

"Exhibit A"

By-Laws of Ashford Lakes Homeowners Association, Inc.

ARTICLE I

Purpose; Definitions

Section 1. The Ashford Lakes Homeowners Association, Inc., a nonprofit corporation organized under the Indiana Not For Profit Corporation Act, has been established to administer Ashford Lakes, a Subdivision of Real Estate in Mount Pleasant Township, Delaware County, Indiana (a Planned Unit Development), pursuant to the Statement of Dedication of Ashford Lakes Subdivision and these By-Laws, as the same may be amended from time to time. Definitions contained in the Statement of Dedication apply herein.

ARTICLE II

Board of Directors

Section 1. Number and qualification. The affairs of the Subdivision shall be administered and managed by the Association of Owners, all power and authority of which shall be exercised through the Board of Directors. The Board of Directors shall be constituted of three persons. Until such time as limited by the Statement of Dedication of Ashford Lakes Subdivision, the majority of the Board of Directors shall be selected by the Developers; thereafter, the Board of Directors shall be elected by the Unit Owners.

During the period of time when the Developers shall select the majority of the Board of Directors, as provided in this Article II, at least one of the Directors not selected by the Developers shall be a representative of the Unit Owners owning and occupying a Unit within the Subdivision. Such Director shall be the President of Ashford Lakes Homeowners Association, Inc., unless another representative is duly elected by the Unit Owners to represent them on the Board by majority vote of Unit Owners.

Section 2. Powers and duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not by law, the Statement of Dedication, or by these By-Laws directed to be exercised and done by the Owners. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

(a) Maintenance, repair, replacement and operation of the Common Areas, including maintenance and repair of the drainage retention ponds and all surface and storm water drains located thereon.

(b) Establishing, assessing, and collecting of assessments from the Owners, to cover both current expenses and reserves, and maintaining accounting records.

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and facilities.

(d) Establishment and enforcement of rules and regulations as adopted for the conduct of Owners, occupants, and users of Ashford Lakes Subdivision and the Common Areas owned by the Association..

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize. In the event the Board of Directors authorize a Managing Agent to manage the financial affairs of the Association, the Secretary/Treasurer is relieved of that responsibility and cannot be held liable for the mismanagement, if any, of the Managing Agent.

Section 4. Election and term of office. Each Director shall be elected by a majority of the Unit Owners, except as set forth in Section 1 of this Article. For the first year, one Director shall be elected for a term of one year; one Director shall be elected for a term of two years; and one Director shall be elected for a term of three years. After the first year, the terms of the Director elected each year shall be three years.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the majority of the remaining Directors; provided that in the event of a deadlock, by the Developers in the Statement of Dedication and their successor Developer, or if the Developers are no longer entitled to designate a majority of the Board of Directors, then by a majority of the Unit Owners. Each so elected shall serve as a Director until the end of the terms of the Director whom he replaces.

Section 6. Removal of Directors. Developer-designated Directors may be removed and replaced by the Developers at any time. Member-designated Directors at any regular or special meeting duly called, may be removed with or without cause by a three-fourths vote of all of the members and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by any Owners shall be given an opportunity to be heard in the meeting and shall be afforded the right to have the vote on his removal adjourned to a new date not less than seven nor more than ten days from the date of the meeting at which the removal is proposed.

Section 7. Regular meeting. Regular meetings of the Board of Directors shall be held at such times and places as shall be

determined from time to time by a majority of the Directors. At least two such meetings shall be held during each fiscal year. Notice of the regular meetings of the Board of Directors shall be given by the Secretary to each Director personally, by mail, or by telephone, at least three days prior to the day named for such meeting.

Section 8. Special meetings. Special meetings of the Board of Directors may be called by the President, or any two members of the Board of Directors, on three days' notice to each Director, given personally, by mail, or by telephone, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Board of Directors' quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds, the premiums of which are deemed to be common expenses.

ARTICLE III

Members of the Association

Section 1. Membership. All owners of a Unit within Ashford Lakes Subdivision of Real Estate in Mount Pleasant Township, Delaware County, Indiana, shall be members of the Association.

Section 2. Place of meetings. Meetings of the Association members shall be held at such suitable place convenient to the Owners as may be designated by the Board of Directors.

Section 3. Annual meetings. The first annual meeting of the Association shall be held during the last week of November. Thereafter, the annual meetings of the Associations members shall be held during the last week of November in each succeeding year.

