakes in accordance with the provisions of the Act and the following provisions:

(a) The real estate described and defined herein as the Tract (in paragraph B. of the introductory recitals of this Declaration) is the real estate being subjected to the Sun Lakes horizontal property regime by this Declaration and constitutes the first phase of the general plan of development of the Real Estate. The balance of the Real Estate is the area into which expansion of Sun Lakes may be made by Declarant. The maximum number of Condominium Units which may be developed on the Real Estate, including Condominium Units on the Tract as defined in this original Declaration, shall be two hundred and sixty-five (265).

Subject to said limit as to the maximum number of Condominium Units to be developed on the Real Estate, Sun Lakes may be expanded by Declarant to include additional portions of the Real Estate in one (1) or more additional phases by the execution and recording of one (1) or more amendments or supplements to this Declaration; provided, however, that no single exercise of such right and option of expansion as to any part or parts of the Real Estate shall preclude Declarant from thereafter from time to time further expanding Sun Lakes to include other portions of the Real Estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Real Estate so long as such expansion is done on or before December 31, 1993. Such expansion is entirely at the discretion of Declarant and nothing contained in this original Declaration or otherwise shall require Declarant to expand Sun Lakes beyond the Tract (as defined and described in paragraph B of the introductory recitals of this Declaration) or any other portions of the Real Estate which Declarant may voluntarily and in its sole discretion from time to time subject to this Declaration by amendments or supplements to this Declaration as provided above.

(b) The Percentage Interest which will appertain to each Condominium Unit in Sun Lakes as Sun Lakes may be expanded from time to time by Declarant in accordance with the terms hereof (including the Percentage Interest which appertains to each of the Condominium Units included in this original Declaration) shall be equal and shall be a percentage equal to the number one (1) divided by the total number of Condominium Units which, from time to time, have been subjected and submitted to this Declaration and then constitute a part of Sun Lakes.

(c) Simultaneously with the recording of amendments or supplements to this Declaration expanding Sun Lakes, Declarant shall record new Plans as required by the Act. Such amendments or supplements to this Declaration shall also include provisions reallocating Percentage Interests so that the Condominium Units depicted on such new Plans shall be allocated Percentage Interests in the Common Areas on the same basis as the Condominium Units depicted in the prior Plans. Such reallocation of Percentage

Interests shall vest when the amendment or supplement to the Declaration incorporating those changes has been recorded.

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

In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such amendment or supplement to this Declaration recorded pursuant to this paragraph 22. Each deed, mortgage or other instrument with respect to a Condominium Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to said attorney-in-fact the power to shift and reallocate from time to time the percentages of ownership in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such recorded amendment or supplement to this Declaration.

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

84 35804

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

(ii) The Percentage Interest in the Common Areas appurtenant to each Condominium Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded amendment or supplement to this Declaration and upon the recording of each such amendment or supplement to this Declaration, shall

thereby be and be deemed to be released and divested from such Owner and reconveyed and reallocated among the other Owners as set forth in each such recorded amendment or supplement to this Declaration.

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

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

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

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

84 35804

(vii) The recording of any such amendment or supplement to this Declaration shall not alter the amount of the lien for

expenses assessed to or against a Condominium Unit prior to such recording.

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

(ix) Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this paragraph 22 to comply with the Act as it may be amended from time to time.

23. Granting of Easements. The Board of Directors of the Association is granted the authority to grant easements to utility companies (excluding transportation companies) upon such terms and conditions and for such consideration as they deem appropriate.

24. Reservation of Rights to the Use of the Common Areas.

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

Condominium Units. The owner or owners of such living units shall make payments for the usage provided herein to the Association at the same time as the Owners of the Condominium Units pay their assessments to the Association.

