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DECLARATION OF COVENANTS AND RESTRICTIONS

OF

VILLAS AT WYNNE FARMS

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DECLARATION OF COVENANTS AND RESTRICTIONS
OF
VILLAS AT WYNNE FARMS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS made this 31st day of December, 2020, by M/I Homes of Indiana, L.P., an Indiana limited partnership ("Declarant") and Wynne Farms Villas Developer, LLC, an Indiana limited liability company ("Developer").

WITNESSETH:

WHEREAS, the following facts are true:

A. Developer is the sole owner in fee simple title to certain real estate located in Hendricks County, Indiana, more particularly described in the attached Exhibit A, which is incorporated herein by reference (the "Real Estate"), which Real Estate will be used for the development of Villas at Wynne Farms, a housing development in Hendricks County, Indiana (the "Development").

B. Developer is also the sole owner in fee simple title to the Common Area (as defined in Section 1(h) below, more particularly described in the attached Exhibit B, which is incorporated herein by reference, and which shall be conveyed, utilized and maintained pursuant to the terms of this Declaration.

C. Declarant is the contract purchaser of the Real Estate pursuant to that certain Lot Purchase Agreement by and between Developer and Declarant dated as of July 23, 2019, as amended (collectively, the "Purchase Agreement") whereby Developer has agreed to sell, and Declarant has agreed to purchase the Lots (as defined in Section 1(p) below) and construct the Dwelling Units (as defined in Section 1(l) below).

D. Developer and Declarant hereby subject the Real Estate to the provisions of this Declaration.

E. Developer and Declarant by execution of this Declaration assures that all properties which are conveyed which are a part of the Real Estate shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Real Estate and be binding upon all parties having any right, title or interest in the Real Estate, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

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

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

(a) "Access, Drainage and Utility Easement" means the areas of ground on the Plats marked Access, Drainage, and Utility Easement.

(b) "Applicable Date" means the date determined pursuant to Section 10 of this Declaration.

(c) “Access Easement” means the areas of ground on the Plats marked Access Easement.

(d) “Architectural Review Board” means that committee of the Corporation established pursuant to Section 16 for the purpose of establishing architectural standards and approving changes and improvements to Dwelling Units and Lots.

(e) “Articles” or “Articles of Incorporation” means the Articles of Incorporation of the Corporation, as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.

(f) “Board of Directors” means the governing body of the Corporation elected by the Members in accordance with the Bylaws of the Corporation.

(g) “Bylaws” shall mean the Bylaws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation.

(h) “Common Area” means the area designated as such upon the Plats and all improvements located thereon.

(i) “Common Expense” means expenses for administration of the Corporation, expenses for the upkeep, leasing, maintenance, repair and replacement of the Common Area and North Retention Pond (as defined in Section 11(g)(iii) below) and all sums lawfully assessed against the Members of the Corporation.

(j) “Corporation” means Villas at Wynne Farms Homeowners Association, Inc., a nonprofit corporation, its successors and assigns, whose Members shall be the Owners of Lots, or appointees as provided in Section 10 of this Declaration; such Corporation being more particularly described in Section 10 of this Declaration.

(k) “Declarant” shall mean and refer to M/I Homes of Indiana, L.P., an Indiana limited partnership and any successors and assigns whom Declarant designates in one or more written recorded instruments, to have the rights of Declarant hereunder including, but not limited to, any mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(l) “Dwelling Unit” means one of the living units, including a Villa Unit, and the garage, whether attached or detached, located upon a Lot.

(m) “Easements” means all of the easements shown on a Plat or described herein as an Access, Drainage and Utility Easement, Access Easement and Landscape Easement.

(n) “Landscape Easements” means those areas on the Plats shown as Entry Landscaping and Landscaping.

(o) “Landscape Improvements” means trees, shrubbery, flowers and other plantings, entryway, neighborhood and community identifications signage, earth mounds, screening material, fencing, walls, directions, lighting, irrigation systems, walking trails,

and additional similar landscape improvements installed on the Real Estate by Declarant or the Corporation.

(p) “Lot” or “Lots” means any parcel(s) of the Real Estate (excluding the Common Areas) upon which one (1) Dwelling Unit is constructed, may be constructed or exists thereon. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.

(q) “Member” means a member of the Corporation.

(r) “Mortgagee” means the holder of a first mortgage lien on a Lot.

(s) “Owner” means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns fee simple title to a Lot.

(t) “Plat” or “Plats” shall mean the Plats of Villas at Wynne Farms – Section 2A recorded on December 14, 2020 as Instrument No. 202038214, and/or the Plats of Villas at Wynne Farms – Section 2B recorded on December 14, 2020 as Instrument No. 202038220 (individually a “Plat” and collectively, the “Plats”) in the Office of the Recorder of Hendricks County, Indiana and any additional subdivision or similar plat executed by Declarant (or any other owner of such property) recorded in the public records of Hendricks County, Indiana, pursuant to which any additional portions of the Real Estate are subjected to this Declaration as part of Villas at Wynne Farms.

(u) “Villas at Wynne Farms” means the name by which the Real Estate is the subject of this Declaration, shall be known.

(v) “Villa Unit” means one-half (1/2) of any building generally designed for residential occupancy to accommodate more than one (1) Dwelling Unit and constructed on any part of the Real Estate (including one-half (1/2) of the party wall separating such Villa Unit from the adjoining, attached Villa Unit contained within the same building), it being understood that the Lots have been configured to accommodate the construction of attached Villa Units which may be acquired, held, transferred, sold, hypothecated, leased, rented, improved, used and occupied as separate and distinct parcels of real property subject to the provisions of this Villas at Wynne Farms Declaration.

(w) “Zoning Requirements” means the applicable municipal zoning and subdivision control ordinances under which the Real Estate and Expansion Real Estate is developed, including, but not limited to the Wynne Farms PUD of the Town of Brownsburg and Ordinance Nos. 2018-18 and 2019-01 Wynne Farms – Area C Planned Development Amendments, as such documents may be amended from time to time.

2. Declaration. Declarant hereby expressly declares that the Real Estate shall be held, conveyed and transferred in accordance with the provisions of this Declaration.

3. Villas at Wynne Farms. The legal description for each Lot shall be as follows:

Lot ____ in Villas at Wynne Farms – [Section 2A or Section 2B], a subdivision in Hendricks County, Indiana, as per plat thereof recorded _____ as Instrument Number _____ in the Office of the Recorder of Hendricks County, Indiana.

4. Lot Boundaries and Access. The boundaries of each Lot shall be as shown on the Plats.

5. Common Area. Common Area includes all the area designated as such on the Plats, including, but not limited to ponds, drainage areas, and recreational areas, but excluding all Lots and Easements located on the Lots. Declarant has the right, but not the obligation, to construct recreational facilities in any of the Common Area, and if such facilities are constructed, such facilities shall be part of the Common Area. The Plats include Common Areas A, D, E, F & G, as shown on the Plats.

6. Ownership and Use of Common Area. The Common Area shall be conveyed to or owned by the Corporation, and shall be held for the use and enjoyment of the Members, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to every Lot, subject to the provisions of this Declaration, including but not limited to, the following:

(a) Except as otherwise provided in Section 11(g)(xii), the right of the Corporation, upon approval by a written instrument signed by two-thirds of all Class A Members, two-thirds of all Class B Members and by two-thirds of all first mortgagees 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 by the Corporation. Notwithstanding the foregoing, the Declarant, Developer or the Corporation may, without any approval of any of the Members, convey any walking or recreational trails or private streets, alleys or drives constructed in Villas at Wynne Farms to the Town of Brownsburg, Hendricks County or its respective designee.

(b) The right of the Corporation to adopt such rules and regulations regarding the Common Area as it deems necessary as provided in Section 11.

(c) The Common Area in Villas at Wynne Farms shall be conveyed by the Declarant and/or Developer to the Corporation upon the recording of a Plat, by quitclaim deed, free and clear of all liens and encumbrances except the Zoning Requirements, the lien of non-delinquent real estate taxes and any recorded or platted easements; provided, however, that the conveyance of the Common Area to the Corporation shall not prevent Developer or Declarant from improving the Common Area as Developer or Declarant deems appropriate at any time prior to the Applicable Date. Notwithstanding the foregoing, at any time after a Plat is recorded and Developer has yet to record a quitclaim deed for the Common Area thereon pursuant to this Section 6(c), Developer shall promptly convey the Common Area to the Corporation upon the request of Declarant.

7. Delegation of Use of the Common Area by Member. Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the

Corporation, such Owner's right of enjoyment and use of the Common Area to members of its family, tenants or contract purchasers who reside on any Lot.

8. Easements and Rights in Common Area and Villa Utility Maintenance Area. Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, located in the Common Area and Easements (collectively, the "Villa Utility Maintenance Area"). Such easements and right to use shall pass with title to the Lot even though not expressly mentioned in the document passing title.