Section 4. Special meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors, or upon a petition signed by a majority of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the Owners present.

Section 5. Notice of meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Owner of record, at least five but not more than 30 days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present may adjourn the meeting to a time not in excess of seven days from the time the original meeting was called.

Section 7. Order of business. The order of business at all meetings of the Owners of Units shall be as follows:

- (a) Proof of notice of meeting or waiver of notice;
- (b) Reading of minutes of preceding meeting;
- (c) Reports of officers;
- (d) Report of committees;
- (e) At annual meetings, election of Directors (following the initial term of the initial Board of Directors);
- (f) Unfinished business; and
- (g) New business.

Section 8. Voting. Voting shall be on the basis of one vote for each Unit. The Owner of two or more Units shall be entitled to the sum total of the vote assigned to those Units.

Section 9. Majority of owners. As used in these By-Laws, the term "majority of Owners" shall mean those Owners holding 51% of the votes.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence of one-quarter of the owners of each unit entitled to vote, or their proxy, shall constitute a quorum.

Section 11. Proxies. Votes may be cast in proxy with respect to election of Directors at the annual meeting. Otherwise, all votes shall be cast in person. Proxies must be filed in writing with the Secretary at least ~~seven~~ ^{one} days prior to the appointed time of each meeting.

Section 12. Owners through foreclosure. Any mortgagee of a Unit through a mortgage foreclosure proceeding shall be deemed to be an Owner at the time of the recording of the Sheriff's deed. Said Owner shall from thence forth be deemed to be an Owner with all of the privileges, voting rights, and duties of an Owner.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. he shall have all the general powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. If the President is unable to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 6. Treasurer. In the absence of a Managing Agent, the Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. In the event the Association hires a Managing Agent, then all expenditures shall be approved by the Treasurer, or any other officer the Board of Directors may designate, in writing.

ARTICLE V

Obligations of the Owners

Section 1. Assessments. All Owners are personally obligated to pay, and all Units are subject to the lien for, periodic assessments imposed by the Association to meet all expenses incident to the repair, maintenance, improvement and replacement of Common Areas, including utilities, drainage facilities, and all other expenses reasonably incident to the operation, enjoyment, and furtherance of the best interest of the Owners within the Subdivision and the Association, as such assessments are fixed from time to time by the Board of Directors. Said common expenses may include liability and hazard insurance policy premiums for the protection of the Association, its officers and Directors, if deemed appropriate by the Board of Directors, for the protection of individual Unit Owners.

All assessments shall be uniform among Unit Owners.

The Board of Directors may enforce the collection of any assessment against any Owner and/or Unit by any lawful means including, but not limited to, the following:

(a) Recording a notice of lien with the County Recorder of Delaware County; and

(b) Filing suit against the individual Owner(s) of said Unit. The obligation of the Owner(s) to pay said assessments shall be joint and several. In any suit filed, the individual Owner(s) shall be liable to the Association for interest and reasonable counsel fees and costs entailed in the prosecution of said suit.

Section 2. Maintenance and repair.

(a) Common Areas. The Board of Directors acting for the Association shall perform promptly all maintenance and repair work required to properly maintain the Common Areas owned by the Association.

(b) Reimbursement to the Association. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Areas, or part thereof, damaged through the fault of such Owner, or any person coming within the limits of the Subdivision at the invitation or with the permission of said Owner(s) (including minor members of the Owner's family).

ARTICLE VI

Amendments to By-Laws

These By-Laws may be amended by the Board of Directors at any regular meeting of the Board, or any meeting called for such purpose. However, no amendment shall take effect unless approved by two-thirds of the members of the Board of Directors.

