

CROSS REFERENCE

DECLARATION OF COVENANTS AND RESTRICTIONS

The Willows
Property Ownership
Section 1

90-132017

APR 14

910038049

TABLE OF CONTENTS

	<u>Page</u>
1. Definitions	1
(a) Additional Tract	1
(b) Applicable Date	1
(c) Articles/Articles of Incorporation	1
(d) Board of Directors	1
(e) By-Laws	2
(f) HOA Easements	2
(g) Right-of-Way Pocket	3
(h) Common Expense	4
(i) Corporation	4
(j) Declarant	4
(k) Dwelling Unit	4
(l) Lake	4
(m) Lot	4
(n) Member	4
(o) Mortgagee	4
(p) The Willows, Section 1	5
(q) The Willows	5
(r) Owner	5
(s) Tract	5
2. Declaration	5
3. Description of The Willows, Section 1	5
4. Common Area	5
5. Encroachments and Easements for Building & Access	5
(a) For Buildings	5
(b) For Adjoining Lot Access	5
6. Easement for Utilities and Public and Quasi-Public Vehicles	6
7. Corporation; Membership; Voting; Functions	6
(a) Membership in Corporation	6
(b) Voting Rights	7
(c) Functions	7
8. Board of Directors	8

PIKE TOWNSHIP
 ASSessor
 APR 25 1991

APPROVED
DMD-DDS BY DSG
4-25-91

JOHN R. VON ARN
 AUDITOR
 APR 25 1991 10 02 AM
 1200101652

RECEIVED
APR 25 1991
PIKE TOWNSHIP
ASSESSOR

TABLE OF CONTENTS (Continued)

	<u>Page</u>
8. Board of Directors (Cont'd.)	
(a) Management	8
(b) Initial Board of Directors	8
(c) Additional Qualifications	9
(d) Term of Office and Vacancy	9
(e) Removal of Directors	10
(f) Duties of the Board of Directors	10
(g) Powers of the Board of Directors	11
(h) Limitation on Board Action	12
(i) Compensation	12
(j) Non-Liability of Directors	12
(k) Additional Indemnity of Directors	13
(l) Bond	14
9. Initial Management	14
10. Real Estate Taxes	15
11. Utilities	15
12. Maintenance, Repairs and Replacements	15
13. Architectural Control	16
(a) The Architectural Review Board	16
(b) Purposes	17
(c) Conditions	17
(d) Procedures	17
(e) Maintenance of Architectural Control	17
14. Assessments	18
(a) Annual Accounting	18
(b) Proposed Annual Budget	18
(c) Regular Assessments	19
(d) Special Assessments	21
(e) Regular Assessments Prior to the Applicable Date	21
(f) Failure of Owner to Pay Assessments	23
(g) Subordination of Assessment Lien to Mortgage	24
15. Mortgages	25
(a) Notice to Corporation	25
(b) Notice of Unpaid Assessments	26
(c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums	26
(d) Notice of Condemnation or Casualty Loss	26
(e) Notice to Insurers and Guarantors	26
16. Insurance	26

TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
16. Insurance (Cont'd.)	
(a) Casualty Insurance	26
(b) Public Liability Insurance	28
(c) Other Insurance	28
(d) General Provisions	29
(e) Insurance by Owners	29
17. Restoration of HOA Easement (BLOCK) & Right-of-Way Pockets (Improvements)	29
18. Covenants and Restrictions	30
19. Amendment of Declaration	33
(a) Generally	33
(b) Amendments by Declarant Only	34
(c) Amendment Prior to the Applicable Date	35
20. Annexation of Additional Tract	35
21. Acceptance and Ratification	36
22. Negligence	37
23. Costs and Attorneys' Fees	37
24. Waiver	37
25. Severability Clause	37
26. Pronouns	38
27. Interpretation	38
28. The Plat	38
Exhibit "A"	Real Estate comprising The Willows, Section 1
Exhibit "B"	Real Estate comprising Additional Tract located contiguous to The Willows, Section 1

DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE WILLOWS PROPERTY OWNERSHIP

SECTION I

THIS DECLARATION made this 25TH day of April, 1971, by The Willows Joint Venture comprised of L.D.G., INC., an Indiana Corporation of Marion County, in the State of Indiana and NPI Properties, Inc., an Illinois Corporation of Cook County, in the State of Illinois, as the only Joint Venturers ("Declarant").

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner in fee simple title to certain real estate located in Marion County, Indiana, more particularly described in the attached Exhibit A, which is incorporated herein by reference (hereinafter referred to as "Tract" or "The Willows, Section I").

B. Declarant by execution of this Declaration assures that all properties which are conveyed which are a part of the Tract shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Tract and be binding upon all parties having any right, title or interest in the Tract, 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) "Additional Tract" means that real estate or any part of it described in Paragraph 20 of this Declaration.

(b) "Applicable Date" means the date determined pursuant to Paragraph 7 of this Declaration.

(c) "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.

(d) "Board of Directors" means the governing body of the Corporation elected by the Members in accordance with the By-Laws of the Corporation.

S 19038049

(e) "By-Laws" shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference.

(f) HOA Easements and/or Blocks.

Refers to Easements designated as either HOA Easements or Blocks of various descriptions which will or may appear on the Final Plat of The Willows, Section I, as well as on the Final Plat of additional areas of The Willows. Title to the realty on which such Easements are imposed will remain with the Lot owner on which such Easement appears with the exception of the Lakes which will be common area titled in the HOA with the right in the Declarant (so long as Declarant owns any Lots) the HOA, its designated representatives along with members of the Marion County Department of Public Works (in the case of the Lakes, the HOA Utility and Drainage Easements, and the HOA - Lake Maintenance Easement) to have ingress and egress in and upon such Easements.

The easements aforesaid are now detailed with any rights stated inuring to the Declarant until the Applicable Date and thereafter to the HOA:

HOA - Utility Drainage Easements

These Easements encompass designated areas around each Lake which in combination with all other Lakes, handle the surface water drainage of The Willows.

The maintenance of these Easement areas will be the responsibility of the Lot Owner with any additional use of the Lake being restricted and governed by the Rules and Regulations of the HOA.

HOA - Landscape and Wall Easement

These Easements contemplate and grant, but do not require, the right to install double entrance walls plus mounding and of landscape plantings to be maintained by the HOA, except for grass cutting and watering. Grass cutting and watering of shrubs in this Easement shall remain the responsibility of the Lot owner on which this Easement is imposed with no right of compensation for same from the HOA except for such Lot owner's increased water consumption occasioned hereby which will be determined by subtracting

the average water usage of the involved Lot owner in the preceding winter months from the average water usage in the succeeding spring, summer and/or fall months, based on a 3 month interval and payable on a calendar quarterly basis at the end of each quarter.

HOA Lake Maintenance Easement

These Easements are strictly ingress - egress Easements to and from the HOA Utility and Drainage Easements with the maintenance thereof remaining in the Lot owner upon which such Easements are impressed.

HOA - Island Easements

The Declarant shall reserve this Easement from the Dedication of Right-of-Way to the Department of Transportation of Marion County, City of Indianapolis, for a green area - landscape island to be maintained by the HOA.

HOA - Landscaping Easement

These Easements located on the perimeter of The Willows shall contain mounding and landscaping in compliance with a zoning commitment for The Willows as now exist or may hereafter be modified. The HOA shall be responsible to maintain the integrity of such mounding and replace any dead landscaping caused by unhealthy plants, disease or the elements. The cutting of grass on the mounding, plus the watering of the grass and the plantings therein, shall be the responsibility of the Lot owner upon which such Easement is impressed, unless assumed in whole or in part by the HOA by written notice to the Lot owner by the HOA. Lot owners shall not be entitled to place any additional plantings within this Easement without the written consent of the Architectural Review Board.

(g) Right-of-Way Pocket

One or more parcels of dedicated Right-of-Way labelled "Right-of-Way Pocket" may appear on the Final Plat of The Willows. Any green area located between the road within this Right-of-Way Pocket and the adjacent Lots shall be maintained by the applicable Lot owner with the maintenance of the aforesaid

road and green area between said road and the dedicated street being the responsibility of the HOA.

(h) "Common Expense" means expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement as detailed in Items 1(f) and 1(g), and all sums lawfully assessed against the Members of the Corporation.

(i) "Corporation" also known as HOA means The Willows Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 7 of this Declaration; such Corporation being more particularly described in Paragraph 7 of this Declaration.

(j) "Declarant" shall mean and refer to L.D.G., Inc., an Indiana Corporation, and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of Declarant hereunder including, but not limited to, any mortgages acquiring title to any portion of the Tract pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant

(k) "Dwelling Unit" means one of the living units located upon a Lot.

(l) "Lakes" shall refer to each body of water designated by a BLOCK designation on recorded plats which BLOCK is surrounded by a Drainage and Utility Easement. These Lakes, separately and in the aggregate, are designed to handle the surface water drainage requirements of The Willows and should not be construed as assuring that water will be in the Lake at all times or that any particular level of water will be contained therein.

(m) "Lot" means any plot of ground designated as such upon the recorded Final Plat of The Willows Section I or upon the recorded Final Plat, if any, of the Additional Tract or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed or has existed. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.

(n) "Member" means a member of the Corporation.

(o) "Mortgagee" means the holder of a first mortgage lien on a Lot.

910038049

(p) "The Willows, Section I" means the name by which the Tract, as described in Paragraph A above, which is the subject of this Declaration, and shall be known.

(q) "The Willows" means The Willows, Section I and any additional area or section submitted to this Declaration by a Supplemental Declaration as provided herein.

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

(s) "Tract" means the real estate described in Paragraph A above and such portions of the Additional Tract for which a Final Plat has been recorded in the Office of the Recorder of Marion County, Indiana, and which has been subjected to this Declaration by a Supplemental Declaration as provided herein.