(b) Declarant shall have, and hereby reserves, an easement over, across, upon, along, in through and under the Common Areas and, to the extent necessary, the Limited Areas, for the purposes of installing, maintaining, repairing, replacing, relocating and otherwise servicing utility equipment, facilities and installations to serve the Property and any portions of the Real Estate which are not part of the Property, to provide access to and ingress and egress to and from the Property and to any such portions of the Real Estate which are not part of the Property, to make improvements to and within the Property and any such portions of the Real Estate which are not part of the Property, and to provide for the rendering of public and quasi-public services to the Property and such portions of the Real Estate which are not part of the Property. The foregoing easement shall be a transferable easement and Declarant may at any time and from time to time grant similar easements, rights or privileges to other persons and parties for the same purposes. By way of example, but not in limitation of the generality of the foregoing, Declarant, and others to whom Declarant may grant such similar easements, rights or privileges, may so use the Common Areas and, to the extent necessary, the Limited Areas, to supply utility services to the Property and any portions of the Real Estate which are not part of the Property and to permit public and quasi-public vehicles, including but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles and privately owned delivery vehicles, and their personnel to enter upon and use the streets, the Common Areas and, to the extent necessary, the Limited Areas of Sun Lakes in the performance of their duties.

S-1 35804

25. Initial Management. As set forth in the By-Laws, the initial Board of Directors consists and will consist of persons selected by Declarant. The Board of Directors has entered or will hereafter enter, into a management agreement with Declarant (or a corporation or other entity appointed by Declarant) for a term

which will expire not later than December 31, 1993, under which Declarant (or such appointee of Declarant, as appropriate) will provide supervision, fiscal and general management and maintenance of the Common Areas and, to the extent the same is not otherwise the responsibility of Owners of individual Condominium Units, the Limited Areas, and, in general, perform all of the duties and obligations of the Association. Such management agreement is or will be subject to termination by Declarant (or its appointee, as appropriate) at any time prior to the expiration of its term, in which event the Association shall thereupon and thereafter resume performance of all of its duties and obligations and functions. Notwithstanding anything to the contrary contained herein, so long as such management agreement remains in effect, Declarant (or its appointee, as appropriate) shall have, and Declarant hereby reserves to itself (or to its appointee, as appropriate), the exclusive right to manage the Property and to perform all the functions of the Association.

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

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

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

29. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include the masculine, feminine

34 35804

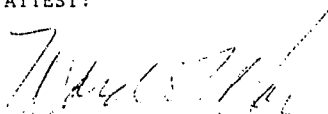
and neuter genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

30. Floor Plans. The Plans setting forth the layout, location, identification numbers, and dimensions of the Condominium Units and the Property are incorporated into this Declaration by reference, and have been filed in the office of the Recorder of Marion County, Indiana, in Horizontal Property Plan file as of May 7, 1984, as Instrument Number 84-33345.

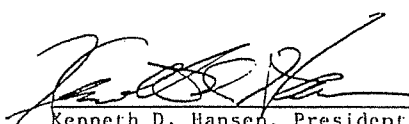
IN WITNESS WHEREOF, the undersigned has caused this Amended Declaration to be executed the day and year first above written, with the extention of superceding and vacating the Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime previously recorded as Instrument #84-33346 in the Office of the Recorder of Marion County, Indiana.

ATTEST:

HANSEN & HORN CONTRACTORS



Ward T. Horn, Secretary

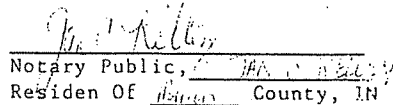


Kenneth D. Hansen, President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Kenneth D. Hansen and Ward T. Horn the President and Secretary, respectively, of HANSEN & HORN CONTRACTORS, an Indiana corporation, who acknowledged the execution of the above and foregoing Declaration of Horizontal Property Ownership for and on behalf of said corporation.

WITNESS my hand and Notarial Seal this 4 day of 11, 1984.


Notary Public, Marion County, IN
Residen OF Marion County, IN

My Commission Expires:

11/1/85

This instrument was prepared by Joe N. Van Valer and Deborah D. Robertson, Attorneys at Law.