Amended By-Laws

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AMENDED STATEMENT OF DEDICATION

**AMENDED DEDICATION AND STATEMENT OF COVENANTS,
CONDITIONS, AND RESTRICTIONS OF ASHFORD LAKES,
A SUBDIVISION OF REAL ESTATE IN MOUNT PLEASANT
TOWNSHIP, DELAWARE COUNTY, INDIANA
(a Planned Unit Development)**

STEVEN L. MAINES and LAWRENCE C. BURDEN, as Developers of the following-described real estate in Delaware County, Indiana, to-wit:

The Fractional Northeast Quarter (1/4) of Section Three (3), Township Twenty (20) North, Range Nine (9) East, estimated to contain Ninety-six and Eighty-eight Hundredths (96.88) acres, excepting therefrom, the following, to-wit: Beginning at the Southwest corner of the Fractional Northeast Quarter (1/4) of Section Three (3), Township Twenty (20) North, Range Nine (9) East and running thence North on the West line of said Fractional Northeast Quarter (1/4) One Thousand Six Hundred Ten and Forty Hundredths (1,610.40) feet more or less, to the Northwest corner of said Fractional Northeast Quarter (1/4); thence east on the North line of said Fractional Northeast Quarter (1/4) Nine Hundred Twenty-six (926) feet; thence South parallel to the West line of said Fractional Northeast Quarter (1/4) One Thousand Six Hundred Ten and Forty Hundredths (1,610.40) feet, more or less, to the South line of said Fractional Northeast Quarter (1/4); thence West on said South line Nine Hundred Twenty-six (926) feet to the place of beginning, containing in said exception Thirty-four (34) acres, more or less, leaving after said exception 62.88 acres, more or less.

do hereby plat and subdivide a portion thereof as ASHFORD LAKES SUBDIVISION, SECTION A, which Subdivision is recorded in Plat Book _____ at pages _____ to _____, and ASHFORD LAKES SUBDIVISION, SECTION B, which Subdivision is recorded in Plat Book _____ at pages _____ to _____, thereof in the office of the Recorder of Delaware County, Indiana.

All of the lots in said Sections A and B of Ashford Lakes, and any other part of the above-described real estate, which hereafter is subdivided and platted as a lot in Sections C, D, etc., of Ashford Lakes, shall be subject to, and impressed with, the covenants, conditions, restrictions, and easements set forth

herein, all of which shall be considered covenants running with the land, and shall be for the benefit of owners of real estate within Ashford Lakes Subdivision and shall be enforceable by such owners (including Ashford Lakes Homeowners Association), their respective legal representatives, successors, and assigns.

All streets and utility easements shown on the plat are dedicated to the public for their usual customary uses.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Ashford Lakes Homeowners Association, Inc., an Indiana Not-for Profit Corporation, its successors and assigns.

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

Section 3. "Unit" shall mean and refer to an individually owned residence and the approximate one-half lot (Part A or Part B) upon which it is located if a duplex, or the whole lot if it is a single family dwelling.

Section 4. "Part A" or "Part B" shall mean and refer to that portion of a lot located on either side of the "Lot Division Line" as shown on the "Plat".

Section 5. "Common Areas" shall mean all the real estate owned by the Association for the common use and enjoyment of the Owners.

Section 6. "Common Expenses" shall mean and refer to the expenses of administration of the Association and expenses for the upkeep, maintenance, repair, and replacement of the Common Areas and all sums lawfully assessed against the Owners by the Association as from time to time provided by its By-Laws.

Section 7. "By-Laws" shall mean the By-Laws adopted by Ashford Lakes Homeowners Association, Inc., and all amendments and additions thereto.

Section 8. "Developers" shall mean and refer to Steven L. Maines and Lawrence C. Burden, both jointly and severally, as the context may require.

Section 9. "Subdivision" and "Plat" shall mean and refer to Ashford Lakes, a Subdivision of Real Estate in Mount Pleasant Township, Delaware County, Indiana, including any part of the real estate described above, which shall hereafter be platted as a section of Ashford Lakes Subdivision.

Section 10. "Planned Unit Development," ("PUD"), shall mean and refer to the development and construction within the Subdivision of one unitary structure (duplex) per Lot, with a Party Wall located on the center line of such Lot. On either side of said Party Wall there may be a separate and distinct Dwelling Unit.

New Section 10 (B). However, nothing in this section shall be deemed to preclude or prevent a Lot Owner from constructing a single family dwelling on any Lot or "Part A" or "Part B" of any Lot.

Section 11. "Lot" shall mean and refer to a platted Lot consisting of "Part A" and "Part B" in the original plat of Ashford Lakes Subdivision and all subsequently platted sections thereof where the context would so require.

Section 12. "Occupant" shall mean and refer to a person, other than a Unit Owner, who is in possession of a Unit.

Section 13. "Majority of Unit Owners" shall mean and refer to those Unit Owners who collectively own fifty-one percent (51%), or more, of the existing Units.