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

3. Description of The Willows Section I. The Willows, Section I consists of 43 Lots numbered 86 through 127, as designated on the Final Plat. The legal description for each Lot in The Willows, Section I shall be as follows:

Lot _____ in The Willows, Section I, a subdivision in Marion County, Indiana, as per plat thereof recorded _____, 19__ as Instrument Number _____, in the Office of the Recorder of Marion County, Indiana.

4. Common Area. The only Common Areas in The Willows are designated as BLOCK upon final plat of The Willows, section I or upon a recorded Final Plat, if any, of the Additional Tract or any part thereof.

5. Encroachments and Easements for Buildings and for Access.

(a) For the Dwelling Units. If, by reason of the location, construction, settling or shifting of a Dwelling Unit (built to a contemplated zero side yard clearance on one side) with any part of the Dwelling Unit appurtenant to a Lot (hereinafter referred to as the "Encroachment Unit") now encroaches or shall hereafter encroach upon any portion of any other adjacent Lot where the zero lot line is involved, then in such event, an exclusive Easement shall be deemed to

exist and run to the owner of the Encroachment Unit for the maintenance, use and enjoyment of the Encroachment Unit and all appurtenances thereto.

(b) For Adjoining Lot Access. There is hereby reserved by the Declarant for the benefit of the owner of any Lot an ingress and egress easement for the purpose of entering upon an adjoining lot in the area where the Dwelling Unit is built in reliance of a zero side yard. Said easement is reserved for the limited purpose of performing maintenance and repair work on the Dwelling Unit benefited by such easement. The easement herein reserved shall expressly provide for an easement area 5 ft. in width as measured from said zero side yard property line and as designated on the Final Plat hereof. Any persons entering upon a lot under the rights granted hereunder shall be responsible for repair of any damage resulting from the use of the area.

6. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including but not limited to water, sewers, gas, telephone and electricity on the Tract; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed and approved by Declarant on the Plat or as thereafter may be approved by Declarant or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Tract and to affix and maintain electrical and telephone wires, circuits and conduits on above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, Declarant shall have the right to grant such easement on such Tract, without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement on the Tract.

7. 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 his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his 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 he realises upon his security, at which time he 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 shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but 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 three (3) 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, which shall be the first to occur of:
 1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
 2. thirty (30) days after the date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or;
 3. December 31, 1991.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the HOA Easements and Right of Way Easements and to pay any other necessary expenses

and costs in connection with these areas, and to perform such other functions as may be designated by it to perform under this Declaration.

8. 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, including a person appointed by Declarant as provided in subparagraph (b) of this Paragraph 8.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: R. N. Thompson, John W. Whitlock and Edward E. Pastorius (hereinafter referred to as the "Initial Board") all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of this Declaration, the Articles or the By-Laws (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, determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any type or juridical acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as Declarant determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the By-Laws or otherwise; provided, however, this right to vote granted to Declarant shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging HOA Easements and/or Right-of-Way Pockets or merger/consolidation of the Corporation with another corporation. 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. 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 he 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 shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.

(d) Term of Office and Vacancy. Subject to the provisions of subparagraph (b) of this Paragraph, 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 provided herein. After the Applicable Date, 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 one member of the Board of Directors shall be elected for a three (3) year term, one for a two (2) year term, and one for a one (1) year term so that the terms of one-third (1/3) of the members of the Board shall expire annually. 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 his election and until his successor is elected and qualified. Subject to the provisions of subparagraph (b) of this Paragraph 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 subparagraph (e) of this Paragraph. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his 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 in respect to whom there has otherwise been a vacancy.

(e) 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, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.

(f) 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, the management, maintenance, repair, upkeep and replacement as required within the HOA Easements and the Right of Way Easements, and 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, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Other than the Initial Management under Paragraph 9 any decision thereafter to employ a professional property management agent shall require the prior consent of the Owners of at least sixty-seven percent (67%) of the vote and fifty-one percent (51%) of the vote of Mortgagees. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

- (i) protection, surveillance of the HOA Easements and Right-of-Way Pockets, unless the same are otherwise the responsibility or duty of Owners of Lots; 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) the duties delineated under HOA Easements (BLOCK) (Item 1(f)) and Right-of-Way Pockets (Item 1(g)).
 - (iii) assessment and collection from the Owners of each Owner's respective share of the Common Expenses;
 - (iv) 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;
 - (v) 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;
 - (vi) keeping a current, accurate and detailed record of receipts and expenditures affecting the HOA Easements and Right-of-Way Pockets and the business and affairs of the Corporation specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagee, insurer or guarantor of a first mortgage, at any time during normal business hours;
 - (vii) procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
 - (viii) paying any other necessary expenses and costs in connection with the HOA Easements and Right-of-Way Pockets; and
 - (ix) to furnish, upon request of any Mortgagee, insurer or guarantor of a first mortgage, an audited financial statement for the immediately preceding fiscal year.
- (g) 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 employ a Managing Agent to assist the Board in performing its duties;

- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom; and
- (vi) to open and maintain a bank account or accounts in the name of the Corporation.

(h) 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 \$2,500.00 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 HOA Easements and/or Right of Way Easements 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 as approved by the Owners at the annual meeting; 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.

(i) Compensation. No Director shall receive any compensation for his 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.

(j) 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.

(k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. 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 his 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 he failed or neglected to attend a meeting or meetings of the Board of Directors.

(1) Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, 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 (provided, however, in no event shall the aggregate amount of the bond be less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

9. Initial Management. The Board of Directors has entered or will hereafter enter into a management agreement with Declarant or with a corporation or other entity affiliated with Declarant or designated by Declarant for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice under which Declarant (or such other corporation or entity as appropriate) will provide supervision, management and maintenance of the HOA Assessments and Right of Way Easements, and in general perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years or a new management agreement with different parties may be executed under similar terms and conditions. Any management agreement so or will be subject to termination by Declarant (or such other corporation or entity as

appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement between the Corporation and Declarant (or such other corporation or entity as appropriate) is in effect, Declarant (or such other corporation or entity as appropriate) shall have and Declarant hereby reserves to itself (or such other corporation or entity as appropriate), the exclusive right to manage the HOA Easements and Right-of-Way Pockets and perform all the functions of the Corporation.

10. 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 Tract and Additional Tract or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to the land comprising the Tract and Additional Tract or that part thereof that is assessed as a whole, which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the Tract and Additional Tract or part thereof assessed as a whole, and shall pay his proportionate share of the real estate taxes assessed on the improvements on the Tract and Additional Tract or part thereof assessed as a whole based upon the ratio that the square footage of all improved Lots.

11. Utilities. Each Owner shall pay for his 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.

12. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the HOA Easements (BLOCK) and Right-of-Way Pockets shall be furnished by the Corporation as detailed in Items 1(f) and 1(g), as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses.

Each Owner shall be responsible for maintaining and keeping his Lot and all improvements thereon in a good, clean and sanitary condition except as modified by Item 1(f) and/or Item 1(g).

Notwithstanding any obligation or duty of the corporation to repair or maintain aforesaid if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such 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.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, exclusive of dwelling maintenance, 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, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the Tract is subject to this Declaration each Owner, by his acceptance of a deed to any Lot, irrevocably grants to the Corporation, its agents and employees, the right 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 or other work contemplated herein.

13. Architectural Control

(a) The Architectural Review Board. As a standing committee of the Corporation, there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. 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.

(b) Purposes. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

(c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, change in the HOA - Landscaping Element, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.

(d) Procedure. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) have been given to it, approval will be deemed granted by the Architectural Review Board. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

(e) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design of the Dwelling Units nor for maintaining the HOA Elements and Right of Way Easements without the prior written approval of all Owners and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

14. Assessments

(a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then servicing the Corporation, 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 current fiscal year estimating the total amount of the Common Expenses for the current 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 (hereinafter defined) for the current 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 the Owners; 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 may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the HOA Assessments and Right of Way Pockets, which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement within the HOA Assessments and/or Right of Way Pockets shall be

maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana 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 as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such 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, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be the same amount for each Lot. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his 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 as hereinabove provided. The Regular Assessment against each Lot shall be paid in advance in quarterly installments commencing on the first day of the first month of each fiscal year and quarterly thereafter. Payment of these installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay

assessments semi-annually or annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then:

- (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 his Regular Assessment either semi-annually or 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 his 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 his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from payment of the Regular Assessment for such Lot as finally determined, and such Owner and his 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 Paragraph 17 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. Quarterly 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 provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the Declarant shall not be any Owner's agent, attorney-in-fact or proxy in this vote pursuant to the third sentence of Paragraph 6 of 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 lie. 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 therefor under the circumstances described in this Declaration.

(e) Regular Assessments Prior to the Applicable Date. During the period that Dwelling Units are being constructed within the Tract or any Additional Tract, it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly, and

notwithstanding any other provision contained in the Declaration, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph.

The Corporation will enter into a management agreement with Declarant (or a corporation or other entity designated by Declarant) (hereinafter referred to as "Management Agent" or "Managing Agent") in accordance with the provisions of Paragraph 9 of this Declaration. So long as such management agreement (or similar agreement) remains in effect, the Common Expenses and Regular Assessments shall be paid by Owners to Management Agent. Declarant shall guarantee that until the earlier of (1) the termination of said management agreement or (2) 1 year after the date of execution, the quarterly Regular Assessment shall not exceed THIRTY Dollars (\$30.00) (the "Guaranteed Charge"). After this date (assuming that said management agreement or similar agreement is still in effect) and so long thereafter as said management agreement (or similar agreement) remains in effect and Management Agent continues to perform such functions, Declarant guarantees that the quarterly Regular Assessment shall not exceed the amount of the Guaranteed Charge plus a maximum of a twenty percent (20%) increase in the Guaranteed Charge for each year. Such adjustments to the Guaranteed Charge (up to a twenty percent (20%) increase as determined by the Board) shall be made annually on January 1 of each year so long as said management agreement remains in effect and Management Agent continues to perform such functions. Such quarterly charge shall during such guaranteed period entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. Declarant shall be responsible for any deficit during such guarantee periods; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance

operations. Such expenditures would be covered through Special Assessments, or, if sufficient the replacement reserve fund, if any such fund exists.