LAND DESCRIPTIONPARCEL 1

Part of the Northeast Quarter of Section 15, Township 17 North, Range 4 East of the Second Principal Meridian in Marion County, Indiana, being more particularly described as follows:

Commencing at the northwest corner of said Quarter Section; thence North 90 degrees 00 hours 00 minutes East (assumed bearing) along the north line of said Quarter Section 1159.04 feet to the east line of a parcel as described on Exhibit "A" recorded as instrument No. 81-33067 in the office of the Recorder of Marion County, Indiana, said point being the Point of Beginning; thence North 90 degrees 00 hours 00 minutes East continuing along said north line 717.33 feet to a point which is 813.66 feet by deed and 813.69 feet by measurement west of the northeast corner of said Section 15, Township 17 North, Range 4 East; thence South parallel to the west line of said Quarter Section 1323.4 feet; thence West 470.36 feet to the east line of a parcel conveyed by a warranty deed dated August 15, 1957 and recorded in Deed Record 1673, page 560, as Instrument No. 49689 in the office of the Recorder of Marion County, Indiana, said point being 262.00 feet easterly of the southeast corner of that parcel described in Exhibit "A" of Affidavit of Possession dated June 1, 1981 and recorded as Instrument No. 81-33067 in the office of the Recorder of Marion County, Indiana; thence the next four courses being along the boundary of the parcel conveyed by said Instrument No. 49689; (1) North 00 degrees 36 hours 40 minutes East 175.00 feet; (2) North 89 degrees 56 hours 50 minutes West 154.00 feet; (3) North 41 degrees 16 hours 07 minutes West 119.83 feet; (4) North 89 degrees 56 hours 56 minutes West 28.00 feet to the east line of said Affidavit of Possession; thence North 00 degrees 36 hours 40 minutes East along said east line 1057.80 feet to the Point of Beginning, containing 20.823 acres, more or less; subject to highways, rights-of-way and easements.

S4 35804

PARCEL 11

Part of the Northeast Quarter of Section 15, Township 17 North, Range 4 East in Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Northeast Quarter Section; thence along the South line thereof North 89 degrees 57 minutes 29 seconds

West 662.10 feet to the Southwest corner of the East Half of the Southeast Quarter of said Northeast Quarter Section; thence along the West line thereof North 00 degrees 38 minutes 08 seconds East 209.11 feet to the Point of Beginning, which said point of beginning is the Northeast corner of a Quitclaim deed to William E. Daniels and Janice Carson Daniels recorded May 17, 1982 as Instrument #82-25184 in the Office of the Recorder of Marion County, Indiana (the next six courses are along said Instrument #82-25184 and the Northerly and Easterly line of Instrument 82-25185 (Daniels Tract)); thence South 86 degrees 31 minutes 19 seconds West 84.33 feet; thence North 33 degrees 47 minutes 02 seconds West 164.92 feet; thence North 09 degrees 46 minutes 04 seconds East 41.58 feet; thence North 51 degrees 08 minutes 32 seconds West 38.10 feet; thence North 02 degrees 17 minutes 41 seconds East 28.39 feet to the Northwest corner of said Daniels tract in the approximate center line of Behner Brook; thence along the North line of said Daniels tract North 89 degrees 10 minutes 05 seconds West 10.00 feet; thence North 26 degrees 28 minutes 03 seconds West 59.63 feet; thence North 10 degrees 25 minutes 00 seconds East 115.00 feet; thence North 59 degrees 49 minutes 48 second West 56.81 feet; thence North 43 degrees 32 minutes 09 seconds West 64.42 feet; thence North 16 degrees 01 minutes 39 seconds West 60.05 feet; thence North 76 degrees 00 minutes 00 seconds West 290.00 feet; thence North 84 degrees 00 minutes 00 seconds West 195.00 feet; thence North 26 degrees 07 minutes 48 seconds West 146.88 feet; thence North 21 degrees 50 minutes 15 seconds West 395.31 feet to a point which bears South 89 degrees 57 minutes 29 seconds East parallel with the South line of said Northeast Quarter Section 747.21 feet from a point which bears North 00 degrees 48 minutes 59 seconds East 762.71 feet from the Northwest corner of Castle Knoll Farms Section One, the plat of which was recorded as Instrument #77-0076471 in said Recorder's Office; thence parallel with the south line of said Northeast Quarter Section south 89 degrees 57 minutes 29 seconds East 1022.60 feet to the West line of the east Half of the Southeast Quarter of said Northeast Quarter Section; thence along said West line south 00 degrees 38 minutes 08 seconds West 1113.48 feet to the Point of Beginning, containing 14.175 acres, more or less.