Section 14. "Party Wall" shall mean and refer to the wall dividing two Dwelling Units, which wall shall be located on the Lot Division Line.

Section 15. "Architectural Control Committee" shall mean and refer to those persons initially appointed by the Developers. The members shall be subject to removal by the Association at any time with or without cause. Any vacancies from time to time shall be filled pursuant to the By-Laws of the Association.

Section 16. "Dwelling Unit" shall mean and refer to the residential living space constructed for human habitation and, except where the context clearly indicates otherwise, shall include such Unit's attached garage area.

Section 17. "Lot Division Line" shall mean and refer to that line which is located approximately equal distance from each side Lot line, which is specifically located and drawn as a broken line on the Plat.

ARTICLE II

GENERAL PLAN OF DEVELOPMENT

The proposed development area is comprised of approximately twenty-five (25) acres, more or less, as described above. There is submitted in this Amended Statement of Dedication at the present time only the property described in the Plat of Ashford Lakes Subdivisions, Section A and Section B, more particularly described as follows, to-wit:

See Attached Exhibit "A"

Developers anticipate that, they will, from time to time, in accordance with Article III herein, be submitting additional property from the real estate first above described, PROVIDED, however, any such real estate submitted as a new section to Ashford Lakes Subdivision shall be subject to the terms and conditions of this Amended Statement of Dedication. Developers shall be under no obligation to add any additional sections to said Subdivision and this Amended Statement of Dedication.

ARTICLE III

INCLUSION OF ADDITIONAL REAL ESTATE

Section 1. Developer's Right to Include Additional Real Estate. If, within five (5) years of the date of incorporation of the Association, the Developers should plat portions of the real estate described above as sections of Ashford Lakes Subdivision, then such real estate shall be considered a part of said Subdivision and subject to the Amended Statement of Dedication with all of the rights and obligations as if said section of said Plat had been included in the original Subdivision.

ARTICLE IV

PROPERTY RIGHTS AND CONVEYANCES

Section 1. Land Use. Not more than one residential duplex may be constructed on any platted Lot. Each duplex shall be constructed with a Party Wall located on the Division Line of such Lot. However, nothing in this Section shall be deemed to preclude or prevent a Lot Owner from constructing a single family dwelling on any Lot.

Section 2. Subdivision of Lots. Each Lot may be subdivided along the Division Line of such Lot as shown on the Plat, and a single family dwelling may be constructed on each Lot so subdivided.

Section 3. Conveyances. Each Unit may be conveyed as a separately designated and legally described freehold estate, subject to the covenants, conditions, and restrictions contained herein. Units may be conveyed by identifying the Lot number, followed by the suffix "Part A" or "Part B", indicating the applicable Part of the Lot by reference to the plat. Such conveyance shall read substantially as follow: Lot 12 Part B in Ashford Lakes, Section A, a Subdivision of Real Estate in Mount Pleasant Township, Delaware County, Indiana, dated _____, 199____, as appears at Plat book _____ at page _____ thereof in the office of the Recorder of Delaware County, Indiana (the date, book, and page to be the time and record of recordation of the plat and covenants).

Section 4. Owner's Rights of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas in common with all other Owners and such rights and easements shall be appurtenant to and pass with the title of every Unit. Such rights and easements shall inure to the benefit of the Owner, his family, guests, tenants, and contract purchasers.

Section 5. Title to the Common Areas. The Developers hereby covenant for themselves, their successors, and assigns that they will convey fee simple title to the Common Areas of the Plat to the Association, free and clear of all encumbrances and liens, at or before the conveyance to an Owner of the first Unit located within the Plat; and that they will convey fee simple title to the Common Areas located within a subsequently platted Section of the real estate described above, free and clear of any encumbrances and liens prior to or upon the conveyance of the first Unit located within any subsequent Section of the Subdivision.