An easement is also granted to the Corporation, its officers, agents and employees and to the Managing Agent (as defined in Section 11(f)) to enter in or to cross over the Common Area, and Easements and Lots to perform its duties; provided, however, reasonable notice shall be given the Lot Owner, except in the case of an emergency. An easement is also granted to Declarant, for so long as Declarant owns a Lot or any of the Real Estate across the Lots, the Real Estate and the Common Areas, for the purpose: (i) to erect signs on the Common Area and any Lot or Real Estate owned by Declarant, and to maintain sales offices, management offices and model homes; (ii) to construct, maintain, repair or replace any Dwelling Units, Common Area facilities, or any other improvements on the Real Estate; and (iii) to comply with the Zoning Requirements.

The Corporation shall have a right of entry and access to, over, upon and through all of the Villa Utility Maintenance Area, including each Villa Unit, to enable the Corporation to perform its obligations, rights and duties pursuant hereto with regard to maintenance, repair, replacement, restoration and/or servicing of the Villa Utility Maintenance Area. In the event of an emergency, the Corporation's right of entry to a Villa Unit and its appurtenant Villa Utility Maintenance Area may be exercised without notice; otherwise, the Corporation shall give the Owners of a Villa Unit no less than 24-hours advance notice prior to entering a Villa Unit or its appurtenant Villa Utility Maintenance Area.

9. Easements.

(a) Access, Drainage and Utility Easements and Telephone Easements. The Access, Drainage and Utility Easements and Telephone Easements are hereby created and reserved for the use of all public utility companies (not including transportation companies), governmental agencies and the Corporation for access to and installation, maintenance, repair or removal of poles, mains, ducts, drains, lines, wires, cables and other equipment and facilities for the furnishing of utility services, including cable television services. The Access, Drainage and Utility Easements and Telephone Easements include all Access Easements, Drainage Easements, Utility Easements, Access and Utility Easements, Utility and Drainage Easements and Telephone Easements as shown on the Plats. The Access, Drainage and Utility Easements and Telephone Easements are hereby created and reserved for (i) the use of Declarant and Developer for access to and construction, maintenance, operation, repair and control of any retention and detention ponds and improvements comprising and/or related to the storm water drainage system, either by surface drainage or appropriate underground installations, for the Real Estate and adjoining property and (ii) the use of the Corporation for access to and maintenance, repair and replacement of such drainage system. The Owner of any Lot subject to an Access, Drainage and Utility Easement shall be required to keep the Easement area on its Lot free

from obstructions so that the storm water drainage will be unimpeded and will not be changed or altered without the appropriate governmental and prior written approval of the Declarant. The Access, Drainage and Utility Easements and Telephone Easements are hereby created and reserved for the use of Developer, Declarant and the Town of Brownsburg and/or Hendricks County for installation and maintenance of an underground sanitary sewer system. The delineation of the Access, Drainage and Utility Easement and Telephone Easement areas on the Plats shall not be deemed a limitation on the rights of any entity for whose use any such easement is created and reserved to go on any portion of any Lot subject to such easement temporarily to the extent reasonably necessary for the exercise of the rights granted to it by this Section. Prior to the Applicable Date, Developer, upon the prior written approval of Declarant, shall have the power to unilaterally grant additional easements to public utilities and municipal bodies or municipal entities as necessary for the development of the Development over the Common Area and any Lot not conveyed to an Owner.

(b) Access Easements. Access Easements are created and reserved by the Plats and this Declaration as perpetual easements for the use of Developer, Declarant and the Corporation for the maintenance, use, governance, and control of all streets, alleys, sidewalks and parking areas in such Common Areas. The Access Easements includes all Pedestrian Easements as shown on the Plats. Developer and Declarant also grants to the Owners and their invitees, the right to use the streets, alleys, and sidewalks for vehicular and pedestrian ingress to and egress from their Dwelling Units. The Corporation may assign these easements, or any portion thereof, to a municipal entity if the municipal entity agrees to accept the assignment. In exercising these Access Easements, the Corporation may do anything reasonably related to the use, maintenance, operation, and governance of the streets, alleys, sidewalks, and parking areas. To the extent not prohibited by public law, the Corporation is specifically authorized to adopt, amend, repeal, and enforce rules for use of the streets, alleys, sidewalks, and parking areas. Developer and Declarant hereby reserves and grants to any municipal entity a non-exclusive easement across the private streets and alleys for access and all governmental purposes, including, but not limited to, police and fire protection, garbage collection, mail delivery, building inspection, and any similar purpose. The Corporation must maintain adequate access in and to the private streets and alleys to enable the municipal entity (or any entity providing service on behalf of the municipal entity) to provide such services. Declarant hereby reserves and grants to private utility companies and residential service providers which provide utility service or customary residential services to Villas at Wynne Farms a non-exclusive easement across the private streets and alleys for access to Villas at Wynne Farms or such lines as the private utility may have installed on Villas at Wynne Farms, as applicable.

(c) Landscape Easement. Developer and Declarant hereby declares, creates, grants and reserves an easement across the areas as shown on the Plats as Entry Landscaping and Landscaping as a non-exclusive easement (the "Landscape Easement") for the use of the Developer, Declarant and the Corporation for installation, maintenance and removal the Landscape Improvements. Except as installed by the Developer, Declarant or the Corporation, and except for any utility facilities or drainage facilities which may be installed in any easement that may now or hereafter be declared, granted or reserved in or upon any portion of the Real Estate and designated on the Plats as a Landscape Easement,

no structures or other improvements shall be installed or maintained in or upon and Landscape Easements. Notwithstanding the foregoing provisions of this Section and the provisions of any Plat or other recorded instrument executed by Developer or Declarant designating a Landscape Easement, a Landscape Easement shall automatically terminate as to the portion or such easement area that is located within or upon any public right-of-way hereafter dedicated to the public upon the recording of a Plat or other instrument creating such public right-of-way. All improvements and landscaping located within the Landscape Easement shall be maintained by the Corporation and the Corporation shall have an easement of ingress and egress on and over the Lots adjacent thereto for the purpose of satisfying this maintenance obligation. The landscaping and other improvements planted or installed by the Developer, Declarant and/or the Corporation within the Landscape Easement may not be removed by any Owner, nor may any Owner add any landscaping or improvements to such easement area without the prior approval of the Architectural Review Board.

(d) Additional Easements on Plats. The Real Estate and Expansion Real Estate is also subject to any additional easements set forth on a Plat, including, but not limited to BMP Easements, Vision Clearance Easements and Temporary Turnaround Easements.

10. Corporation; Membership; Voting; Functions.

(a) Membership in Corporation. Declarant and each Owner of a Lot which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as ownership of a Lot ceases at which time membership shall terminate and will be transferred to the new Owner of such Lot; provided, however, that any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a Member until and unless such person acquires fee simple title to such Lot, at which time such person shall automatically be and become an Owner and a Member of the Corporation.

(b) Voting Rights. The Corporation shall have two (2) classes of membership with the following voting rights:

(i) Class A. Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot of which such Member is the Owner with respect to each matter submitted to a vote of Members upon which the Class A Members are entitled to vote. When more than one (1) person constitutes the Owner of a particular Lot, all such persons shall be Members of the Corporation, but all of such persons together shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any such Lot.

(ii) Class B. Class B Members shall be Declarant and all successors and assigns of Declarant designated by Declarant as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to ten (10) votes for each Lot of which it is the Owner on

all matters requiring a vote of the Members of the Corporation. The Class B membership shall cease and terminate upon the Applicable Date. The "Applicable Date" is the last to occur of (i) the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation, (ii) within one hundred twenty (120) days after the date when eighty percent (80%) of all Lots have been conveyed by Declarant to third party purchasers who will reside on such Lots, or (iii) October 31, 2027.

(iii) Appointment of Declarant as Owner's Agent. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any method shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date, to exercise all of said Owner's right to vote, and to vote as Declarant determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the Bylaws or otherwise. This appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, administration and operation of the Common Area and North Retention Pond, ownership of the Common Area, to pay taxes assessed against and payable with respect to the Common Area, to pay any other necessary expenses and costs in connection with the Common Area and North Retention Pond and to perform such other functions as may be designated for it to perform under this Declaration.

11. Board of Directors.

(a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is or is deemed in accordance with this Declaration to be, an Owner, or is a person appointed by Declarant as provided in subsection (b) of this Section 11.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of three (3) persons as designated in the Articles, to-wit: Keith Blais, Jonathan Isaacs and Jodi Rana (herein referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in this Declaration, the Articles or the Bylaws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by Declarant to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the

Corporation nor an Owner of a Lot for any other purpose (unless such person is actually the Owner of a Lot and thereby a Member of the Corporation).

(c) Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee of such Owner shall be eligible to serve on the Board of Directors, except that no single Lot may be represented on the Board of Directors by more than one (1) person at a time.