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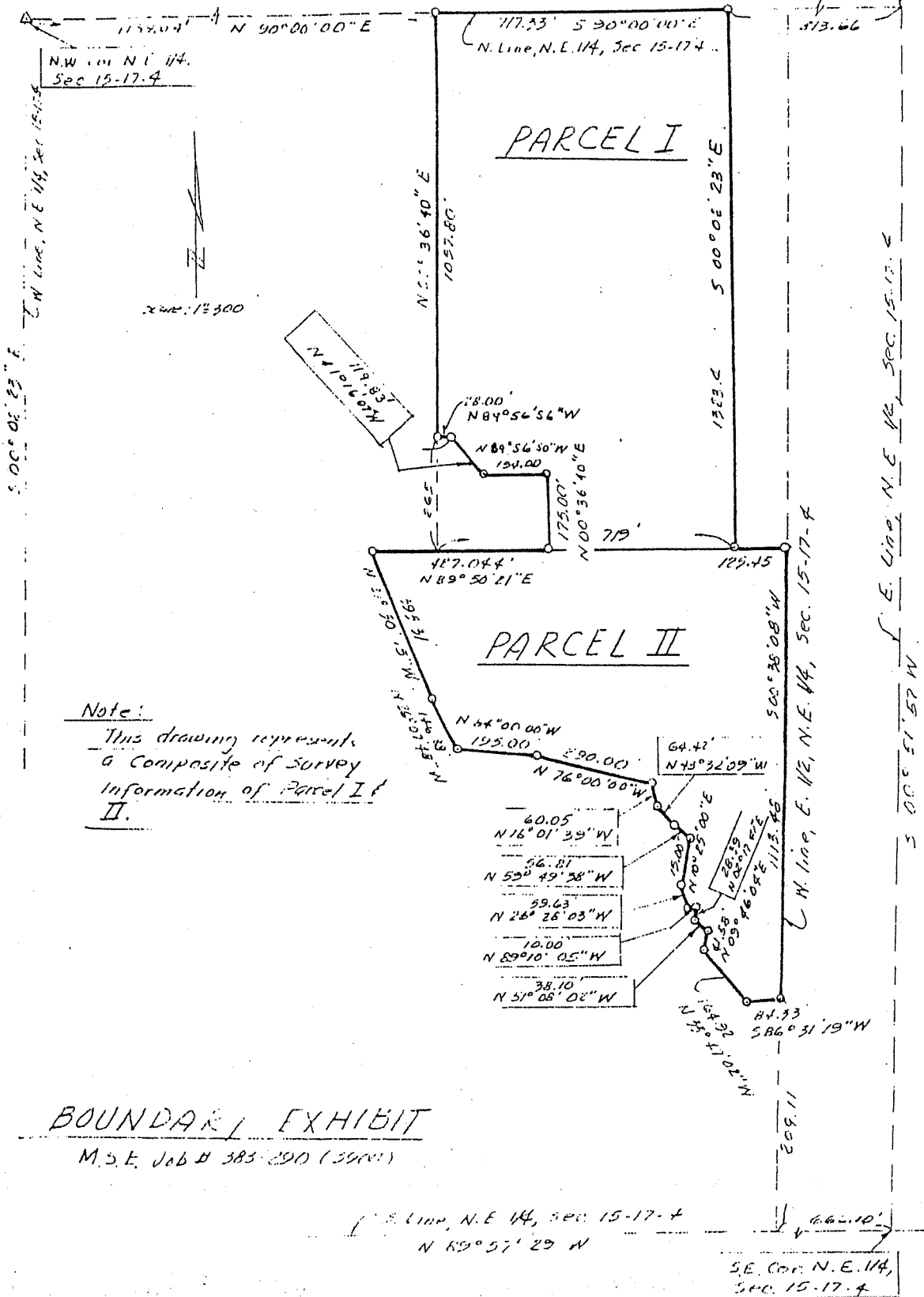
PARCEL 111