ARTICLE V

ASSOCIATION, MEMBERSHIP, AND VOTING RIGHTS

The Association shall be a nonprofit corporation under the laws of the State of Indiana, subject to the following:

Section 1. Membership. The members of the Association shall consist of all the record owners of Units. Upon the recording of a deed, which conveys title to the Unit, the grantee of such deed shall become a member of the Association, and the membership of the Unit grantor shall be thereby terminated. Membership shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 2. Voting. Each member of the Association shall be entitled to cast one vote for each Unit owned by him; provided however, that no more than one vote shall be allowed for any one Unit. If a Unit is owned by more than one person, or owned by a corporation, a certificate of appointment, designating the individual entitled to cast the vote for the Unit shall be filed with the Secretary of the Association. Such certificate shall be valid until revoked, or until superseded by a subsequent certificate, or until a change of ownership in the Unit occurs. A certificate designating the person entitled to cast the vote of the Unit may be revoked by an owner of the Unit. The Secretary may waive the filing of the certificate where the Unit is owned by a married couple and only the husband or wife votes.

Section 3. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors, each of whom shall be bonded and who shall be designated in the manner provided in the By-Laws. Notwithstanding any provision of the By-Laws of Ashford Lakes Homeowners Association, Inc., the Developers, for themselves and for their successor Developer, reserve the right and shall be entitled to elect a majority of the Board of Directors of the Ashford Lakes Homeowners Association, Inc., until the expiration of seven (7) years from the date of the recording of this instrument, or, if sooner, until the sale and transfer of title of all of the lots of the Subdivision. The within reservation may not be amended, rescinded, revoked, modified, or altered without the express consent of the Developers, or their successor Developer.

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, or any settlement thereof, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties.

Section 4. Limitation upon Liability. Notwithstanding the duty of the Association to maintain, operate, replace, and repair the Common Areas, the Association shall not be liable for injury or damage, other than the cost of maintenance, operation, replacement, and repair, caused by a latent condition of the property to be maintained, operated, replaced, and repaired by the Association, or by the elements, or by other Owners or persons.

Section 5. Property in Trust. All funds and title to property acquired by the Association and the proceeds thereof shall be held in trust for the members of the Association in accordance with the provisions of this Amended Statement of Dedication and the

By-laws; provided, however, that the Association may deal with such funds and title as it deems to be in the best interest of the Association.

Section 6. By-Laws. The By-Laws of the Association shall be in the form attached hereto as Exhibit "A".

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS UNIT OWNERS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of Unit (excluding the Developers), by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and special assessments for maintaining Common Areas, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Developers shall only be responsible for such assessments and subject to such liens whenever Developers derive income from any Unit by virtue of a contract sale or lease thereof.

All sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis and shall include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Areas and facilities, which funds shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas and facilities. This fund for capital expenditures shall be maintained in a separate interest bearing account with a bank or savings and loan association authorized to conduct business in the county in which the Association is established.

The annual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Unit (other than Developers' Units), and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title, unless expressly assumed by them, but such delinquent accounts shall remain a lien upon the Unit subject to foreclosure.

Section 2. Purpose of Assessments. The assessments levied by the Association on a Unit shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the Common Areas.

Section 3. Date of Commencement of Annual Assessments: Due Dates. the annual assessments, provided for herein, shall commence as to all Units on the first day of the month following the initial conveyance of the commons Areas to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid. A properly executed certificate of the Association as to the status of assessment on a Unit is binding upon the Association on the date of its issuance.

Section 4. Uniform Rates of Assessment. Both annual and special assessments for capital improvements shall be fixed at a uniform rate for applicable Units. Annual assessments may be paid on a monthly, quarterly, or semiannual basis, but, if paid on other than an annual basis, default in the payment of any one installment shall cause the entire unpaid assessment for the year in which the delinquency occurs to become immediately due and payable.

Section 5. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment (or monthly installment of such assessment, if applicable) is not paid on the date when due (pursuant to Section 3 hereof), then the entire unpaid assessment shall become delinquent and shall become, together with such interest thereon and cost of collection thereof, as hereinafter provided, a continuing lien on the relevant property, binding upon the then Owner, his heirs, devisees, successors, and assigns. The personal obligation of the then Owner to pay such assessments, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the voting rights of the Unit Owner shall be suspended until such assessment is paid, and such assessment shall bear interest from the date of delinquency at the maximum permissible rate allowed under Indiana law, and the Association may bring an action at law against the owner personally obligated to pay the same, or to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in

the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his Unit.