(d) Term of Office and Vacancy. Subject to the provisions of subsection (b) of this Section 11, at least one (1) member of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date. After the Applicable Date, the Board of Directors will consist of three (3) members, elected by the Owners. Each member of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date (which, if appropriate, may be a special meeting) one (1) member of the Board of Directors shall be elected for a three (3) year term, one (1) member for a two (2) year term, and one (1) member for a one (1) year term so that the terms of at least one (1) of the members of the Board shall expire annually. If such election is at a special meeting, the term of each of the Directors elected at the special meeting shall include the time from the special meeting to the applicable annual meeting. There shall be separate nominations for the office of each member of the Board to be elected at such first election after the Applicable Date. Each Director shall hold office throughout the term of such election and until such successor is elected and qualified. Subject to the provisions of subsection (b) of this Section 11 as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subsection (e) of this Section 11. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until such successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy.

(e) President. The President of the Corporation will serve as one of the three (3) members of the Board of Directors for so long as he/she remains president of the Corporation.

(f) Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the votes entitled to be cast at a special meeting of the Owners duly called and constituted for such purpose. In such case, a replacement Director shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until such Director's successor is duly elected and qualified.

(g) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible

for the functions and duties of the Corporation, including, but not limited to, providing for the administration of the Corporation, the management, maintenance, repair, upkeep and replacement of the Common Area, the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties. The Board's duties include, but are not limited to:

(i) Protection, surveillance and replacement of the Common Area; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;

(ii) Landscaping, maintenance and upkeep of the Common Area, such maintenance obligation specifically includes, but is not limited to, signage, gang mailboxes, drainage areas and related facilities, ponds and lakes, recreational facilities, private streets, alleys and drives;

(iii) Landscaping, maintenance and upkeep of the retention pond located on a portion of common area A in Villas at Wynne Farms Section 1, which is adjacent to Common Area E in Villas at Wynne Farms Section 2B, and that is subject to that certain Amended and Restated Drainage Easement Agreement recorded August 4, 2011 as Instrument No. 201116812 in the Office of the Recorder of Hendricks County, Indiana ("North Retention Pond").

(iv) Assessment and collection from the Owners of each Owner's respective share of the Common Expenses;

(v) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;

(vi) Preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;

(vii) Procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under this Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable, including, but not limited to, the insurance provided under the Insurance Guidelines adopted by the Villas Board of Directors (the "Insurance Guidelines"). The Insurance Guidelines may be amended by the Corporation from time to time. Copies of the Insurance Guidelines are available upon request by an Owner from the Corporation;

(viii) Paying taxes assessed against and payable with respect to the Common Area and paying any other necessary expenses and costs in connection with the Common Area;

(ix) Comply with the Zoning Requirements;

(x) Comply with any Operation & Maintenance Manuals relating to storm water and drainage facilities on the Real Estate;

(xi) Comply with all contracts, leases and other agreements related to street lights;

(xii) Resolving any eminent domain action with respect to any Common Area; provided however that any resolution involving an offer of greater than Five Thousand and 00/100 Dollars (\$5,000.00) shall require the consent of a majority of Owners;

(xiii) Make financial records related to income and expenses of the Corporation available to Owners to review upon at least five (5) days written request to the Secretary of the Corporation, in accordance with a policy adopted by the Board of Directors; and

(xiv) Maintenance of the Villa Units and Villa Lots which is the obligation of the Corporation per the Maintenance Guidelines adopted by the Board of Directors (the "Maintenance Guidelines"). The Maintenance Guidelines may be amended by the Corporation from time to time. Copies of the Maintenance Guidelines are available from the Corporation. No owner may refuse such services. All such services and payment of all assessments for such services shall be mandatory.

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

(i) To purchase, lease or otherwise obtain for the Corporation, to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

(ii) To employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;

(iii) To employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;

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

(v) To open and maintain a bank account or accounts in the name of the Corporation;

(vi) To promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Real Estate and the Common Area (in addition to those set forth in this Declaration) as the Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Board shall be promptly delivered or mailed to all Owners. Such rules and regulations may provide that an Owner's failure to comply with such rules and regulations may result in (i) the imposition of fines by the Corporation against such Owner; and/or (ii) such Owner losing the right to use the Common Area and related facilities.

(i) Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Ten Thousand Dollars (\$10,000.00) without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:

(i) Contracts for replacing or restoring portions of the Common Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

(ii) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget; and

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

(j) Compensation. No Director shall receive any compensation for services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

(k) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

(l) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, such person's heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that such person is or

was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by such Director in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in actions, suits or proceedings where such Director is adjudged liable for bad faith, gross negligence or willful misconduct in the performance of such Director's duties. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of such Director's duties where, acting in good faith, such Director relied on the books and records of the Corporation or statements or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that such Director failed or neglected to attend a meeting or meetings of the Board of Directors.

(m) Bond. The Board of Directors may provide surety bonds and may require the Managing Agent (if any), the treasurer of the Corporation, and such other officers as the Board deems necessary, to provide surety bonds, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors. Any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. A Managing Agent shall provide such bond at its expense. For all officers and directors, the expense of any such bonds shall be a Common Expense.

(n) HOA Act. Notwithstanding any provision of this Declaration to the contrary, Corporation shall be run with due regard and in compliance with the Homeowner's Association Act, Indiana Code Section 32-25.5 et seq. (the "HOA Act"). As a part of this obligation, Corporation shall (i) maintain the roster and other information regarding the Owners and make such information available to the Owners as required under Section 32-25.5-3-1 of the HOA Act, (ii) shall prepare and adopt an annual budget and make documents available to the Owners consistent with the requirements and procedures of Section 32-25.5-3-3 of the HOA Act, (iii) not enter into any contract or borrow funds in violation of Sections 32-25.5-3-4 and 32-25.5-3-5 of the HOA Act, respectively, and (iv) maintain and follow a grievance resolution procedure required under Section 32-25.5-5 et seq. of the HOA Act, which procedure is set forth in the By-Laws. In the event of a conflict between the HOA Act and this Declaration, the HOA Act shall control.

12. Initial Management. The Initial Board of Directors has entered or may hereafter enter into a management agreement with Declarant or a corporation or other entity affiliated with Declarant or a third party management company for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice. Declarant, such affiliate of Declarant or such third party management company will provide supervision, management and maintenance of the Common Area, North Retention Pond and in general, perform all of the duties and obligations of the Corporation. Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement and to adhere to

and abide by the same. Until the Applicable Date, and except as otherwise required by the Zoning Requirements, Declarant hereby reserves the exclusive right to manage the Real Estate and perform all the functions of the Corporation. After the Applicable Date, the Corporation shall contract with a professional third party manager for management of the Corporation.

13. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot but are assessed and taxed on the Real Estate or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay its proportionate share of the real estate taxes assessed to the land comprising the Real Estate or that part thereof that is assessed as a whole. Such Owner's proportionate share shall be the ratio that the square footage of such Owner's Lot bears to the total square footage of all the land comprising the Real Estate or part thereof assessed as a whole. Real estate taxes assessed on the improvements on the Real Estate shall be paid by the Owner of such improvements. Any real estate taxes or other assessments which are chargeable against the Common Area shall be paid by the Corporation and treated as a Common Expense.

14. Utilities. Each Owner shall pay for its own utilities which are separately metered. Utilities which are not separately metered, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation. Utilities for the Common Area shall be a Common Expense. Each Owner, by acceptance of a deed to a Villa Unit, agrees to pay for utility services separately metered or separately charged by the utility company to that Villa Unit. In the event any utility service is not separately metered, the cost thereof shall be paid by the Corporation and be part of the Regular Assessments.

15. Maintenance, Repairs and Replacements.

(a) By the Corporation. Maintenance, repairs, replacements and upkeep of the Common Area, Villa Utility Maintenance Area and North Retention Pond shall be furnished by the Corporation, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses. After the Applicable Date and for so long as the Declarant owns any Lot(s), Declarant may, upon five (5) days' notice to the Corporation, undertake any maintenance, repair or upkeep which the Corporation is obligated, but has failed, to undertake. Declarant may then bill the Corporation for the cost of such maintenance, repair or upkeep. Such bill, if not paid by the Corporation within thirty (30) days of receipt, shall bear interest at the rate of twelve percent (12%) per annum.

(b) By Owners. Each Owner shall be responsible for maintaining and keeping its Lot, Dwelling Unit, and all other structural improvements located on its Lot in a good, clean, neat, sanitary and well-maintained condition. The obligation to maintain a Lot shall exist, whether or not a Dwelling Unit exists on such Lot, and the Owner of such Lot shall keep such Lot maintained in the same manner as such Lot would be maintained if a Dwelling Unit existed thereon.