Part of the Northeast Quarter of Section 15, Township 17 North, Range
- East in Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Northeast Quarter Section;
thence along the South line thereof North 89 degrees 57 minutes 29 seconds
West 662.10 feet to the Southwest corner of the East Half of the Southeast
Quarter of said Northeast Quarter Section; thence along the West line thereof
North 00 degrees 38 minutes 08 seconds East 209.11 feet to the Point of
Beginning, which said point of beginning is the Northeast corner of a Quit
Claim deed to William E. Daniels and Janice Carson Daniels recorded May
17, 1982 as Instrument #82-25184 in the Office of the Recorder of Marion
County, Indiana; thence North 86 degrees 31 minutes 19 seconds East 20.98
feet to an existing (November, 1983) fence; thence along the approximate
alignment of said fence North 00 degrees 04 minutes 40 seconds West 1112.14
feet; thence parallel with the South line of said Northeast Quarter Section
North 89 degrees 57 minutes 29 seconds West 7.08 feet to the West line of
said East Half of the Southeast Quarter of the Northeast Quarter; thence
along said West line South 00 degrees 38 minutes 08 seconds West 1113.48
feet to the Point of Beginning, containing 0.358 acres, more or less.



N.E. Cor N.E. 1/4
Sec. 15-17-4



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(1)

SECOND AMENDMENT TO AMENDED DECLARATION
OF HORIZONTAL PROPERTY OWNERSHIP FOR SUN LAKES AT BAYSIDE
HORIZONTAL PROPERTY REGIME

THIS AMENDMENT TO THE AMENDED DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP FOR SUN LAKES AT BAYSIDE HORIZONTAL PROPERTY REGIME ("Amendment") is made as of this Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime 9th day of April, 2001, by SUN LAKES HOMEOWNERS ASSOCIATION, INC., an Indiana Corporation, WITNESSES as follows:

WHEREAS, the Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime was executed on May 14, 1984, by the Declarant, Hansen and Horn Contractors and recorded together with the Code of By-Laws, attached as an exhibit thereto, on May 15, 1984 as Instrument No. 84-35804 in the Office of the Recorder of Marion County, Indiana; and

WHEREAS, the Code of By-Laws was amended by the Amendment to the Code of By-Laws of Sun Lakes at Bayside Horizontal Property Regime and of Sun Lakes Homeowners Association, Inc. dated November 13, 1991 and recorded on December 17, 1991 as Instrument No. 91-129393 in the Office of the Recorder of Marion County, Indiana; and

WHEREAS, Paragraph 19 permits the amendment of the Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime by the vote of not less than 75% in the aggregate of the Percentage Vote at a meeting duly called for that purpose; and

WHEREAS, the Board of Directors of Sun Lakes Homeowners Association, Inc. reviewed and affirmed the following Second Amendment to the Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime, which was approved by the vote of in excess of 75% of the Percentage Vote at a meeting duly called for that purpose.

NOW THEREFORE, pursuant to the foregoing, Sun Lakes Homeowners Association, Inc. hereby amends the Amended Declaration as follows:

Paragraph 18 of the Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside, Horizontal Property Regime is amended to read as follows:

18. Lease of Condominium Units by Owner. It is in the best interest of all the Owners that those persons residing in Sun Lakes have similar proprietary interests in their Condominium Units and be Owners. Accordingly no Owner shall lease his

Condominium Unit or enter into any other rental or letting arrangement for his Condominium Unit except as provided herein:

(a) Limit on Total Number of Leased Condominium Units. In order to insure that the residents within Sun Lakes share the same proprietary interest in and respect for the Condominium Units and the Common Areas, no more than seventeen (17) Condominium Units (which constitutes approximately ten percent (10%) of the total Condominium Units), at any given time, may be leased or rented for exclusive occupancy by one or more non-owner tenants. For purposes of this Paragraph 18, a Condominium Unit is exclusively occupied by one or more non-owner tenants, if the Owner of the Condominium Unit does not also correspondingly occupy the Condominium Unit as his principal place of residence. Prior to the execution of any lease, and in addition to the requirements set forth in this Paragraph 18, the Owner must notify the Board of Directors, in writing, as to the Owner's intent to lease his Condominium Unit. After receiving such notice, the Board of Directors shall advise the Owner if the Condominium Unit may be leased or whether the maximum number of Condominium Units within Sun Lakes is currently being leased. If the maximum number of Condominium Units is already being leased, the Board of Directors shall place the Owner on the waiting list in priority order based on the date of notice from the Owner, and shall notify the Owner of that Owner's position on the waiting list. When an existing non-owner occupant vacates a Condominium Unit, the Owner of that Condominium Unit shall immediately notify the Board of Directors of such fact and that Condominium Unit cannot be re-rented or leased until all prior Owners on the waiting list, if any, have had a chance to rent or lease their Condominium Units. An Owner on the waiting list who obtains the opportunity to rent or lease his Condominium Unit, must present an executed lease to the Board of Directors, within thirty (30) days of the date of notice that he may rent or lease the Condominium Unit, or that Owner will forfeit his position on the waiting list.