That portion of the Regular Assessment collected by Declarant prior to the Applicable Date applicable to any replacement reserve created shall be held by the Initial Board and if required, applied to the replacement required in the HOA Assessments and/or Right of Way Easements. To the extent that any such replacement reserve is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date. Payment of Regular Assessment prior to the Applicable Date with respect to each Dwelling Unit (that is not owned by Declarant) shall commence on the date of conveyance by Declarant to such new owner. The first payment shall be payable on the date of conveyance prorated to the first day of the quarterly period next ensuing. Thereafter, payment of the Regular Assessment shall be paid the first day of each quarterly period thereafter during the period prior to the Applicable Date. . DECLARANT SHALL ONLY BE RESPONSIBLE FOR REGULAR ASSESSMENT FOR LOTS OWNED BY DECLARANT FOR 25% OF THE REGULAR ASSESSMENT. PROVIDED, HOWEVER, SUCH PAYMENT BY DECLARANT FOR LOTS WITHIN A PARTICULAR FINAL PLAT SHALL NOT COMMENCE UNTIL THE FIRST LOT IN SUCH AREA SUBJECT TO SUCH FINAL PLAT IS CONVEYED BY DECLARANT TO A NEW OWNER AND, PROVIDED FURTHER, THAT THE AGGREGATE OF SUCH PAYMENTS FROM THE DECLARANT IN ANY CALENDAR YEAR SHALL NOT EXCEED \$ 1,000 -

Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement described in Paragraph 9 of this Declaration and to adhere to and abide by the same.

(f) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the HOA Assessments and Right of Way Easements or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and

several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit 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 or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and severally liable for the payment to the Corporation and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit 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 then being charged by Indiana National Bank & Trust Company of Indianapolis to its largest and best corporate customer (or if said bank is no longer in existence then such rate charged by another National Bank in Marion County, Indiana selected by the Board of Directors). The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage.

(g) Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the By-Laws, 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 foreclosure shall extinguish the lien of any unpaid installment of any Regular 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 cannot relieve the prior owner from personal liability therefor. 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 or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has been divested as aforesaid shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Lot from which it arose).

15. Mortgages.

(a) Notice to Corporation. Any Owner who places a first mortgage lien upon his Lot, or the Mortgagee, shall notify the Secretary of 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 By-Laws 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 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 By-Laws or otherwise shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, 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 By-Laws 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 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 Paragraph 14 hereof.

(c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation, (1) to pay any charges against the HOA Easement and Right of Way Pocket areas which are in default and (2) to pay any overdue premiums on hazard insurance for the HOA Easement and Right of Way Pocket Areas or to secure new hazard insurance for the HOA Easement and Right of Way Pocket areas on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately reimbursement by the Corporation.

(d) Notice of Condemnation or Casualty Loss. Mortgagees shall be timely notified of any condemnation loss which affects a material portion of The Willows. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

(e) Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

16. Insurance.

(a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring the

Corporation's improvements within the HOA Easements and the Right of Way Easements in an amount commensurate with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth.

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

Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums or for any other reason or shall not be substantially modified without at least ten (10) days prior written notice to Mortgagees and at least ten (10) days prior written notice to the Corporation.

Each Owner shall otherwise be solely responsible for loss or damage to his Dwelling Unit, the contents of his Dwelling Unit and Lot however caused and his personal property stored elsewhere on the Tract and the Corporation shall have

no liability to the Owner for loss or damage to the Dwelling Unit, the contents of any Dwelling Unit or any personal property stored elsewhere on the Tract. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

(b) Public Liability Insurance. The Corporation shall also 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 but not less than \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors, any committee or organ of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Tract. 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 the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be cancelled or substantially modified without at least ten (10) days written notice to the Corporation.

(c) Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained including, but not limited to, workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the 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 policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

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

(e) Insurance by Owners. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

17. Restoration of HOA Easement and Right of Way Pocket Improvements ("Improvements"). In the event of damage to or destruction of any of the Improvements herein titled 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, if any, 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 "Improvements", or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the "Improvements" 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 "Improvements" to as near as possible the same

condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

18. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, HOA Easements and Right of Way Pockets shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and 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. Present or future Owners 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.

(b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the HOA Easements or Right of Way Pockets which will result in a cancellation of insurance or increase in insurance on any part of the HOA Easements or Right of Way Pockets, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the HOA Easements or Right of Way Pockets or on any Lot. The Board of Directors determination as to what is a nuisance shall be conclusive.

(d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Board.

(e) 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 HOA Easements or Right of Way Pockets, 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. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an owner shall be fully liable for any injury or damage to persons or property, including the HOA Easements and Right of Way Pockets, caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Tract within ten (10) days after written notice from the Board to the respective Owner to do so.

(f) The HOA Easements and Right of Way Pockets shall be kept free and clear of rubbish, debris and other unsightly materials.

(g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Tract.

(h) No "for sale," "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Tract, any Lot or any Dwelling Unit without the prior consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the Tract in connection with any unsold or unoccupied Lots and Dwelling Units.

(i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the HOA Easements and Right of Way Pockets 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 HOA Easements and Right of Way Pockets.

(j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the Tract except as otherwise specifically permitted by the Board. No repair work shall be done on the Tract on any vehicles, including passenger automobiles.

(k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the HOA Easements and Right of Way Pockets, except with express permission from the Board.

(l) The HOA Easements and Right of Way Pockets shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:

No motorized boating or sailboats shall be permitted on the Lake.
Private dock facilities may not be installed into the Lake.
No swimming shall be permitted in the Lake.

(m) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.

(n) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease 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.

Notwithstanding anything to the contrary contained herein or in the Articles or Laws, including, but not limited to, any covenants and restrictions set forth herein or otherwise, Declarant shall have the right to use and maintain any Lots and Dwelling Units owned by Declarant and other portions of the Tract (other than individual Dwelling Units and Lots owned by Persons other than Declarant), all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not

limited to, model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. Declarant shall have the right to remove the same from the Tract at any time.

19. 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 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 of 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 duly called and held in accordance with the provisions of the By-Laws.
- (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. 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 (a) 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 Paragraph 16 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 17 of this Declaration with respect to reconstruction or repair of the HOA Assessments and Right of Way Easements in the event of fire or any other casualty or disaster, or (4) the provisions of Paragraph 13 of this Declaration establishing the Architectural Review Board and providing for its functions, or (5) the provisions of Paragraph 14 of this Declaration with respect to the commencement of assessments on any Lot, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for and responsibility for maintenance, repair and replacement of the HOA Assessments and Right of Way Pockets, or (3) right to use the HOA Assessments and Right of Way Pockets, or (4) annexation of property to The Willows (other than as provided in Paragraph 20), or (5) the leasing of Dwelling Units, or (6) termination of the applicability of this Declaration, or (7) any provisions which are for the express benefit of Mortgagees without the consent of at least ninety percent (90%) of the votes of the Owners for the first twenty (20) years after recording of this Declaration and thereafter at least seventy-five percent (75%) of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages.

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

(viii) Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.

(b) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the Declarant shall have and hereby reserves the right and power acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other Person to amend or supplement this Declaration at any time and from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or

any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the Declarant no longer hold or controls title to any part or portion of the Tract.

(c) Amendment Prior to the Applicable Date. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration prior to the Applicable Date without the consent and approval of Declarant.

20. Annexation of Additional Tract. In addition to The Willows, Section 1, Declarant is the owner of certain real estate described in the attached Exhibit B which is incorporated herein by reference and which is located contiguous to The Willows, Section 1.

At any time prior to December 31, 1991, Declarant, without the consent of the Owners, may, but is not obligated to, develop the Additional Tract or any part thereof (except as modified by zoning commitments filed relative to such additional tracts) and file one or more Supplemental Declarations and Final Plats for such Additional Tract or part thereof. Improvements (excluding Dwelling Units) within the area to be annexed must be substantially completed or bonded under the Marion County Subdivision Ordinance prior to annexation.

In the event the Additional Tract or any part of it is platted in a manner as herein stated, the Owners of such Lots in the Additional Tract or parts thereof, shall have the same rights and obligations as the Owners herein, and the Corporation

LEGAL DESCRIPTION

Part of the Southwest Quarter of Section 12, Township 10 North, Range 2 East of the Second Principal Meridian, Pike Township, Marion County, Indiana and described as follows:

Commencing at the Southwest corner of said Southwest Quarter;
thence North 00 degrees 39 minutes 38 seconds West (an assumed bearing) along the West line of said Southwest Quarter a distance of 482.17 feet to the POINT OF BEGINNING;
thence continue North 00 degrees 39 minutes 38 seconds West along said West line 691.63 feet;
thence North 82 degrees 22 minutes 30 seconds East 605.00 feet;
thence North 83 degrees 38 minutes 47 seconds East 60.25 feet;
thence North 89 degrees 20 minutes 22 seconds East 235.00 feet;
thence South 00 degrees 39 minutes 38 seconds East 220.00 feet;
thence South 89 degrees 20 minutes 22 seconds West 276.00 feet;
thence South 00 degrees 39 minutes 38 seconds East 34.91 feet to a tangent curve, from which the radius point bears North 89 degrees 20 minutes 22 seconds East;
thence Southerly along said curve an arc distance of 13.98 feet to a point from which the radius point bears North 84 degrees 45 minutes 32 seconds East, said curve having a radius of 176.00 feet;
thence South 84 degrees 45 minutes 32 seconds West 100.00 feet;
thence North 87 degrees 01 minutes 50 seconds West 30.99 feet;
thence South 89 degrees 22 minutes 30 seconds West 55.00 feet;
thence South 00 degrees 37 minutes 30 seconds East 559.10 feet;
thence South 84 degrees 10 minutes 17 seconds West 254.31 feet to a non-tangent curve, from which the radius point bears North 84 degrees 10 minutes 17 seconds East;
thence Southerly and Easterly along said curve an arc distance of 461.64 feet to a point from which the radius point bears North 00 degrees 43 minutes 14 seconds West, said curve having a radius of 325.00 feet;
thence North 89 degrees 18 minutes 46 seconds East 204.07 feet;
thence South 00 degrees 43 minutes 14 seconds East 50.00 feet to a non-tangent curve from which the radius point bears South 00 degrees 43 minutes 14 seconds East;
thence Westerly and Southerly along said curve an arc distance of 23.58 feet to a point from which the radius point bears North 89 degrees 18 minutes 46 seconds East, said curve having a radius of 16.00 feet;
thence South 00 degrees 43 minutes 14 seconds East 80.00 feet;
thence South 48 degrees 43 minutes 14 seconds East 35.35 feet;
thence South 00 degrees 43 minutes 14 seconds East 55.00 feet to the South line of said Southwest Quarter;
thence South 89 degrees 18 minutes 46 seconds West along said South line 120.00 feet;
thence North 00 degrees 43 minutes 14 seconds West 55.00 feet;
thence North 44 degrees 18 minutes 46 seconds East 35.35 feet;
thence North 00 degrees 43 minutes 14 seconds West 80.00 feet to a curve from which the radius point bears South 89 degrees 18 minutes 46 seconds West;
thence Northerly and Westerly along said curve an arc distance of 23.58 feet, said curve having a radius of 16.00 feet;
thence South 89 degrees 18 minutes 46 seconds West 104.07 feet to a curve from which the radius point bears North 00 degrees 43 minutes 14 seconds West;
thence Westerly and Northerly along said curve an arc distance of 637.89 feet to a point from which the radius point bears North 01 degrees 27 minutes 40 seconds East, said curve having a radius of 375.00 feet;
thence South 01 degrees 27 minutes 40 seconds West 124.72 feet;
thence South 89 degrees 20 minutes 22 seconds West 65.00 feet to the point of beginning and containing 13.178 acres more or less. Containing 41 lots numbered 1 through 27 inclusive and 60 through 83 inclusive.

910038049

91-38049

EXHIBIT "A"

PARCEL 1:

Part of the West half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East, beginning at a point on the North line of said Half Quarter 660 feet East of the Northwest corner thereof; thence East on the North line 477.10 feet to a point which is 192.25 feet West of the Northeast corner thereof; thence South parallel with the East line of said Half Quarter 915.90 feet (918.75 feet, more or less, by deed) to a point directly West of the Southwest corner of the North Liberty Cemetery as now established; thence East parallel with said North line 192.25 feet to the East line of said Half Quarter; thence South on said East line 1742.20 feet to the Southeast Corner of said half Quarter; thence West on the South line of said Half Quarter 1332 feet to the Southwest corner thereof; thence North on the West line of said Half Quarter 1373.70 feet; thence East parallel with said North line 660 feet; thence North parallel with said West line 1287 feet to the point of beginning.

Except:

Part of the West half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East in Marion County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of the said Half Quarter Section; thence North along the West line of the said Half Quarter Section 700 feet; thence East parallel with the South line of the said Half Quarter Section 435.6 feet; thence South parallel with the West line 700 feet to the said South line; thence West along the said South line 435.6 feet to the place of beginning.

PARCEL 2:

Part of the West Half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East in Marion County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of the said Half Quarter Section; thence North along the West line of the said Half Quarter Section 700 feet; thence East parallel with the South line of the said Half Quarter Section 435.6 feet; thence South parallel with the West line 700 feet to the said South line; thence West along the said South line 435.6 feet to the place of beginning.

910038049

Except:

A part of the West Half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East, Marion County, Indiana, described as follows: Beginning 15.00 feet Northerly (Measured at right angles) from the South line of said Section, and 15.00 feet Easterly (measured at right angles) from the West line of said Section, which point of beginning is the intersection of the North boundary of West 46th Street and the East boundary of High School Road; thence North 0 degrees 06 minutes 10 seconds West 279.64 feet along the East boundary of High School Road; thence South 5 degrees 42 minutes 08 seconds East 256.22 feet; thence South 45 degrees 49 minutes 22 seconds East 34.92 feet to the North boundary of West 46th Street; thence South 89 degrees 35 minutes 50 seconds West 50.00 feet along said North boundary to the point of beginning.

LEOS EXHIBIT "A"

EXHIBIT "B"

91-38049

shall have the same jurisdiction and authority over such Additional Tract or parts thereof as its authority and jurisdiction herein.

In the event Declarant decides not to develop or plat the Additional Tract or any part of it in a manner described, Declarant shall file a Declaration stating that the Additional Tract or any part thereof shall not be developed as contemplated herein; provided, however, any part of the Additional Tract for which a Supplemental Declaration has not been filed by December 31, 1991, shall be automatically removed from the possibility of having a common entity which provides for the maintenance, repair, replacement, administration and operation of such part of the Additional Tract, unless such is established by the Owners in the Tract and those in the Additional Tract.

Regardless of the method of development of the Additional tract and whether or not all or any part of the Additional Tract comes within the jurisdiction of the Corporation or subject to the Declaration, Declarant reserves unto itself, its successors and assigns, for the use and benefit of that part of the Additional Tract not coming within the jurisdiction of the Corporation or subject to the Declaration, the right and easement to enter upon and if necessary tie into the HOA Easements of The Willows, Section 1 to either continue the landscape plan mandated by zoning commitments in the HOA - Landscaping Easements and/or the surface drainage requirements in aggregating the capacity in HOA - Utility and Drainage Easements.

The assessment which the Owner of each Lot in the Additional Tract or part thereof, if within the jurisdiction of the Corporation, shall be obligated to pay shall be equal to that paid by any Owner herein and shall commence on the date of conveyance of such Lot by Declarant. No assessment (Regular, Special or otherwise) on any Lot in the Additional Tract shall be due until such Lot has been conveyed by Declarant or the Dwelling Unit thereon is occupied for residential purposes.

21. 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 of Incorporation, and the By-Laws 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 of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or the Tract 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 Tract in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

22. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his misuse of the HOA Easements and/or Right of Way Pockets.

23. 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 By-Laws, 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.

24. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the HOA Easements or Right of Way Pockets or by abandonment of his Lot.

25. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws,

shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

26. 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.

27. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs and subparagraphs 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.

28. The Plat. The Final Plat of The Willows, Section I is incorporated into this Declaration by reference and has been filed in the office of the Recorder of Marion County, Indiana, as of the 21st day of December, 1990, as Instrument No. 90-132017.

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

HPI PROPERTIES, INC.

L.D.G., INC.

By: 

By: 

JAMES S. IRSAY

R. N. THOMPSON

President

President

Capacity

Capacity

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared
R. N. Thompson, President of L.D.G., Inc., an Indiana Corporation, who acknowledged
the execution of the foregoing "Declaration of Covenants and Restrictions of The
Willows, Section I, on behalf of said Corporation.

WITNESS my hand and Notarial Seal this 25th day of MARCH, 1991.

Judy K. Kiemever
Notary Public

My Commission Expires:

APRIL 8, 1994

JUDY K. KIEMEYER
(Printed Signature)

County of Residence: MARION

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared
James S. Irsay, President of HPI Properties, Inc., who acknowledged the execution of
the foregoing "Declaration of Covenants and Restrictions of The Willows, Section I,
on behalf of said Corporation.

WITNESS my hand and Notarial Seal this 22nd day of April, 1991.

Bonny E. Switzer
Notary Public

My Commission Expires:

3-29-93

BONNY E. SWITZER
(Printed Signature)

County of Residence: Marion

This instrument was prepared by:
Raymond Good
Attorney at Law
SCHNORB, GOOD & OLVEY
144 N. Delaware Street
Indianapolis, IN 46204-2551
(317) 264-3636
LS2/3/19/91 Rev.3

910038049

910131744

GROSS REPAIRS
FILED
DEC 2 1991

JOHN R. VON ARX
RECORDER
DEC 23 1991 033682

FIRST SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS OF
THE WILLOWS PROPERTY OWNERSHIP

Section 2 and Section 3

PIKE TOWNSHIP
ASSESSOR

THIS SUPPLEMENTAL DECLARATION made this 18th day of December 1991, by THE WILLOWS JOINT VENTURE, consisting of H.P.I. Properties, Inc, an Illinois Corporation and L.D.G., Inc., an Indiana Corporation as the sole partners successor Declarant (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner in fee simple title to certain real estate located in Marion County, Indiana, more particularly described in the attached Exhibit "A" and Exhibit "B", which is incorporated herein by reference (hereinafter respectively referred to as "The Willows, Section 2 and Section 3").

B. Declarant has heretofore executed a Declaration of Covenants and Restrictions of The Willows Property Ownership which was recorded in the office of the Recorder of Marion County, Indiana, as Instrument No 91-38049 (the "Declaration"). Only The Willows, Section 1 has been subjected to the Declaration initially, however, the Declaration provided that additional real estate could be subjected to the terms and conditions of the Declaration.

C. The Willows, Section 2 and Section 3, are part of the Additional Tract described in paragraph 20 of the Declaration. Paragraph 20 of the Declaration provides that all or part of the Additional Tract may be annexed to and become a part of The Willows and incorporated into the Declaration with the owners thereof becoming members of The Willows Homeowners Association, Inc., in accordance with the provisions of paragraph 20 of the Declaration upon the filing of a Supplemental Declaration by Declarant and the Final Plat of this real estate being incorporated into The Willows. All conditions relating to the annexation of the Exhibit "A" and Exhibit "B" realty to make it subject to the Declaration have been met and Declarant by execution of this Supplemental Declaration hereby incorporate The Willows, Section 2, and Section 3, into The Willows development and the Declaration.