Each Owner shall also maintain, to the extent applicable, (i) the dusk-to-dawn lights installed on its Lot in good working condition, including but not limited to, replacement of photo cells and all such dusk to dawn lights and any replacement thereof will be as shown on Exhibit C; (ii) the mailbox, address numbers and post installed on its Lot in good

working condition; and (iii) any trees originally planted on its Lot ("Street Trees"); and (iv) any drainage areas, swales and structures by keeping such free from leaves and debris. Any repair or replacement of mailboxes, address numbers and/or posts shall be of the same design and quality as originally installed by Declarant and as shown on Exhibit D. Each Owner shall be responsible for the maintenance of the Street Trees located on its Lot. In the event any Street Tree dies, the Owner of such Lot shall be responsible for replacing, at Owner's expense, the Street Tree with a substantially similar tree. Such tree replacement must be approved by the Architectural Review Board.

(c) Damage to Common Area. If, due to the willful, intentional or negligent acts or omissions of an Owner, a member of such Owner's family or a guest, tenant, invitee or other occupant or visitor of such Owner, any Common Area is damaged, then such Owner shall pay for such damage and necessary maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation, the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's Lot is subject.

(d) Owner's Failure to Maintain. If any Owner shall fail (i) maintain and keep its Lot, Dwelling Unit and other structural improvements located on its Lot in a good, clean and sanitary condition as determined by the Board of Directors or (ii) comply with the terms of this Section 15, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment. Such cost shall be immediately due and shall be secured by the Corporation's lien on the Owner's Lot.

(e) Corporation's Easement over Lots. So long as the Real Estate is subject to this Declaration, each Owner, by acceptance of a deed to any Lot, irrevocably grants to the Declarant for so long as Declarant owns a Lot or any part of the Real Estate and to the Corporation, its agents and employees, the right, in the form of a permanent easement, to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair, landscaping or other work contemplated herein.

(f) Party Walls and Roofs.

(i) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any Villa Unit and which connects two Villa Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Paragraph 15(f), the general rules of law regarding party walls and liability for property damage due to negligent or intentional or willful acts or omissions shall apply thereto.

(ii) 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. The term "party wall" shall include the roof connecting the two (2) attached Villa Units. The cost of reasonable repair and replacement of the roof is

the responsibility of the Corporation, except as otherwise provided herein, including, but not limited to Section 19(b).

(iii) Destruction by Fire or Other Casualty. If any party wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance maintained by the Corporation under Section 19(b), and repaired out of the proceeds of same, any Owner who has used the party wall may restore it, and any other Owners who make use of the party wall, shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a disproportionate contribution from the others under any rule of law regarding liability for negligent, intentional or willful acts or omissions. If any roof is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance maintained by the Corporation under Section 19(b), and repaired out of the proceeds of same, any Owner who has used the roof may restore it, and any other Owners who make use of the roof, shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a disproportionate contribution from the others under any rule of law regarding liability for negligent, intentional or willful acts or omissions. The Corporation's insurance as provided in Section 19(b) shall cover the roof and party wall.

(iv) Weatherproofing. Notwithstanding any other provision of this Declaration, to the extent that such damage is not covered and paid by insurance proceeds, an Owner who by such Owner's 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.

(v) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section 15 shall be appurtenant to the land and shall be binding upon and inure to such Owner's successors in title.

(vi) Arbitration. In the event of any dispute arising concerning a party wall or roof, or under the provisions of this Section 15, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor from another party, the Board of Directors shall select an arbitrator for the refusing party. The cost of the arbitrators shall be borne equally by the parties.

(vii) Easements for Inexactness of Construction. The boundary lines separating each Lot shall be as shown on the Plats, and it is intended that the center of the party wall separating each Villa Unit from the adjoining Villa Unit shall be physically located exactly on the center of the boundary line separating the two adjoining Lots upon which such Villa Units are constructed. However, in the event that, because of inexactness of staking or construction, settling or shifting during or after construction or any other reason, the center of any such party wall shall not coincide with the center of the associated boundary line, then a permanent easement

shall exist on the Lot onto which the encroaching Villa Unit encroaches for the exclusive benefit of the Owner of the encroaching Villa Unit for purposes of occupancy, possession, maintenance, use and enjoyment, and such easement shall run with the land and be binding upon, and inure to the benefit of, any person or entity then or thereafter acquiring or having any right, title or interest in or to the benefited or encumbered Lot or any party thereof, including, without limitation, mortgagees. The portion of the encumbered Lot subjected to such an easement shall be limited to exact area onto which the encroaching Villa Unit encroaches upon such Lot.

(viii) Exterior Changes. No exterior changes, including but not limited to, color, style, or material, shall be made to a Villa Unit without the prior approval of the Architectural Review Board. The Architectural Review Board shall prescribe regulations and guidelines regarding permitted colors and materials for the exterior of Villa Units. Changes which do not comply with such regulations and guidelines shall not be approved or permitted.

16. Architectural Control.

(a) The Architectural Review Board. There shall be, and hereby is, established an Architectural Review Board consisting of three (3) persons as a standing committee of the Corporation. Until the Applicable Date, the Architectural Review Board shall be the Initial Board of Directors. After the Applicable Date, the Architectural Review Board shall be appointed by the Board of Directors and may be different than or the same as the Board of Directors. The Architectural Review Board may delegate its rights and obligations as the Architectural Review Board to the Management Agent.

(b) Purposes. The Architectural Review Board shall regulate the external design, appearance, use, location and maintenance of the Real Estate (including the Common Area, Easements and Lots) and of improvements thereon in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures and improvements and comply with the Zoning Requirements.

(c) Conditions. No improvements, alterations, excavation or changes in grade or other work which in any way alters any Lot or the exterior of any Dwelling Unit or other improvement thereon shall be made or done without the prior written approval of the Architectural Review Board. No building, fence, wall, pool, spa, hot tub, fire pit, pergola or other structure or improvement shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the plans by the Architectural Review Board. Additional restrictions and prohibitions regarding pools, fences, spas, decks, playground equipment, basketball goals, flag poles, storage sheds, mini-barns, fire pits and exterior painting are set forth in Section 21. Plans must comply with the requirements of this Section 16, Section 21, the Zoning Requirements, any rules and regulations adopted by the Architectural Review Board, and all applicable municipal rules, regulations and ordinances. Notwithstanding the foregoing, Architectural Review Board approval is not required for the initial construction of a Dwelling Unit by Declarant

or any work by Declarant to comply with the Zoning Requirements or Declarant's obligations under this Declaration.

(d) Procedures.

(i) Approval Process. The Architectural Review Board has prepared and promulgated, on behalf of the Board of Directors, design and development guidelines and application and review procedures. Copies are on file in the office of the Declarant (or the Corporation, as the case may be) which are incorporated into this Declaration by reference. The guidelines and procedures shall be those of the Architectural Review Board, and the Architectural Review Board shall have sole and full authority to prepare and to amend them. It shall make the guidelines and procedures available to Owners, builders, and developers who seek to engage in development of or construction, modification, addition or alteration made on or to any existing structure, upon all or any portion of the Real Estate and such Owners and builders shall conduct their operations strictly in accordance therewith. The Architectural Review Board, or its designee, must give written approval for any building contractor selected by the Lot Owner for construction.

Prior to any construction on any Lot (except for construction by Declarant), the approval of the Architectural Review Board must be obtained after written application has been made to the Architectural Review Board by the Owner of the Lot requesting authorization from the Architectural Review Board. Such written application shall be made in the manner and form prescribed from time to time by the Architectural Review Board in its guidelines and procedures which will contain requirements to promote the standard of quality of workmanship and design and harmony of external design with existing structures, location in relation to surrounding structures, topography and finish grade elevation as determined by the Architectural Review Board.

(ii) Power of Disapproval. The Architectural Review Board may refuse to grant permission to construct, place or make the requested improvement, when:

(1) the plans, specifications, drawings or other material submitted are, themselves, inadequate or incomplete, or show the proposed improvement to be in violation of this Declaration, the Plats restrictions or any rules, regulations or guidelines adopted by the Architectural Review Board;

(2) the design or color scheme of a proposed improvement or the materials proposed to be used are not in harmony with the general surroundings of the Lot or with adjacent buildings or structures in the sole opinion of the Architectural Review Board;

(3) the proposed improvement, or any part thereof, would, in the sole opinion of the Corporation, be contrary to the interest, welfare or rights of all or part of other Owners; or

(4) the removal or placement of landscaping or structure is in any easement.

(iii) Duties of the Architectural Review Board. The Architectural Review Board shall approve or disapprove proposed improvements within thirty (30) calendar days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Architectural Review Board for its permanent files. All notifications to applicants shall be in writing, and in the event that such notification is one of disapproval, it shall specify the reason or reasons therefore. In the event that the Architectural Review Board fails to provide written notice of approval or to request written notice for additional information within forty-five (45) days after submission of all required or requested information, the plans shall be deemed and presumed denied. MUST HAVE WRITTEN APPROVAL BY ARCHITECTURAL REVIEW BOARD. NO VERBAL APPROVALS ALLOWED.

(iv) No Waiver of Future Approvals. The approval of the Architectural Review Board of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Architectural Review Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatsoever subsequently or additionally submitted for approval or consent.