(b) Limit on Number of Leased Condominium Units by a Single Owner. No individual Owner may have an ownership interest in more than one (1) Condominium Unit which is rented or leased to a non-owner occupant at any particular time. For purposes of this subparagraph, a person has an ownership interest in a Condominium Unit if the person holds ownership interest in a Condominium Unit either (i) singly; (ii) with another person; or, (iii) by reason of holding stock in a corporate Owner of a Condominium Unit. If an individual Owner has an ownership interest in a leased Condominium Unit, and subsequently acquires an ownership interest in another leased Condominium Unit, the first Condominium Unit lease to expire may not be renewed. It is understood that the purpose of this subparagraph is to preserve the common interests of resident-owners and to prevent expanded commercialization of the Condominium Units at Sun

Lakes, and the provisions of this subparagraph shall be construed broadly to achieve that purpose.

(c) Exceptions During Period of Good Faith Sale or Significant Hardship. The Board of Directors may, in its discretion, grant an exception, for not more than one (1) year at a time, to the limit provided in this Paragraph 18, to an Owner if the Board determines that the Owner is actively and in good faith trying to sell or otherwise dispose of his Condominium Unit or if the Board, by majority vote of the entire Board, determines that the Owner has a Significant Hardship. For purposes of this subparagraph, examples of a Significant Hardship may include:

(i) death of a Owner;

(ii) divorce of an Owner;

(iii) temporary, necessary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of Sun Lakes due to a change of employment or retirement; or

(iv) temporary, necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of the Owners.

(d) Exceptions for Leases to Immediate Family by Resident Owners. These lease restrictions shall not apply to any Condominium Unit of an Owner who, (i) occupies a Condominium Unit as his principal place of residence; and (ii) is renting or leasing another Condominium Unit for exclusive occupancy by one or more non-owner tenants, who qualify as immediate family members of the Owner. For purposes of this subsection, an "immediate family member" is a parent, stepparent, grandparent, step grandparent, child, stepchild, grandchild, step-grandchild, brother, stepbrother, sister, stepsister, of the Owner or of the Owner's spouse, and also includes the spouse of any of those described persons. In order for this exception to apply, said Owner must deliver a copy of the executed lease which is in effect at the time to the Board of Directors within thirty (30) days after the recording of this document and shall furnish a copy of any subsequent lease within thirty (30) days after its execution. Such copy shall include the name of the tenant and the relationship of the tenant to the Owner, but may have the rental amount deleted. Failure of such Owner to timely deliver a copy of any such lease to the Board shall result in said Owner's Condominium Unit being subject to these restrictions. Any Condominium Unit which falls under the exception of this subsection shall not be counted as one of the seventeen (17) maximum Condominium Units that may be rented at any given time.

(e) General Lease Conditions. All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior written approval of the Board of Directors. No portion of any Condominium Unit other than the entire Condominium Unit may be leased for any period. No subleasing is permitted. No Owner will be permitted to lease or rent his Condominium Unit, if the Owner is delinquent in paying any assessments or other charges due to the Association at the time the lease is entered. All leases shall be made expressly subject and subordinate in all respects to the terms of the Declaration, By-laws and any rules and regulations promulgated by the Board of Directors, as amended, to the same extent as if the tenant were an Owner and a member of the Association; and shall provide for direct action by the Association and/or any Owner against the tenant with or without joinder of the Owner of such Condominium Unit. The Owner shall supply copies of the Declaration, By-laws and rules and regulations to the tenant prior to the effective date of the lease. In addition, the Board of Directors shall have the power to promulgate such additional rules and regulations as, in its discretion, may be necessary or appropriate concerning leasing.