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

1. Declaration. Declarant hereby expressly declares that The Willows, Section 2 and Section 3, shall be held, conveyed and transferred in accordance with the provisions of the Declaration as if such had originally been included in the Declaration and shall hereafter be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration as such may be amended from time to time. The Willows, Section 2 and Section 3, hereafter and for all purposes shall be included in the definition of Tract as defined in paragraph 1(a) of the Declaration.

2. Description of the Willows, Section 2 and Section 3. The Willows, Section 2 consists of 62 Lots numbered 28 through 79, plus Block "C", Section 3, consists of 29 Lots numbered 134 through 162, inclusive, plus Block "D", together with the Common Area as designated on the plat for these designated Sections. The Common Area and the size of the Lots are designed on such plat. The legal description for each Lot in this additional realty shall be as follows:

Lot _____ in The Willows, Section 2 (or Section 3), a subdivision in Marion County, Indiana, as per plat thereof, recorded on _____, as Instrument N^o _____, in the Office of the Recorder of Marion County, Indiana.

The Willows now consists of 122 Lots numbered 1 through 99, inclusive and Lots 134 through 162, inclusive, plus Block A, B, C and D.

3. Easements. Regardless of the method of development of any other part of the Additional Tract and whether or not all or any part of the remaining Additional Tract becomes subject to the Declaration, Declarant reserves to itself, its successors and assigns, for the use and benefit of that part of the Additional Tract not becoming subject to the Declaration, the right and easement to enter upon the streets and common area of these Sections of The Willows to provide ingress and egress to the Additional Tract.

Declarant hereby grants to the owner in The Willows, Section 2 and Section 3, the right and easement to enter upon any streets and roadways that may exist in the remaining part of the Additional Tract to provide ingress and egress to these Sections as may be necessary.

It is the purpose and intent of the easements herein granted and reserved to provide free and unrestricted use and access across the roadways and streets of the Tract and the Additional Tract no matter how developed, for the owners of the Tract and the Additional Tract, their guests, invitees and all public and quasi-

public vehicles, including but not limited to, police, fire and emergency vehicles, trash and garbage collections, post office vehicles and privately owned delivery vehicles.

4. 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 the Declaration, Articles of Incorporation and By-Laws incorporated by reference into the Declaration, 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 the Declaration, the Articles of Incorporation, the By-Laws and rules and regulations, as each may be amended and supplemented from time to time are accepted and ratified by each 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 Tract as if 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 that may occupy, use, enjoy, or control a Lot or Lots or any part of the Tract in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

5. Plat of The Willows, Section 2 and Section 3. The plat of these Sections are incorporated into the Declaration and this First Supplemental Declaration by reference and will be filed in the Office of the Recorder of Marion County, Indiana.

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

THE WILLOWS JOINT VENTURE, AN INDIANA PARTNERSHIP

H.P.I. PROPERTIES, INC.

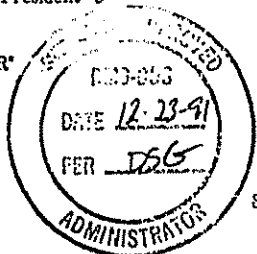
L.D.G., INC.

By: James S. Irsay
James S. Irsay, President

By: R. N. Thompson
R. N. Thompson, President

"PARTNER"

"PARTNER"



910131744

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared R. N. Thompson, President of L.D.G., Inc., who acknowledged the execution of the foregoing "First Supplemental Declaration of Covenants and Restrictions of The Willows Property Ownership" on behalf of said Corporation.

Witness my hand and Notarial Seal this 18th day of DECEMBER, 1991.

Judy K. Kiemeyer
Notary Public
Judy Kiemeyer
Printed
County of Residence: Marion

My Commission Expires:
April 8, 1994

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared James S. Irsay, President of H.P.I. Properties, Inc., who acknowledged the execution of the foregoing "First Supplemental Declaration of Covenants and Restrictions of The Willows Property Ownership" on behalf of said Corporation.

Witness my hand and Notarial Seal this 18th day of December, 1991.

Kurt A. Humphrey
Notary Public
KURT A. HUMPHREY
Printed
County of Residence: Hendricks

My Commission Expires:
3/31/93

This Instrument Prepared by:
Raymond Good, #1201-49
Attorney at Law
SCHNORR, GOOD & SCAHILL
144 N. Delaware Street
Indianapolis, IN 46204-2551
(317) 264-8836
#1-12/18/91

910131744

EXHIBIT "A"

LEGAL DESCRIPTION

Part of the West Half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East, of the Second Principal Meridian, Pike Township, Marion County, Indiana and described as follows:

Commencing at the Northwest Corner of said Southwest Quarter;
thence North 89 degrees 22 minutes 30 seconds East (an assumed bearing) along the North Line of said Southwest Quarter a distance of 660.00 feet to the POINT OF BEGINNING;
thence continue North 89 degrees 22 minutes 30 seconds East along said North Line a distance of 477.10 feet;
thence South 00 degrees 39 minutes 23 seconds East 915.50 feet;
thence North 89 degrees 22 minutes 29 seconds East 193.63 feet to the East Line of said West Half;
thence South 00 degrees 39 minutes 23 seconds East along said East Line a distance of 310.45 feet;
thence South 89 degrees 20 minutes 37 seconds West 120.00 feet;
thence South 59 degrees 13 minutes 47 seconds West 57.80 feet;
thence South 89 degrees 20 minutes 37 seconds West 220.63 feet;
thence South 00 degrees 39 minutes 36 seconds East 28.68 feet to the Northeast corner of The Willows Section 1 per instrument number 90-132017 as recorded in the Office of the Marion County Recorder;
thence South 89 degrees 20 minutes 22 seconds West (the next three calls being along said The Willows Section 1) 225.00 feet;
thence South 83 degrees 38 minutes 47 seconds West 50.25 feet;
thence South 89 degrees 22 minutes 30 seconds West 5.00 feet;
thence North 00 degrees 39 minutes 36 seconds West parallel with the West Line of said West Half a distance of 1287.00 feet to the point of beginning and containing 16.334 acres more or less.

910131744

EXHIBIT "B"

LEGAL DESCRIPTION

Part of the West Half of the Southwest Quarter of Section 12, Township 16 North, Range 2 East, of the Second Principal Meridian, Pike Township, Marion County, Indiana and described as follows:

Commencing at the Southwest Corner of said Southwest Quarter;
thence North 00 degrees 39 minutes 38 seconds West (an assumed bearing) along the West Line of said Southwest Quarter a distance of 1373.61 feet to the Northwest Corner of The Willows Section 1 per instrument number 90-132017 as recorded in the Office of the Recorder of Marion County, Indiana;
thence North 89 degrees 22 minutes 30 seconds East (the next 3 calls being along the North Line of said Willows Section 1) also being parallel with the North Line of said West Half a distance of 665.00 feet;
thence North 83 degrees 38 minutes 47 seconds East 50.25 feet;
thence North 89 degrees 20 minutes 22 seconds East 225.00 feet to the Northeast Corner of said Willows Section 1, said point also being the POINT OF BEGINNING;
thence North 00 degrees 39 minutes 38 seconds West (the next 4 calls also being along the South Line of The Willows Section II) 26.68 feet;
thence North 89 degrees 20 minutes 37 seconds East 220.63 feet;
thence North 59 degrees 13 minutes 47 seconds East 57.80 feet;
thence North 89 degrees 20 minutes 37 seconds East 120.00 feet to the East Line of said West Half;
thence South 00 degrees 39 minutes 23 seconds East along said East Line a distance of 424.78 feet;
thence North 71 degrees 08 minutes 21 seconds West 150.28 feet to a non-tangent curve from which the radius point bears North 71 degrees 08 minutes 21 seconds West;
thence Southwesterly along said curve an arc distance of 84.84 feet to a point from which the radius point bears North 58 degrees 08 minutes 34 seconds West, said curve having a radius of 375.00 feet;
thence South 31 degrees 51 minutes 26 seconds West 224.58 feet;
thence North 58 degrees 08 minutes 34 seconds West 52.00 feet;
thence South 31 degrees 51 minutes 26 seconds West 280.10 feet;
thence South 82 degrees 42 minutes 55 seconds West 358.48 feet to the Southeast Corner of said Willows Section 1;
thence North 00 degrees 37 minutes 30 seconds West (the next 8 calls being along the East and South Lines of said Willows Section 1) 559.10 feet;
thence North 89 degrees 22 minutes 30 seconds East 55.00 feet;
thence South 87 degrees 01 minutes 50 seconds East 30.99 feet;
thence North 84 degrees 45 minutes 32 seconds East 100.00 feet to a non-tangent curve from which the radius point bears North 84 degrees 45 minutes 32 seconds East;
thence Northerly along said curve an arc distance of 13.99 feet to a point from which the radius point bears North 89 degrees 20 minutes 22 seconds East, said curve having a radius of 175.00 feet;
thence North 00 degrees 39 minutes 38 seconds West 34.91 feet;
thence North 89 degrees 20 minutes 22 seconds East 275.00 feet;
thence North 00 Degrees 39 minutes 38 seconds West 220.00 feet to the point of beginning and containing 10.133 acres more or less.

910131744

(Original)

22

DECLARATION OF COVENANTS AND RESTRICTIONS
THE WILLOWS SECTION IV HOMEOWNERS ASSOCIATION, INC.