(v) Variance. The Architectural Review Board may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and applicable zoning laws, ordinances and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Architectural Review Board from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, the terms of any financing, or the initiation of work without the required approval of the Architectural Review Board shall not be considered hardships warranting a variance.

(vi) Compliance with Guidelines. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the Architectural Review Board may be excluded by the Architectural Review Board from the Real Estate without liability to any person, subject to the notice and hearing procedures contained in the Bylaws. Further, if any approval required by this Declaration is not granted in writing with respect to any item prior to its installation, the respective Owner thereof shall remove promptly the unapproved item or structure, upon request by Declarant or the Architectural Review Board.

(vii) Non-Liability of Declarant, Architectural Review Board. Neither the Declarant, nor the Architectural Review Board shall be responsible in any way for any defect in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto. Further, the Architectural Review Board, or Declarant does not make, and shall not be deemed by virtue of any action of approval or disapproval taken by it to have made, any representation or warranty as to the suitability or advisability of the design, the engineering, the method of construction involved, or the materials to be used or as to the compliance of any plans submitted for approval with this Declaration, any recorded plat governing the Real Estate or any applicable code, regulation or law.

(viii) Inspection. The Architectural Review Board and the Declarant and/or any property management organizations personnel may inspect work being performed to assure compliance with this Declaration, the Plats restrictions and applicable regulations. However, neither the Architectural Review Board, nor any Member thereof, nor the Declarant, nor any agent or contractor employed or engaged by the Architectural Review Board, or Declarant, shall be liable or responsible for defects, nonconformity or deficiencies in any work inspected or approved by it or them, or on its or their behalf. Further, no such inspection or approval given by or on behalf of the Architectural Review Board, or the Declarant shall be taken or deemed to be or constitute a warranty or guaranty of the work so inspected or approved.

(ix) No Compensation. Neither the Corporation nor any of its Members shall be entitled to any compensation for performing its duties or obligations set forth in this Declaration.

17. Assessments.

(a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by an accountant approved by the Board, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

(b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption and, if so adopted, shall be the basis for the Regular Assessments as such term is defined in Sections 17(c) below for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of those Owners present either in person or by proxy; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular

Assessments and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

The annual budget and Regular Assessments, shall, in addition, be established to include (1) Regular Assessments; and (2) the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and the North Retention Pond that must be repaired and replaced on a periodic basis (the "Replacement Reserve Fund"). The Replacement Reserve Fund shall be used for these purposes and not for usual and ordinary maintenance expenses. By way of example only, the Replacement Reserve Fund will be used for repairing and replacing items such as pumps, filters, landscaping (other than annual plantings and mulch), equipment, playground facilities, clubhouse furnishings and equipment, and private streets and alleys, as well as capital expenditures for repairing and replacing capitol items which are designated as the Corporation's responsibility under the Villa Maintenance Guidelines, such as roofs, and exteriors, and not for usual and ordinary maintenance expenses. Usual and ordinary expenses which will not be paid out of the Replacement Reserve Fund include but are not limited to, snow removal, fertilization, annual plantings, mulch, lawn care, and preventive maintenance contracts. Such Replacement Reserve Fund for capital expenditures and replacement and repair of the Common Area and North Retention Pond shall be maintained by the Corporation in an interest bearing accounts with one or more banks or savings and loan associations authorized to conduct business in Hamilton, Hendricks or Marion County, Indiana as selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses. If an annual budget is not approved by the Owners as herein provided for the then current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

(c) Regular Assessments. The annual budget, as adopted by the Owners, shall contain a proposed assessment against each Lot equal to the Common Expenses multiplied by a percentage equal to one divided by the total number of Lots in the Real Estate. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against its respective Lot (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds. The Regular Assessment against each Lot shall be paid in advance in equal annual installments, with payments due on the first day of January. Payment of the annual installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors. Regular Assessments shall be paid annually, in advance. Annual installments of Regular Assessments shall be due and

payable automatically on its due date without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget:

(i) If the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment, and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or

(ii) If the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due, until the entire amount of such excess has been so credited;

provided, however, that if an Owner had paid its Regular Assessment annually in advance, then the adjustments set forth under (i) or (ii) above shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid its Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers its Lot or any interest therein, shall not relieve or release such Owner or its successor as Owner of such Lot from payment of the Regular Assessment for such Lot as finally determined, and such Owner and its successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Section 18 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations.

The budget and Regular Assessment shall increase at such time(s) as Declarant installs or constructs, in its sole discretion, any recreational areas, including but not limited to, pool(s), clubhouse, trails, basketball courts and/or playgrounds.

Payment of Regular Assessment prior to the Applicable Date with respect to each Lot shall commence on the date of conveyance of such Lot by Declarant or current owner to a new owner ("Commencement Date"). The first payment shall be payable on the Commencement Date prorated to the first day of the month when the next payment is due. Thereafter, payment of Regular Assessment shall be paid annually. Annual installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Corporation and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

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

(e) Additional Assessments. In the event that Declarant constructs any recreational or similar facilities that are for the sole benefit and use of the Owners of Lots in a particular section, the expenses associated therewith shall be an Additional Assessment. Any Additional Assessment will be assessed only against benefited Lots in an amount equal to the expenses multiplied by a percentage equal to one (1) divided by the total number of Lots. Additional Assessments shall be included in the annual budget and shall be due monthly, on the first day of each month.

(f) Replacement Reserve Fund.

(i) Replacement Reserve Fund. Prior to the Applicable Date, ten percent (10%) of the Capital Contribution (as defined in Section 17(h) below) shall be deposited into the Replacement Reserve Fund (as established by Section 17 (b)) until the balance of such Replacement Reserve Fund is Twenty Thousand Dollars (\$20,000.00). Thereafter, deposits into the Replacement Reserve Fund will cease unless and until expenditures are made from such fund, at which time fifty percent (50%) of the Capital Contribution will again be deposited into such fund until the balance of such fund again reaches Twenty Thousand Dollars (\$20,000.00). After the Applicable Date, one hundred percent (100%) of the Capital Contribution will be deposited into the Replacement Reserve Fund regardless of the balance of such fund.

That portion of the Regular Assessment collected by Declarant prior to the Applicable Date applicable to the Replacement Reserve Fund shall be held by the Initial Board and used for those expenses described in Section 17(b). To the extent that such

Replacement Reserve Fund is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date.

(g) Payment of Assessments by Declarant. The Declarant shall not be assessed any portion of any Regular, Special or Additional Assessments and shall not contribute to the Replacement Reserve Fund. Prior to the Applicable Date, Declarant hereby covenants and agrees to pay to the Corporation an amount equal to the difference, if any, between the expenditures of the Corporation made pursuant to this Declaration and the aggregate amount of all Regular, Special and Additional Assessments, collected by the Corporation. Any such payment by the Declarant shall not establish any precedent for further or additional payments. Further, Declarant may advance funds to offset deficits on terms and conditions acceptable to the Board of Directors and Declarant.

The Declarant under this Declaration and any builder approved by the Declarant under this Declaration who does not or will not occupy any Dwelling Unit shall be exempt from paying Regular Assessments, or replacement reserve amounts under this Declaration.

(h) Capital Contribution.

(i) Regular Assessments. At the first closing of the purchase of a Lot containing a Dwelling Unit from Declarant or the original third-party builder, the purchaser is required to pay an amount equal to fifty percent (50%) of the Regular Assessment due on such Lot as purchaser's initial contribution to the Replacement Reserve fund and working capital fund of the Corporation. This sum is not an advance payment of Regular Assessments, but is allocated to the reserve fund and working capital fund to meet unforeseen expenditures and operating expenses and to purchase additional equipment and services. After the Applicable Date, the balance of the working capital fund shall be transferred to the Corporation. At such times as the balance of the working capital fund is Twenty Thousand Dollars (\$20,000.00), Declarant may reimburse itself from such capital contributions for any subsidies paid or advances made to offset deficits. Once Declarant is reimbursed, such amounts shall be deposited into the working capital fund, regardless of the balance of such working capital fund.

(i) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Regular Assessments, Additional Assessments or Special Assessments or from contributing toward the Common Expenses or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Area, or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular, Additional and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment, Additional Assessment or Special Assessment, when due, the lien for such assessment on the Owner's Lot may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment, Additional Assessment or Special Assessment, the Board may, in its discretion, accelerate the entire balance of unpaid

assessments and declare the same immediately due and payable. The Board may, at its option, bring suit to recover a money judgment for any unpaid Regular Assessment, Additional Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment, Special Assessment or Additional Assessment, whether by foreclosure or otherwise, the Corporation shall be entitled to recover from such Owner the costs and expenses of such action incurred (including but not limited to reasonable attorneys' fees) and interest from the date such assessments were due until paid at the rate equal to the prime interest rate as announced by Chase Bank, Indianapolis, NA, from time to time by (or if said bank is no longer in existence then such rate charged by a national bank in Marion County, Indiana, selected by the Board of Directors) during the unpaid period plus twelve percent (12%).