(f) One Year Waiting Period. In addition to all other provisions, for a period of at least one (1) year after an Owner's acquisition of a Condominium Unit, the Owner cannot rent or lease that Condominium Unit for exclusive occupancy by one or more non-owner tenants. After such time, said Condominium Unit will be eligible to be leased if all other conditions are satisfied. In the case of the transfer of ownership of a Condominium Unit which was properly leased under these rules by the previous Owner, the new Owner can continue with such lease only to finish the then current term of not more than one (1) year. When that term ends, the Owner, if he wants to lease his Condominium Unit, must meet all requirements the same as other Owners who are not exempted.

(g) Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his responsibility to the Association and the other Owners for compliance with the provisions of the Declaration, By-laws and any rules and regulations promulgated by the Board of Directors, or from the Owner's liability to the Association for payments of assessments.

(h) Approval of Form of Lease. Any Owner desiring to enter into a lease for his Condominium Unit shall submit the form of the proposed lease to the Board of Directors (which form need not include the rental amount) for review for compliance with the requirements of this Paragraph 18. The Board of Directors may employ an attorney in connection with any such review, and a reasonable fee may be charged to the applicant to offset the

expense so incurred. In the event the Board fails to approve or disapprove the form of the lease within thirty (30) days after submission by the applicant, the form of the lease shall be deemed approved. A copy of each executed lease by an Owner (which shall include the name of the tenant but which may have the rental amount deleted) shall be provided to the Board of Directors by the Owner within thirty (30) days after execution.

(i) Violations. If any Owner leases or rents his Condominium Unit in violation of the provisions of this Paragraph 18, the Association may bring a legal action to enjoin the improper conduct and in addition, the Owner will be assessed a penalty of \$50 for each day that the violation continues. The penalty, if not paid will be secured by a continuing lien upon the property against which the assessment is made and may be collected by the Association in the manner provided in the Declaration for the collection of other assessments or charges.

(j) Effective Date of Lease Conditions. These leasing restrictions shall not apply to any Condominium Unit of an Owner who, at the time of recording this provision, is renting or leasing said Condominium Unit for exclusive occupancy by one or more non-owner tenants, so long as such Condominium Unit continues to be owned by the same owner and is not occupied as a residence by such Owner. In order for this exception to apply, said Owner must deliver a copy of the executed lease which is in effect at the time to the Board of Directors within thirty (30) days after the recording of this document and shall furnish a copy of any subsequent lease within thirty (30) days after its execution. Such copy shall include the name of the tenant but may have the rental amount deleted. Failure of such an Owner to timely deliver a copy of any such lease to the Board shall result in said Owner's Condominium Unit being subject to these restrictions. However, in this latter circumstance, these restrictions shall not apply to any lease executed prior to the effective date of these restrictions or to any renewals thereof provided in such lease so long as the tenants remain the same. Any Condominium Unit which falls under the exception of this paragraph shall, nevertheless, be counted as one of the seventeen (17) maximum Condominium Units that may be rented at any given time even though such maximum does not apply to restrict such excepted Condominium Unit.

(k) Institutional Mortgages. The provisions set forth shall not apply to any institutional mortgage holder of any Condominium Unit which comes into possession of the mortgage holder by reason of any remedies provided by law or in equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement or deed in lieu of foreclosure.

IN WITNESS WHEREOF, Sun Lakes Homeowners Association, Inc. has executed this Second Amendment as of the date first written above.

SUN LAKES HOMEOWNERS ASSOCIATION, INC.

By: *Teresa Tompkins*
Teresa Tompkins, President

Attest:
Pange Kirk
Pange Kirk, Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Teresa Tompkins, President of Sun Lakes Homeowners Association, Inc. and Pange Kirk, Secretary of Sun Lakes Homeowners Association, Inc. who acknowledged the execution of the foregoing Second Amendment to Amended Declaration of Horizontal Property Ownership for Sun Lakes at Bayside Horizontal Property Regime.

WITNESS my hand and notarial seal this 16TH day of April, 2001.

My Commission Expires:

9/20/08

Jeffrey L. Price
Notary Public
Jeffrey L. Price
Printed

Residing in Marion
County, Indiana

This instrument prepared by Stephen R. Buschmann, Attorney at Law, THRASHER BUSCHMANN GRIFFITH & VOELKEL, P.C., Market Square Center, Suite 1900, 151 N. Delaware Street, Indianapolis, Indiana 46204