THIS DECLARATION made this 15TH day of APRIL, 1995, by The Willows Joint Venture comprised of L.D.G., Inc., an Indiana Corporation of Marion County, in the State of Indiana, and HPI Properties, Inc., an Illinois Corporation of Cook County, in the State of Illinois, as the only Joint Venturers ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of a certain real estate located in Marion County, Indiana, more particularly described in the attached Exhibit "A", which is incorporated herein by reference (hereinafter referred to as "the Tract" or "The Willows, Section IV"), and

WHEREAS, Declarant, by execution of this Declaration, intends that all properties which are a part of the Tract shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Tract and be binding upon all parties having any right, title or interest in the Tract 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) This section intentionally omitted.
 - (b) "Applicable Date" means the date determined pursuant to Paragraph 7 of this Declaration.
 - (c) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Willows Section IV Homeowners Association, Inc., the Corporation, as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.
 - (d) "Board of Directors" means the governing body of the Corporation appointed by the Declarant prior to the applicable date and elected by the Members in accordance with the By-Laws of the Corporation, after the applicable date.
 - (e) "By-Laws" shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference. In the event of any conflict between this Declaration and the By-laws of the Corporation, this Declaration shall control.
 - (f) "HOA Easements and/or Blocks" refers to Easements designated as either HOA Easements or Blocks of various descriptions which appear on the Final Plat of The Willows, Section IV. Title to the real estate on which such Easements are imposed will remain with the Lot owner on which such Easement appears with the exception of the Lakes. The Lakes will be common area titled in the HOA with the right in the Declarant (so long as Declarant owns any Lots), the HOA, its designated representatives along with members of the Marion County Department of Public Works (in the case of the Lakes, the HOA Drainage and Utility Easements, and the HOA - Lake Maintenance Easements) to have ingress and egress in and upon such Easements.

The easements aforesaid are now detailed with any rights stated inuring to the Declarant until the Applicable Date and thereafter to the HOA:

HOA - Drainage and Utility Easements

These Easements encompass designated areas around each Lake which, in combination with all other Lakes, handle the surface water drainage

JOHN R. VON ARX
MARION COUNTY AUDITOR
07283 JUL - 1995
RECORDED
INDEXED

of The Willows, Section IV. These Easements may also accommodate drainage from other surrounding areas.

The maintenance of these Easement areas will be the responsibility of the Lot Owner with any additional use of the Lake being restricted and governed by the Rules and Regulations of the HOA.

HOA - Landscape Easement

Grass cutting and watering of shrubs in the Landscape Easement shall remain the responsibility of the Lot Owner on which this Easement is imposed with no right of compensation for same from the HOA except for such Lot Owner's increased water consumption occasioned hereby which will be determined by subtracting the average water usage of the involved Lot Owner in the preceding winter months from the average water usage in the succeeding spring, summer and/or fall months, based on a three (3) month interval, and thereafter prorated for the percentage of the Lot upon which the easement is imposed, and payable on a calendar quarterly basis at the end of each quarter.

HOA Lake Maintenance Easement

Easements which are strictly ingress and egress Easements to and from the HOA Drainage and Utility Easements, with the maintenance thereof remaining in the Lot Owner upon which such Easements are impressed.

HOA - Landscaping Easement

These Easements located on the perimeter of The Willows shall contain mounding and landscaping in compliance with zoning commitments for The Willows as now exist or may hereafter be modified. The HOA shall be responsible to maintain the integrity of such mounding and replace any dead landscaping caused by unhealthy plants, disease or the elements. The cutting of grass on the mounding, plus the watering of the grass and the plantings therein, shall be the responsibility of the Lot Owner upon which such Easement is impressed, unless assumed in whole or in part by the HOA by written notice to the Lot Owner by the HOA. Lot Owners shall not be entitled to place any additional plantings within this Easement without the written consent of the Architectural Review Board.

(g) "Right-of-Way Pocket". One or more parcels of dedicated Right-of-Way labeled "Right-of-Way Pocket" may appear on the Final Plat of The Willows Section IV. Any green area located between the road within this Right-of-Way Pocket and the adjacent Lots shall be maintained by the applicable Lot Owner with the maintenance of the aforesaid road and green area between said road and the dedicated street being the responsibility of the HOA.

(h) "Common Expense" means expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement as detailed in Items 1(f) and 1(g), and all sums lawfully assessed against the Members of the Corporation.

(i) "Corporation" also known as "HOA" means The Willows Section IV Homeowners Association, Inc., its successors and assigns, an Indiana non-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 7 of this Declaration; such Corporation being more particularly described in Paragraph 7 of this Declaration.

(j) "Declarant" shall mean and refer to L.D.G., Inc., an Indiana Corporation, and any successors and assigns of L.D.G., Inc. whom it designates in one or more written recorded instruments, to have the rights of Declarant hereunder including, but not limited to, any mortgagee acquiring title to any portion of the Tract pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(k) "Dwelling Unit" shall mean a single family residence located upon a Lot.

(l) "Lake" shall refer to each body of water designated by a BLOCK designation on recorded plats which BLOCK is surrounded by a Drainage and Utility Easement. These Lakes, separately and in the aggregate, are designed to handle the surface water drainage requirements of The Willows Section IV and should not be construed as assuring that water will be in the Lake at all times or that any particular level of water will be contained therein.

(m) "Lot" means any plot of ground designated as such upon the recorded Final Plat of The Willows Section IV or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed, or has existed. When Lot is used, it shall be deemed to include the Dwelling Unit, if any, located thereon.

(n) "Member" means a member of the Corporation.

(o) "Mortgagee" means the holder of a first mortgage lien on a Lot.

(p) "The Willows, Section IV" means the name by which the Tract, as described in Paragraph A above, which is the subject of this Declaration, shall be known.

(q) This section intentionally omitted.

(r) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, owning the fee simple title to a Lot.

(s) "Tract" means the real estate described in Paragraph A above for which a Final Plat has been recorded in the Office of the Recorder of Marion County, Indiana, and which has been subjected to this Declaration by a Supplemental Declaration as provided herein.

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

3. Description of The Willows, Section IV. The Willows, Section IV consists of 65 lots numbered 94 through 133 and 163 through 187 and Block A, all inclusive, as designated on the Final Plat. The legal description for each Lot in The Willows, Section IV shall be as follows:

Lot _____ in The Willows, Section IV, a subdivision in Marion County, Indiana, as per plat thereof recorded _____, 19__ as Instrument Number _____, in the Office of the Recorder of Marion County, Indiana.

4. Common Area. The only Common Areas in The Willows are designated as BLOCK upon final plat of The Willows, Section IV or any part thereof.

5. Paragraph 5 intentionally omitted.

6. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including but not limited to, water, sewers, gas, telephone and electricity on the Tract; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines or other utilities, except as initially designed and approved by Declarant on the Plat or as thereafter may be approved by Declarant or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Tract and to affix and

maintain electrical and telephone wires, circuits and conduits. In the event any utility furnishing service should request a specific easement by a separate recordable document, Declarant shall have the right to grant such easement on such Tract, without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement on the Tract.

7. 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 his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his 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 he realizes upon his security, at which time he 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 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 and no fractional votes shall be permitted.

(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 five (5) 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, which shall be the first to occur of:

1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
2. thirty (30) days after the date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B memberships, or;
3. December 31, 2002.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the HOA Easements and Right-of-Way Pockets; to maintain the appearance and desirability of ownership and living in the Willows, Section IV; to establish and enforce the rules and regulations of the Association; to pay all necessary expenses and costs in connection with these areas; and to perform such other functions as may be designated by it to perform under this Declaration.

8. 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, including a person appointed by Declarant as provided in subparagraph (b) of this Paragraph 8.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: R.N. Thompson, John W. Whitlock and Edward E. Pastorius (hereinafter 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 paragraph, or any other provisions of this Declaration, the Articles or the By-Laws (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, determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board.

Each Owner, by acceptance of a deed to a lot, or by acquisition of any interest in a Dwelling Unit by any means or in any manner, shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as Declarant determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the Plat Covenants, the By-Laws or otherwise; provided, however, this right to vote granted to Declarant shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging HOA Easements and/or Right-of-Way Pockets or merger/consolidation of the Corporation with another corporation.

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. Each person serving on the Initial Board, whether as an original member or as a member 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.

(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 shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.

(d) Term of Office and Vacancy. 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 provided herein. After the Applicable Date, 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, the Board of Directors shall be elected for one, two and three year terms, so that the terms of approximately one-third (1/3) of the members of the Board shall expire annually. 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 his election and until his successor is elected and qualified.

Subject to the provisions of subparagraph (b) of this Paragraph 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 a vote of the Owners if a Director is removed in accordance with subparagraph (e) of this Paragraph. The Director so filling a vacancy shall serve until

the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of such Director's term.

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

(f) 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, the management, maintenance, repair, upkeep and replacement of the common areas of the Tract, and the collection and disbursement of the Common Expenses. The duties of the Board of Directors include, but are not limited to:

(i) protection and surveillance of the HOA Easements and Right-of-Way Pockets, unless the same are otherwise the responsibility or duty of Owners of Lots; 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) the duties delineated under HOA Easements (BLOCK) (Item 1(f)) and Right-of-Way Pockets (Item 1(g)).

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

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

(v) 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 prior to or simultaneously with delivery of the proposed annual budget for the current year;

(vi) keeping a current, accurate and detailed record of receipts and expenditures affecting the HOA Easements and Right-of-Way Pockets and the business and affairs of the Corporation specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagee, Insurer or guarantor of a first mortgage at reasonable times with reasonable advanced notice;

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

(viii) paying any other necessary expenses and costs in connection with the HOA Easements and Right-of-Way Pockets; and

(ix) to furnish, upon request of any Mortgagee, insurer or guarantor of a first mortgage, a financial statement prepared by a certified public accountant for the immediately preceding fiscal year.

The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent or company (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Other than the Initial Management under Paragraph 9, any decision thereafter not to employ a professional property management agent shall require the prior consent of at least sixty-seven percent (67%) of the owners and fifty-one percent (51%) of the vote of Mortgagees. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties.

(g) 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 employ a Managing Agent to assist the Board in performing its duties;

(ii) 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;

(iii) 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;

(iv) 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;

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

(vi) to open and maintain a bank account or accounts in the name of the Corporation.

(h) 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 \$2,500.00 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 HOA Easements and/or Right-of-Way Pockets 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 as approved by the Owners at the annual meetings; 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.