(j) Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the Bylaws, any sale or transfer of a Lot to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment, Additional Assessment or Special Assessment, as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien will not relieve the prior owner from personal liability therefore. No such sale, transfer or conveyance shall relieve the Lot and Dwelling Unit or the purchaser at such foreclosure sale or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessments, Additional Assessments or Special Assessments thereafter becoming due or from the lien therefore. Any such unpaid Regular Assessments, Additional Assessments or Special Assessments shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Lot from which it arose).

18. Mortgages and Unpaid Assessments.

(a) Notice to Corporation. Any Owner who places a first mortgage lien upon such Owner's Lot, or the Mortgagee, shall notify the Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the Bylaws or otherwise shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided. Unless notification of any such mortgage and the name and address of the Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee, as may be otherwise required by this Declaration, the Bylaws or otherwise, shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled by virtue of this Declaration, the Bylaws, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise.

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of

such borrower under this Declaration or the Bylaws which is not cured within sixty (60) days.

(b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments, Additional Assessments or Special Assessments, or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 17 hereof.

19. Insurance.

(a) Public Liability Insurance. Corporation shall purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover Corporation, the Board of Directors, any committee or organ of Corporation or the Board, any Managing Agent appointed or employed by Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Real Estate. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of Corporation or other Owners.

(b) Other Insurance.

(i) Officers' and Directors' Liability Insurance. Corporation shall purchase officers' and directors' liability insurance in such amounts as the Board of Directors shall deem appropriate. Corporation shall also obtain any other insurance required by law to be maintained and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, for example, liability insurance on vehicles owned or leased by Corporation and workman's compensation insurance. Such insurance shall inure to the benefit of each Owner, Corporation, the Board of Directors and any Managing Agent acting on behalf of Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors the proceeds of which are payable to the Board of Directors or Corporation.

(ii) Casualty Insurance. The Corporation shall purchase and maintain a casualty policy affording fire and extended coverage insurance insuring each Lot and any structures constructed thereupon including, but not limited to, the Dwelling Unit in an amount equal to the full replacement value of the improvements which in whole or in part, comprise the Dwelling Unit, including, without limitation, any party walls. Notwithstanding the foregoing, the Corporation shall not insure any additions, alterations, fixtures or improvements, including, but not limited to the

appliances, carpet, wall coverings, flooring and cabinets within and about the Dwelling Units (the "Excluded Improvements"). Corporation shall, in addition, also procure endorsements naming the Lot Owner(s) of a Lot as additional insureds under such insurance policies and requiring each such insurer to provide (i) immediate written notice to the Owner(s) of a Lot of any cancellation of such policy, and (ii) at least thirty (30) days written notice to the Owner(s) of a Lot prior to any termination or material modification of such policy. Corporation will furnish to the purchaser of each Lot, at or prior to the closing of the acquisition of that Lot, a certificate of insurance and endorsement evidencing the insurance coverage described herein. Owners shall not do or permit any act or thing to be done in or to Lot or Dwelling Unit which is contrary to law or which invalidates or is in conflict with Corporation's policy of insurance. An Owner who fails to comply with the provisions of this paragraph shall pay all costs, expenses, liens, penalties, or damages which may be imposed upon the Owner, Declarant or the Corporation by reason thereof.

(c) General Provisions. The premiums for all insurance hereinabove described shall be paid by Corporation as part of Common Expenses.

(d) Owners to Maintain Insurance. Notwithstanding subsection b above, each Owner of a Lot shall be responsible for the purchase and maintenance of its own insurance policies covering liability, loss and/or damage with respect to the Excluded Improvements and the contents and other personal property and fixtures located within and about each Dwelling Unit and Corporation shall have no liability to the Owner for such loss or damage. Each Owner of a Lot, other than Declarant, shall notify the Corporation in writing of any Excluded Improvements added within or about the Owner's Dwelling Unit and such Owner shall be responsible for any deficiency in any insurance loss recovery resulting from such Owner's failure to notify the Corporation. The Corporation shall not be obligated to apply insurance proceeds from policies purchased and maintained by the Corporation to restore the Excluded Improvements or the other contents, fixtures and other personal property of the Owner of a Lot. The insurance policies required pursuant to this subsection (d) of Section 16 shall contain standard mortgagee clause endorsements in favor of the mortgagee of each Dwelling Unit and shall provide that such policies shall not be terminated, canceled, or substantially modified without at least thirty (30) days' prior written notice to the mortgagee of each Dwelling Unit.

(e) Insurance Guidelines. Notwithstanding any other provisions in this Declaration, the Corporation and each Owner shall maintain insurance as set out in the Insurance Guidelines defined in Section 11(g)(vii), which Insurance Guidelines may be amended from time to time by the Corporation. Copies of the Insurance Guidelines are available upon request by an Owner from the Corporation."

20. Casualty and Restoration of Common Area. In the event of damage to or destruction of any of the Common Area due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Common Area, the cost for restoring the damage and repairing and reconstructing the Common Area so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the Common Area to as near as possible the same condition as it existed immediately prior to the damage or destruction.

21. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Real Estate and Common Area shall be in addition to any other covenants or restrictions contained herein and in the Plats. All such 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 Corporation. An Owner and/or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

(a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family. No Lot shall be subdivided to form lots of less area. No use shall be made of any Lot except as permitted by the Zoning Requirements and applicable zoning and subdivision control ordinances under which the Real Estate is developed.

(b) All Dwelling Units shall have the minimum square footage of finished living area (exclusive of garages, carports, basements and porches) required by the Zoning Requirements.

(c) Nothing shall be done or kept in any Dwelling Unit, or on any Lot, or on the Common Area which will cause an increase in the rate of insurance on any Common Area. No Owner shall permit anything to be done or kept in its Dwelling Unit or on its Lot or on any of the Common Area which will result in a cancellation of insurance on any Dwelling Unit or any part of the Common Area, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(d) No nuisance shall be permitted on any Lot. No noxious or offensive activities shall be carried on or be permitted to exist on any Lot; nor shall anything be done thereon which may be or become an annoyance or nuisance. Any structure or building permitted to be constructed on any Lot by this Declaration which may be all or in part destroyed by fire, wind, storm or any other reason, shall be rebuilt and restored to its previous condition within a reasonable length of time, and all debris accumulated in connection therewith shall be removed within a reasonable time after any such occurrence.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of its Dwelling Unit or placed on the outside walls of any building. Except for features originally constructed by Declarant as part of a Dwelling Unit, no awning, canopy or shutter or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any Dwelling Unit without the prior written consent of the Architectural Review Board.

(f) No sign of any kind shall be displayed to the public view on any Lot, except that one sign of not more than six (6) square feet may be displayed to public view on any Lot at any time solely for the purpose of advertising a property for sale. Declarant may use larger signs during the sale and development of the Real Estate.

(g) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Area, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. All such pets shall be kept reasonably confined so as not to become a nuisance. No more than a total of three (3) such pets (in whatever combination of pet dogs, pet cats and/or customary household pets) may be kept in a Dwelling Unit at any time. Excessive barking of dogs or vicious animals shall constitute a nuisance and may be ordered by the Corporation to be removed from the property.

(h) No outdoor animal kennels or quarters can be constructed on any Lot.

(i) All rubbish, trash, garbage, recycling, and other household waste shall be stored in closed sanitary containers (the "Trash Receptacles") provided by the Town of Brownsburg (or if not provided by the Town of Brownsburg, by the trash collection provider designated by the Board of Directors), shall be regularly removed from Lots and shall not be allowed to accumulate. Trash Receptacles may be placed at the curb of each Lot no earlier than 8:00 p.m. the night before scheduled pickup and shall be removed from the curb not later than 8:00 p.m. the night of such scheduled pickup (the "Scheduled Pickup"). With the exception of the Scheduled Pickup, all Trash Receptacles shall not be stored or placed outside. The burning of trash and open fires not contained within a cooking grill for the purpose of preparing food or in a fire pit approved by the Architectural Review Board under Section 16 are prohibited.

(j) No industry, trade, or other commercial activities shall be conducted on the Real Estate; provided, however, that notwithstanding the foregoing, home offices and home business activities conducted by the Owner of such Dwelling Unit are permissible provided all of the following conditions are met:

(i) there is not significant increased traffic in and around the Real Estate as a result of such use or activity;

(ii) no signs, billboards, or other advertising materials are displayed or posted on the exterior of any Dwelling Unit or anywhere else on the Real Estate;

(iii) the use or activity does not violate existing laws, including zoning laws;

(iv) the use or activity does not violate any of the other provisions of this Declaration, including, but not limited to, this Section 21;

(v) the Owner of the Dwelling Unit shall maintain all necessary casualty and public liability insurance; and

(vi) such use or activity is conducted during reasonable hours.

(k) No structure of a temporary character, tent, shack, basement, garage, barn or other outbuilding shall be maintained on any Lot, nor shall any garage or other building, except a permanent residence, be used on any Lot at any time as a residence or sleeping quarters either temporarily or permanently.

(l) All Owners and members of their families, their guests, tenants, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Area or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Area.

(m) No boat docks, decks, rafts or similar structures or improvements shall be permitted on or near the lakes ("lakes" shall include all ponds and all other bodies of water in the Common Area). No Owner of any Lot and none of their families, guests, tenants or invitees or occupants of any Dwelling Unit or other persons entitled to use the same shall do or permit to be done any action or activity which could result in the pollution of the lakes, diversion of water, change in elevation of the water level, earth disturbance resulting in silting or any other conduct which could result in an adverse effect upon water quality, drainage or proper lake management or otherwise impair or interfere with the use of the lake for drainage and related purposes. No Owner, members of their families, guests or invitees or occupants of any Dwelling Unit or other persons entitled to use the same, may swim, boat, ice skate or engage in similar activities on the lakes. No individual using a lake has the right to cross another Lot or trespass upon shoreline not within a Common Area owned by the Corporation, subject to the rights of the Declarant, the Corporation, their employees, successors and assigns as set forth in the Declaration with respect to maintenance and repair of lakes and Common Area.

(n) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trailers, trucks (larger than 3/4 ton), semi-tractor trucks, semi-trucks, semi-tractors trailers, disabled vehicles and/or trailers, motorcycles, minibikes, mopeds or personal watercraft shall be permitted, parked or stored anywhere within the Real Estate, unless stored completely enclosed within a garage or necessary or incidental to Declarant's or the Corporation's business. No repair work shall be done on the Real Estate on any vehicles, including passenger automobiles, unless completely enclosed within a garage.

(o) Except as required in Section 15(b) with respect to an Owner's maintenance of Street Trees, no Owner shall be allowed to plant trees, landscape or do any gardening in

any of the Common Area or Easements, except with express prior written permission from the Architectural Review Board.

(p) No Owner may rent or lease such Owner's Dwelling Unit for transient or hotel purposes. Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease for a term of not less than six (6) months which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease.

(q) There are designated building lines on the Plats. Except as required for utilities to serve the Real Estate or a Lot, no building or structure will be permitted within this no-build area.

Any fence, except for fences installed by Declarant as part of the construction of a model or sales office, to be constructed on a Villa Lot, must be constructed in accordance with this Declaration, the Zoning Requirements and applicable laws and must be approved by the Architectural Review Board. All fences must be no higher than five feet (5'), be black in color, be either wrought iron or aluminum, but wrought iron in appearance, and be an open picket style as shown on Exhibit E. All fences must be in the rear yard of a Lot (the fence shall adjoin the rear side of the dwelling). All fences must also comply with any rules and regulations adopted by the Architectural Review Board. All fences must be kept in good repair by the Owner.

Any Owner who receives approval of the Architectural Review Board to construct a fence or other improvement within an Easement constructs such fence or other improvement at such Owner's sole risk. In the event work is required in such Easement, Declarant, any third party so authorized in this Declaration and/or any authorized municipal body or utility provider may undertake such work without liability to repair or replace any damage to any fence or other improvement. Any fence or other improvement which impedes or restricts drainage may be modified or removed by the Corporation or applicable municipal entity or utility provider. The cost thereof shall be the Owner's expense and treated as an Additional Assessment against such Owner's Lot.

(r) No antenna, satellite dishes or other device for the transmission or reception of radio, television or satellite signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors and above ground whether attached to a Dwelling Unit or otherwise on any Lot without the written approval of the Architectural Review Board. Notwithstanding the foregoing, any such device may be installed and maintained on any Lot without the written approval of the Architectural Review Board if (i) it is not visible from neighboring Lots, streets or Common Area; or (ii) the Owner prior to installation has received the written consent of the Owners of all Lots who would have views of the device from their Lots and presented such consents to the Architectural Review Board; or (iii) the device is virtually indistinguishable from structures, devices or improvements such as heat pumps, air conditioning units, barbeque grills, patio furniture and garden equipment which are allowed by this Declaration; or (iv) it is a satellite dish two (2) feet or less in diameter.

(s) No above ground swimming pools shall be erected, constructed or installed on any Lot. The construction of any in ground pool, decks, hot tub or spa requires the prior written approval of the Architectural Review Board. Notwithstanding the foregoing, temporary wading pools measuring no more than six feet (6') in diameter are permitted without approval of the Architectural Review Board. Such temporary wading pools must be drained and stored indoors on a nightly basis.

(t) Any change to an exterior color of a Dwelling Unit must be approved by the Architectural Review Board and must satisfy the Zoning Requirements.

(u) No clotheslines, equipment, garbage cans, woodpiles or storage piles shall be kept outside of a Dwelling Unit.

(v) In order to maintain the standards of Villas at Wynne Farms, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or allowed to remain anywhere on a Lot. An Owner's failure to comply with this requirement shall allow the Declarant or the Corporation to cut weeds or clear the refuse from such Lot at the expense of the Owner thereof, and there shall be a lien against said Lot for the expense thereof, which lien shall be due and payable immediately. If such lien is not promptly paid, the Corporation or the Declarant may file suit and recover such amount, together with reasonable attorneys' fees and costs of collection.

(w) Notice is hereby given of the Zoning Requirements, which may include, but is not limited to, certain written commitments made in connection with the zoning of the Real Estate and Expansion Real Estate to the Town of Brownsburg.

(x) Nothing contained in this Declaration, including but not limited to this Section 21, shall be construed or interpreted to restrict the activities of Declarant in connection with the development of the Real Estate and sale of Lots. For so long as Declarant owns any of the Real Estate, Declarant shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities upon any portion of the Real Estate at any time owned or leased by Declarant, as in the sole opinion of Declarant may be reasonably required, or convenient or incidental to the development of the Real Estate and sale of the Lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices, canopies, awnings and flag poles.

(y) No playground or recreational equipment shall be placed or constructed upon a Lot until after such equipment and its location have been approved by the Architectural Review Board. All such playground or recreational equipment shall be constructed of wood and not metal and maintained by the Owner thereof in a safe and functional manner.

(z) Basketball goals are permitted subject to approval by the Architectural Review Board. Only permanent goals with black posts and glass or white/translucent fiberglass backboards may be considered for approval. No basketball goal positioned in a

manner likely to result in the use of an adjoining public or private street in connection with the use of such goal may be approved.

(aa) Mini-barns and storage sheds are prohibited.

(bb) Vegetable, wild flower and other gardens may be located only in the rear yard of a Lot, may not exceed one hundred (100) square feet in size, must not be visible from any street, must be entirely behind the Dwelling Unit and not visible from the sight lines, and may not be located within five feet (5') of a property line. Compost containers and/or compost piles are prohibited outside of a Dwelling Unit.

(cc) Except for flag poles installed by Declarant, flag poles must be approved by the Architectural Review Board and there may be no more than one (1) flag pole on each Lot. No flag poles shall exceed twenty feet (20') in height. Flags exceeding thirty (30) square feet are prohibited. No more than two (2) flags may be flown from a single flag pole at any time.

(dd) Each Owner of a Lot shall comply at all times with the provisions of any drainage plan as approved for the development of all or any part of the Real Estate. It shall be the duty of every Owner of a Lot to keep any storm drainage ditches and/or swales on such Lot open, unobstructed, and in good condition and repair. Water discharged from sump pumps, geo-thermo systems or other sources located on any Lot may be discharged only into underground drainage facilities located thereon. Under no circumstances shall such water be discharged above ground and/or into any adjoining street or onto any adjacent Lot or Common Area. No house footing drain or roof water drain shall be discharged into the sanitary sewers.

(ee) Each Owner shall install and/or maintain the street address of the Lot on the front of the Dwelling Unit utilizing numbers not less than four inches (4") in height which are permanently attached to the Dwelling Unit.

Notwithstanding anything to the contrary contained herein or in the Articles or Bylaws, Declarant shall have, for so long as Declarant owns any Lot or any of the Real Estate, the right to use and maintain any Lots and Dwelling Units owned by Declarant and other portions of the Real Estate (other than individual Dwelling Units and Lots owned by persons other than Declarant), as Declarant may deem advisable or necessary in its sole discretion to aid in (i) the construction of Dwelling Units; (ii) the sale of Lots and Dwelling Units; and (iii) the conducting of any business or activity attendant thereto. Such Declarant's rights shall include, but not be limited to, construction and use of model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices on the Real Estate. 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 Area, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Real Estate at any time.

22. Amendment of Declaration.

(a) Generally. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

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

(ii) 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 votes of all Owners.

(iii) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting of the Members of the Corporation duly called and held in accordance with the provisions of the Bylaws.

(iv) 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 votes of all Owners; provided however, that prior to the Applicable Date all proposed amendments shall require the written consent of the Declarant. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.