(i) Compensation. No Director shall receive any compensation for his services as such except 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.

(j) 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, 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.

(k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such director was not guilty of gross negligence or misconduct. 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 his 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 he failed or neglected to attend a meeting or meetings of the Board of Directors.

(l) Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, 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 (provided, however, in no event shall the aggregate amount of the bond be less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. Such bonds shall provide that they may not be canceled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

9. Initial Management. The Board of Directors has entered or will hereafter enter into a management agreement with Declarant or with a corporation or other entity affiliated with Declarant or designated by Declarant for a term not to exceed three (3) years, with either party having the right to terminate upon ninety (90) days' notice. Declarant (or such other corporation or entity as appropriate) will provide supervision, management and maintenance of the HOA Easements and Right-of-Way Pockets, and in general perform all of the duties and obligations of the Corporation. Notwithstanding anything to the contrary contained herein, so long as no other

management agreement shall exist, Declarant hereby reserves to itself (or such other corporation or entity as appropriate) the exclusive right to manage the HOA Easements and Right-of-Way Pockets and perform all the functions of the Corporation.

10. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. Real estate taxes which are not separately assessed, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.

11. Utilities. Each Owner shall pay for his 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.

12. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the HOA Easements (BLOCK) and Right-of-Way Pockets shall be furnished by the Corporation as detailed in Items 1(f) and 1(g), as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses. Each Owner shall be responsible for maintaining and keeping his Lot and all improvements thereon in a good, clean, attractive and sanitary condition except as modified by Item 1(f) and/or Item 1(g).

Notwithstanding any obligation or duty of the corporation to repair or maintain any common areas, if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation. 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.

If any Owner shall fail to maintain and keep his property or any part thereof in a good, clean, attractive and sanitary condition, 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, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the Tract is subject to this Declaration, each Owner, by his acceptance of a deed to any Lot, irrevocably grants to the Corporation, its agents and employees, the right 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 or other work contemplated herein.

13. Architectural Control.

(a) The Architectural Review Board. As a standing committee of the Corporation, there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. Until the Declarant has sold the last lot in the Willows Section IV subdivision, the Architectural Review Board shall be appointed by, and serve at the pleasure of, the Declarant. After this date, the Architectural Review Board shall be appointed by, and serve at the pleasure of, the Board of Directors.

(b) Purposes. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

(c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, structure, fence, wall, Dwelling Unit, antenna, satellite dish, deck, concrete or asphalt slab, basketball goal, change in the HOA - Landscaping Easement, or other change to the lot shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.

(d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove a written application within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) has been submitted to the Architectural Review Board, approval will be deemed granted by the Architectural Review Board. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

(e) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design of the Dwelling Units nor for maintaining the HOA Easements and Right-of-Way Pockets without the prior written approval of all Owners and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

14. Assessments.

(a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the next annual meeting of the Corporation, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants, 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 current fiscal year estimating the total amount of the Common Expenses, and reserves, if any, for the upcoming 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 (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be finally adjourned until an annual budget is approved and adopted at such meeting. 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 may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the HOA Easements and Right-of-Way Pockets, which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary operating expenses. Such replacement reserve fund shall be maintained by the Corporation in a separate interest bearing account or accounts with one or

more banks or savings and loan associations authorized to conduct business in Marion County, Indiana 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 as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such 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 up to one hundred and twenty five percent (125%) of such last approved budget, as a temporary budget.

For budgeting purposes, Declarant shall only be responsible for regular assessment for lots owned by Declarant for twenty five percent (25%) of the regular assessment. Provided, also, such payment by Declarant for lots within a particular final plat shall not commence until the first lot in such area subject to such final plat is conveyed by Declarant to a new owner.

(c) Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be the same amount for each Lot. Following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his 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 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 as hereinabove provided. The Assessment against each Lot, whether a Regular Assessment or a temporary assessment, shall be paid within thirty days of the commencement of each fiscal year. The Board may permit the assessment to be made in two installments, with an additional charge for deferred payment. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then the Board shall determine the amount, manner and timing of the resulting adjustment payment or credit.

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. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 17 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.

(d) Special Assessments. From time to time, Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise, or the Association may desire to make capital improvements not within its established budget. At such time and provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the Declarant shall not be any Owner's agent, attorney-in-fact or proxy in this vote pursuant to Paragraph 8 of 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").

(e) Regular Assessments Prior to the Applicable Date. Notwithstanding any other provision contained in the Declaration, the Plat Covenants, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph.

Declarant shall guarantee that for the first two years after the filing of this Declaration, the Regular Assessment shall not exceed Two Hundred Dollars (\$200.00) per year. After this date, Declarant guarantees that the Regular Assessment shall not increase more than twenty percent (20%) per year, on a cumulative basis. Declarant shall be responsible for any deficit during such period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or, if sufficient, the replacement reserve fund, if any such fund exists.

(f) Failure of Owner to Pay Assessment. No Owner may exempt himself from paying Regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the HOA Easements and Right-of-Way Pockets or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit 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 or Special Assessment when due, the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and severally liable for the payment to the Corporation, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments.

The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit 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 one and one half percent (1 1/2%) per month.

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

15. Mortgages.

(a) Notice to Corporation. Any Owner who places a first mortgage lien upon his Lot, or the Mortgagee, may notify the Secretary of the Corporation thereof and provide the name and address of the Mortgagee. A record of such

notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the By-Laws 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 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 By-Laws or otherwise shall be required, and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, 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 By-Laws 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, and upon payment of a fee set by the Board, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners. 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 Paragraph 14 hereof.

(c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation, (1) to pay any charges against the HOA Easement and Right-of-Way Pocket areas which are in default and (2) to pay any overdue premiums on hazard insurance for the HOA Easement and Right-of-Way Pocket areas or to secure new hazard insurance for the HOA Easement and Right-of-Way Pocket areas on the lapse of a policy. Any Mortgagee making such payment shall be owed immediate reimbursement from the Corporation.

(d) Notice of Condemnation or Casualty Loss. Mortgagees shall be timely notified of any condemnation loss which affects a material portion of The Willows Section IV. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

(e) Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

16. Insurance.

(a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring the Corporation's improvements within the HOA Easements and the Right-of-Way Pockets in an amount consonant with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least every three years the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance

coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth

All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinabove set forth shall be paid to it or to the Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Corporation or Board of Directors, as appropriate in accordance with the provisions of this Declaration

Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums or for any other reason or shall not be substantially modified without at least ten (10) days prior written notice to Mortgagees and at least ten (10) days prior written notice to the Corporation.

Each Owner shall otherwise be solely responsible for loss or damage to his Dwelling Unit, the contents of his Dwelling Unit and Lot however caused and his personal property stored elsewhere on the Tract, and the Corporation shall have no liability to the Owner for loss or damage to the Dwelling Unit, the contents of any Dwelling Unit or any personal property stored elsewhere on the Tract. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

(b) Public Liability Insurance. The Corporation shall also 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, but not less than \$1,000,000, for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors, any committee or organ of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Tract. 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 the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be canceled or substantially modified without at least ten (10) days written notice to the Corporation.

(c) Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained including, but not limited to, workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the 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 or the Corporation.

(d) General Provisions. The premiums for all insurance hereinabove described shall be paid by the Corporation as part of the Common Expenses. When any such policy of insurance has been obtained by or on behalf of the Corporation, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or mortgagee whose interest may be affected thereby, which notice shall

be furnished by the secretary or other officer of the Corporation. Notice required under this subparagraph shall be sufficient if it is published as a part of a general newsletter which is mailed or delivered within sixty days.

(e) Insurance by Owners. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

17. Restoration of HOA Easement and Right-of-Way Pocket Improvements ("Improvements"). In the event of damage to or destruction of any of the Improvements herein titled to the Corporation, 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, if any, 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 Improvements, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Improvements 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 Improvements to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

18. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, HOA Easements and Right-of-Way Pockets shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and 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. Present or future Owners 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.

(b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the HOA Easements or Right-of-Way Pockets which will result in a cancellation of insurance or increase in premiums for the corporation's insurance or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the HOA Easements or Right-of-Way Pockets or on any Lot. The Board of Directors' determination as to what is a nuisance shall be conclusive.

(d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building, or elsewhere on the Lot, without the prior consent of the Architectural Review Board.

(e) 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 HOA Easements or Right-of-Way Pockets, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pets not kept, bred or maintained for any commercial purpose, and do not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner. An owner shall be fully liable for any injury or damage to persons or property, including the HOA Easements and Right-of-Way Pockets, caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Tract within ten (10) days after written notice from the Board to the respective Owner to do so.

(f) The HOA Easements and Right-of-Way Pockets shall be kept free and clear of rubbish, debris and other unsightly materials.

(g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Tract, without the approval of the Board.

(h) No "for sale," "for rent," "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Tract, any Lot or any Dwelling Unit, other than within specific rules and allowances by the Board, without the prior consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the Tract in connection with any unsold or unoccupied Lots and Dwelling Units.

(i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the HOA Easements and Right-of-Way Pockets 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 HOA Easements and Right-of-Way Pockets.

(j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the Tract except as otherwise specifically permitted by the Board. No repair work shall be done on the Tract on any vehicles, including passenger automobiles.

(k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the HOA Easements and Right-of-Way Pockets, except with express written permission from the Board.

(l) The HOA Easements and Right-of-Way Pockets shall be used and enjoyed only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:

No motorized boating or sailboats shall be permitted on the Lake;

Private dock facilities may not be installed into the Lake; and

No swimming shall be permitted in the Lake.

(m) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.

(n) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease 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.

Notwithstanding anything to the contrary contained herein or in the Articles or By-Laws, including, but not limited to, any covenants and

restrictions set forth herein or otherwise, Declarant shall have the right to use and maintain any Lots and Dwelling Units owned by Declarant and other portions of the Tract (other than individual Dwelling Units and Lots owned by Persons other than Declarant), all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conduct of any business or activity attendant thereto, including, but not limited to, model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. Declarant shall have the right to remove the same from the Tract at any time.