(v) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Section 19 with respect to casualty insurance to be maintained by the Corporation, or (3) the provisions of Section 20 of this Declaration with respect to reconstruction or repair of the Common Area in the event of fire or any other casualty or disaster, or (4) the provisions of Section 16 of this Declaration establishing the Architectural Review and providing for its functions, or (5) the provisions of Section 17 of this Declaration with respect to the commencement of assessments on any Lot, or (6) the provisions of Section 22(b) of this Declaration with respect to amendments solely by Declarant without, in each and any of such circumstances, the unanimous approval of all Owners, including Declarant so long as Declarant owns any Lot, and of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and by Declarant if required herein. Each amendment shall be recorded in the Office of the Recorder of Hamilton County, Indiana, and such amendment shall not become effective until so recorded.

(b) Amendment. Prior to the conveyance of the first Lot to an Owner, Declarant may unilaterally amend this Declaration. After such conveyance, Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is: (a) necessary to bring any provision thereof into compliance with any applicable governmental statutes, rules or regulations, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots and the Dwelling Units; (c) required by an institutional or governmental agency or lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to acquire or purchase mortgage loans on the Lots and the Dwelling Units; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; (e) to annex additional real estate to the Development; or (f) to correct clerical or typographical errors in this Declaration or any exhibit hereto, or any supplement or amendment thereto; provided, however, that any amendment permitted under subsections (a) through (f) above shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. Additionally, (i) prior to the Applicable Date, Declarant may unilaterally amend this Declaration for any purpose, provided the amendment has no material adverse effect upon any right of the Owner.

23. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles, and the Bylaws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles, the Bylaws, 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 be binding on any person having at any time any interest or estate in a Lot or the Real Estate 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 Lot or Lots or any part of the Real Estate in any manner shall be subject to the Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

24. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by its negligence or by that of any member of such Owner's family or guests thereof, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation.

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

26. Waiver. No Owner may exempt itself from liability for contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of such Owner's Lot.

27. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the Bylaws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the Bylaws, and each shall be enforced to the greatest extent permitted by law.

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

29. Interpretation. The captions and titles of the various articles, sections and subsections of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.

30. Controlling Document. In the event there is a conflict between the provisions of this Declaration and the Plats, the terms of this Declaration shall be controlling. Conflict, as used herein, shall mean a situation where the application of the language in one document contradicts the language in another document. Conflict does not occur where language in one document is simply more restrictive than language in another document.

[Signature pages to follow]

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

DECLARANT:

M/I Homes of Indiana, L.P., an Indiana limited partnership

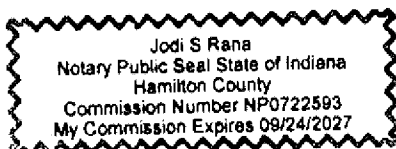
By: M/I Homes of First Indiana, LLC
its general partner

By: [Signature]
Keith Blais, Vice President, Land

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Keith Blais, by me known and by me known to be the Vice President, Land of M/I Homes of First Indiana, LLC, the general partner of M/I Homes of Indiana, L.P., an Indiana limited partnership, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Villas at Wynne Farms" on behalf of said entity.

Witness my hand and Notarial Seal this 9th day of December, 2020.



[Signature]
Notary Public - Signature
Jodi S. Rana
Notary Public - Printed

My Commission No./Expiration: NP0722593 / 9-24-2027
My County of Residence: Hamilton

EXECUTED AND DELIVERED in my presence:

David Elder [Witness's Signature]

Witness: David Funkhouser [Witness's Printed Name]

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared David Funkhouser [Witness's Name], being known to me to be the person whose name is subscribed as a witness to the foregoing instrument, who, being duly sworn by me, deposes and says that the foregoing instrument was executed and delivered by Keith Blais in the above-named subscribing witness's presence, and that the abovenamed subscribing witness is not a party to the transaction described in the foregoing instrument and will not receive any interest in or proceeds from the property that is the subject of the transaction.

WITNESS my hand and Notarial Seal this 9th day of December, 2020.

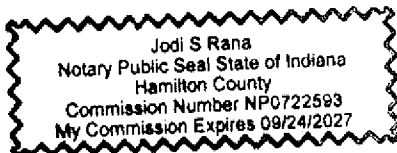
My Commission No. / Expiration:
NP0722593 / 9-24-2027

My County of Residence:

Hamilton

Jodi S. Rana
Notary Public

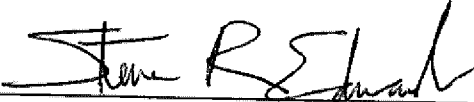
Jodi S. Rana
Printed Signature



DEVELOPER:

Wynne Farms Villas Developer, LLC,
an Indiana limited liability company

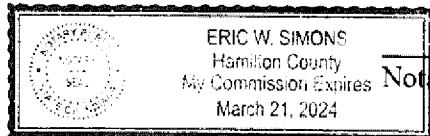
By: Platinum Properties, LLC, its manager

By: 
Steven R. Edwards
Vice President – Chief Financial Officer

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Steven R. Edwards, by me known and by me known to be the Vice President – Chief Financial Officer of Platinum Properties, LLC, the manager of Wynne Farms Villas Developer, LLC an Indiana limited partnership, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Villas at Wynne Farms" on behalf of said entity.

Witness my hand and Notarial Seal this 31st day of December, 2020.




Notary Public - Signature

Notary Public - Printed

My Commission No./Expiration: _____

My County of Residence: _____

EXECUTED AND DELIVERED in my presence:
[Signature] [Witness's Signature]

Witness: Kathleen B. Traub [Witness's Printed Name]

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Kathleen B. Traub [Witness's Name], being known to me to be the person whose name is subscribed as a witness to the foregoing instrument, who, being duly sworn by me, deposes and says that the foregoing instrument was executed and delivered by Steven R. Edwards in the above-named subscribing witness's presence, and that the abovenamed subscribing witness is not a party to the transaction described in the foregoing instrument and will not receive any interest in or proceeds from the property that is the subject of the transaction.

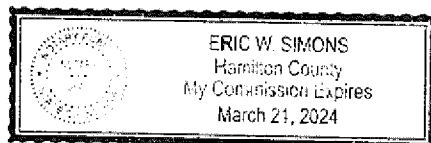
WITNESS my hand and Notarial Seal this 31st day of December, 2020.

My Commission No. / Expiration:

[Signature]
Notary Public

My County of Residence:

Printed Signature



This instrument prepared by Tammy K. Haney, Attorney-at-Law, Krieg DeVault, LLP, 12800 North Meridian Suite 300, Carmel, Indiana 46032.

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

EXHIBIT A

The Real Estate

Lots 1 through 16, inclusive, in Villas at Wynne Farms – Section 2A, a subdivision located in the Northwest Quarter of Section 25, Township 16 North, Range 1 East of the Second Principal Meridian, located in the Town of Brownsburg, Lincoln Township, Hendricks County, Indiana, recorded December 14, 2020 as Instrument Number 202038214 in the Office of the Recorder of Hendricks County, Indiana.

AND

Lots 67 through 70, inclusive, in Villas at Wynne Farms – Section 2A, a subdivision located in the Northwest Quarter of Section 25, Township 16 North, Range 1 East of the Second Principal Meridian, located in the Town of Brownsburg, Lincoln Township, Hendricks County, Indiana, recorded December 14, 2020 as Instrument Number 202038214 in the Office of the Recorder of Hendricks County, Indiana.

AND

Lots 17 through 66, inclusive, in Villas at Wynne Farms – Section 2B, a subdivision located in the Northwest Quarter of Section 25, Township 16 North, Range 1 East of the Second Principal Meridian, located in the Town of Brownsburg, Lincoln Township, Hendricks County, Indiana, recorded December 14, 2020 as Instrument Number 202038220 in the Office of the Recorder of Hendricks County, Indiana.

EXHIBIT B

Common Area

Common Areas A and D in Villas at Wynne Farms – Section 2A, a subdivision located in the Northwest Quarter of Section 25, Township 16 North, Range 1 East of the Second Principal Meridian, located in the Town of Brownsburg, Lincoln Township, Hendricks County, Indiana, recorded December 14, 2020 as Instrument Number 202038214 in the Office of the Recorder of Hendricks County, Indiana.

Common Areas E, F and G in Villas at Wynne Farms – Section 2B, a subdivision located in the Northwest Quarter of Section 25, Township 16 North, Range 1 East of the Second Principal Meridian, located in the Town of Brownsburg, Lincoln Township, Hendricks County, Indiana, recorded December 14, 2020 as Instrument Number 202038220 in the Office of the Recorder of Hendricks County, Indiana.

EXHIBIT C

Dusk to Dawn Lights



EXHIBIT D

Mailboxes

Post: Tan "Oxford"

Mailbox : Standard Large Black "T2" with address numbers

Numbers: Tan 3" Goudy

This will be a double unit and will have a platform with both mailboxes side by side.

Paint for post - Can be purchased at Sherwin Williams
"Tavern Taupe", SW 7508



EXHIBIT E

Fence Style



Single Family Style Fence

5' tall

Black wrought iron or aluminum

Open picket style