19. 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 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 duly called and held in accordance with the provisions of the By-Laws.

(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. If a Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner.

(v) Special Amendments. No amendment to this Declaration shall be adopted which changes (a) 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 Paragraph 16 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 17 of this Declaration with respect to reconstruction or repair of the HOA Easements and Right-of-Way Pockets in the event of Fire or any other casualty or disaster, or (4) the provisions of Paragraph 13 of this Declaration establishing the Architectural Review Board and providing for its functions, or (5) the provisions of Paragraph 14 of this Declaration with respect to the commencement of assessments on any Lot, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for and responsibility for maintenance, repair and replacement of the HOA Easements and Right-of-Way Pockets, or (3) right to use the HOA Easements and Right-of-Way Pockets, or (4) annexation of property to The Willows Section IV, or (5) the leasing of Dwelling Units, or (6) termination of the applicability of this Declaration, or (7) any provisions which are for the express benefit of Mortgagees without the

consent of at least ninety percent (90%) of the votes of the Owners for the first twenty (20) years after the recording of this Declaration and thereafter at least seventy-five percent (75%) of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages.

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

(viii) Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.

(b) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the Declarant shall have and hereby reserves the right and power acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other Person to amend or supplement this Declaration at any time and from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Tract.

(c) Amendment Prior to the Sale of the Last Lot. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration prior to the sale by the Declarant of the last Lot in this subdivision, without the consent and approval of Declarant

20. Paragraph 20 intentionally omitted.

21. 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 Plat Covenants, the Articles of Incorporation, and the By-Laws, 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 Plat Covenants, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or the Tract as

though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereto. 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 Tract in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

22. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his misuse of the HOA Easements and/or Right-of-Way Pockets.

23. 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 By-Laws, 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 and costs, including deposition and other discovery expenses, incurred in connection with such default or failure.

24. Waiver. No Owner may except himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the HOA Easements or Right-of-Way Pockets or by abandonment of his Lot.

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

26. 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.

27. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs and subparagraphs 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.

28. The Plat. The Final Plat of The Willows, Section IV is incorporated into this Declaration by reference and has been filed in the Office of the Recorder of Marion County, Indiana, as of the 30th day of December, 1994, as Instrument Number 94-0189549.

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

THE WILLOWS JOINT VENTURE
HPI PROPERTIES, INC.

L.D.G., INC.

By: _____

James S. Irsay, President


By: _____

R.N. Thompson, President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared R.N. Thompson, President of L.D.G., Inc, an Indiana Corporation, who acknowledged the execution of the foregoing Declaration of Covenants and Restrictions of The Willows, Section IV, on behalf of said Corporation.

1995 WITNESS my hand and Notarial Seal this FTH day of MAY.


Notary Public

My Commission Expires:

June 23, 1997

DAVID M. COMPTON
Printed signature

County of Residence: HAMILTON

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

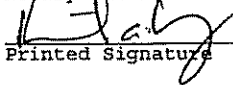
Before me, a Notary Public in and for said County and State, personally appeared James S. Irsay, President of HPI Properties, Inc, who acknowledged the execution of the foregoing Declaration of Covenants and Restrictions of The Willows, Section IV, on behalf of said Corporation.

1995 WITNESS my hand and Notarial Seal this 19th day of MAY.

KURT A. HUNTER
Notary Public

My Commission Expires:

8/31/97


Printed Signature

County of Residence: HENDRICKS

X This Instrument prepared by: William I. Rosenbaum, Attorney at Law, 1901 Broad Ripple Avenue, Indianapolis, IN 46220

EXHIBIT "A"

~~P 1~~ P 1 2

LAND DESCRIPTION
WILLOWS SECTION 4

Part of the Southwest Quarter of Section 12, Township 16 North, Range 2 East of the Second Principal Meridian, Pike Township, Marion County, Indiana and described as follows:

Beginning at the Southwest corner of said Southwest Quarter;
thence North 00 degrees 39 minutes 38 seconds West (an assumed bearing) along the West line of said Southwest Quarter a distance of 482.08 feet;
thence North 89 degrees 20 minutes 22 seconds East 55.00 feet;
thence North 81 degrees 27 minutes 40 seconds East 124.72 feet to a non-tangent curve from which the radius point bears North 81 degrees 27 minutes 40 seconds East;
thence Southerly, Southeasterly and Easterly along said curve an arc distance of 537.88 feet to a point from which the radius point bears North 00 degrees 43 minutes 14 seconds West, said curve having a radius of 375.00 feet;
thence North 89 degrees 16 minutes 46 seconds East 104.07 feet to a tangent curve to the right and from which the radius point bears South 00 degrees 43 minutes 14 seconds East;
thence Easterly, Southeasterly and Southerly along said curve an arc distance of 23.56 feet to a point from which the radius point bears South 89 degrees 16 minutes 46 seconds West, said curve having a radius of 15.00 feet;
thence South 00 degrees 43 minutes 14 seconds East 80.00 feet;
thence South 44 degrees 16 minutes 46 seconds West 35.36 feet;
thence South 00 degrees 43 minutes 14 seconds East 55.00 feet to the South line of said Southwest Quarter;
thence South 89 degrees 16 minutes 46 seconds West along said South line 644.65 feet to the point of beginning;
ALSO a part of the Southwest Quarter of said Section 12 described as follows:
Commencing at the Southwest corner of said Section 12;
thence North 00 degrees 39 minutes 38 seconds West (an assumed bearing) along the West line of said Southwest Quarter a distance of 482.08 feet;
thence North 89 degrees 20 minutes 22 seconds East 55.00 feet;
thence North 81 degrees 27 minutes 40 seconds East 124.72 feet;
thence North 64 degrees 29 minutes 31 seconds East 52.66 feet to the POINT OF BEGINNING;
thence North 84 degrees 10 minutes 17 seconds East 254.31 feet;
thence North 82 degrees 42 minutes 55 seconds East 359.48 feet;
thence North 31 degrees 51 minutes 26 seconds East 280.10 feet;
thence South 58 degrees 08 minutes 34 seconds East 52.00 feet;
thence North 31 degrees 51 minutes 26 seconds East 224.58 feet to a tangent curve to the left and from which the radius point bears North 58 degrees 08 minutes 34 seconds West;

Exhibit "A" 1

P 2 of 2

thence Northeasterly along said curve an arc distance of 84.84 feet to a point from which the radius point bears North 71 degrees 06 minutes 21 seconds West, said curve having a radius of 375.00 feet;
thence South 71 degrees 06 minutes 21 seconds East 150.28 feet to the Westerly line of the Plat of Lantern Park Section 1 as recorded in Inst. No. 75-14441 in the Office of the Marion County Recorder;
thence South 00 degrees 39 minutes 23 seconds East along the Westerly line of said Plat of Lantern Park 1007.66 feet to the Southeast corner of the West Half of the Southwest Quarter of said Section 12;
thence South 89 degrees 16 minutes 46 seconds West along the South line of said Southwest Quarter a distance of 585.88 feet;
thence North 00 degrees 43 minutes 14 seconds West 55.00 feet;
thence North 45 degrees 43 minutes 14 seconds West 35.36 feet;
thence North 00 degrees 43 minutes 14 seconds West 80.00 feet to a tangent curve to the right and from which the radius point bears North 89 degrees 16 minutes 46 seconds East;
thence Northerly, Northeasterly and Easterly along said curve an arc distance of 23.56 feet to a point from which the radius point bears South 00 degrees 43 minutes 14 seconds East, said curve having a radius of 15.00 feet;
thence North 00 degrees 43 minutes 14 seconds West 50.00 feet;
thence South 89 degrees 16 minutes 46 seconds West 204.07 feet to a tangent curve to the right and from which the radius point bears North 00 degrees 43 minutes 14 seconds West;
thence Westerly, Northwesterly and Northerly along said curve an arc distance of 481.54 feet to a point from which the radius point bears North 84 degrees 10 minutes 17 seconds East, said curve having a radius of 325.00 feet and being the point of beginning. The above descriptions having a composite area of 19.025 acres more or less and containing 65 lots numbered 94 through 133 inclusive and 163 through 187 inclusive, together with streets and common areas all as shown on the plat hereon.

Subject to all legal easements and rights of way of record.

CONSENT TO SUBJECT LOTS TO DECLARATION

2

Paragus, Inc., as the owner of certain Lots in the Willows, Section IV, a subdivision in Marion County, Indiana, recorded as Instrument No. 95-0080486, in the Office of the Recorder of Marion County, Indiana, does hereby grant its consent to the recording of the Declaration of Covenants and Restrictions for the Willows, Section IV ("the Declaration"). A copy of the Declaration has been provided to and approved by Paragus before the grant of this consent. The Declaration shall subject Paragus' lots to certain rights, privileges, covenants, restrictions, easements, assessments, charges, and liens, each and all to the extent provided in the Declaration. Upon the recording of the Declaration and of this Consent, the Declaration shall be in full force and effect as to Paragus' lots as if the Declaration had been recorded prior to the transfer of said lots by Declarant to Paragus, Inc. Paragus consents to subject the Willows, Section IV lots in Paragus' name shall run with the land and be binding upon all successors, assigns and transferees as set forth in the Declaration.

Lots owned in the Willows, Section IV by Paragus, Inc.:

99, 131, 179, 187, 106, 178, 182, 163

IN WITNESS WHEREOF, the Paragus, Inc. has, through its authorized officer(s), hereunto set its name and consent this 15th day of April, 1995.

JOHN F. VON ARX
MARION COUNTY CLERK
007284 JUL-79
SUBJECT TO FINAL ACCEPTANCE
FOR TRANSFER

PARAGUS, INC.

By: Michael Mante

Printed: Michael Mante

Title: Vice President

Inst # 1995-0080487