Section 6. Subordination of the Lien to Mortgages. the lien of the assessments provided for in this Article shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit 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 Unit from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

MAINTENANCE

Section 1. Maintenance. The Owner of each Unit shall keep his portion of the building in which he resides neat and attractive, and shall perform such maintenance as may be reasonably necessary to protect the value of neighboring property. No Owner may change the exterior color of hi Unit unless all unit Owners have agreed to such color change, and all other Unit Owners on the building Lot change their Units to the same color simultaneously. In the event an Owner of any Unit in the Subdivision shall fail to maintain the improvements, lawn, and shrubbery of such unit in a manner satisfactory to the Board of Directors, the Association, after approval by a two-thirds (2/3) vote of the Board of Directors shall have the right, through its agents and employees, to enter upon said Unit to maintain, repair, and restore the same. The cost of such maintenance shall be added to and become a part of the assessment to which such Unit is subject and shall be enforced in the same manner as other assessments provided for herein.

Section 2. Maintenance of Common Areas. The Association shall be responsible for the maintenance, repair, and replacement of all the Common Areas and improvements thereon. The Association shall also repair and maintain the drainage retention ponds designed and constructed, and shall not permit such drainage system or ponds to be modified in any manner that would diminish the ponds' retention capacity or vary the elevation of any outlet pipe.

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

ARTICLE VIII

INSURANCE

Section 1. Insurance - Common Areas. The Board of Directors of the Association shall also have the authority to and shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, and workmen's compensation insurance, and other liability insurance as it may deem desirable, insuring each Owner and the Association, its Board of Directors, and any of its employees or agents from liability in connection with the Common Areas. Where agreeable to the insurer, all liability insurance policies shall contain cross-liability endorsements to cover liability of the Owners collectively to an owner individually.

Section 2. Insurance - Unit Owner. Each Owner shall have the right to purchase any additional insurance he deems necessary and he shall be responsible for all insurance on his Unit and the contents thereof, decorating, furnishings, and personal property therein, and his personal liability to the extent not covered by the liability insurance for all Owners obtained as a part of the common expenses as above provided. Individual Unit Owners shall have the exclusive right to settle, adjust, or litigate any claims under any policies purchased by and paid for by the respective Unit Owners individually. Unit Owners of a particular Lot shall jointly insure the roof serving all Unit Owners of that Lot, the cost of which shall be share by the Owners of all Units located on such Lot.

Section 3. Owner's Liability and Casualty Insurance. No person other than the Owner, or his mortgagee where permitted by his mortgage, shall have the right to place hazard or liability insurance on his Unit. There may not be any requirement imposed to insure through a particular company or agent, or to require the policies be approved by the Association or Developers. Proceeds of insurance shall not be required to be paid to anyone other than the Owner and/or his mortgagee.

Section 4. Casualty and Restoration. In the event of damage or destruction of any Common Area, then the Association shall cause such damaged or destroyed Common Area to be promptly

repaired and restored. The proceeds of the insurance carried by the Association and/or Owner covering their respective obligations hereunder shall be applied to the repair and restoration of the Common Area or Unit, as the case may be.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. The wall placed on the Division Line of the Lot shall constitute a Party Wall. To the extent not inconsistent with the provisions of this Article, the general rules of law of the State of Indiana regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The costs of repair and maintenance of each Party Wall shall be shared equally by the Owners who share such wall.

Section 3. Destruction by Fire or Other Casualty. In the event of damage or destruction of said wall from any cause, other than the negligence of either party thereto, the then Owners shall, at their joint expense, repair, or rebuild said wall and each party, his successors, and assigns, shall have the right to the full use of said wall so repaired or rebuilt. If either party's negligence shall cause damage or destruction of said wall, such negligent party shall bear the entire cost of repair, or reconstruction. If either party shall neglect or refuse to pay his share, or all of such cost in case of negligence, the other party may have such wall repaired or restored and shall be entitled to have a mechanic's lien on the premises of the party so failing to pay for the amount of such defaulting party's share of the repair or replacement cost.

Section 4. Right to Contribute Runs with Land. The right of any Owner to a contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 5. Access to Utilities, Etc. Either party shall have the right to break through the Party Wall for the purpose of repairing or restoring sewage, water, and/or utilities subject to the obligation to restore said wall to its previous structural condition at his own expense, and the payment to the adjoining owner of any damages negligently caused thereby.

Section 6. Permanent Location. Neither party shall alter or change said Party Wall in any manner, interior decoration excepted, and said Party Wall shall always remain in the same location as when erected, and each party to said common or division

wall shall have a perpetual easement in that part of the premises of the other on which said Party Wall is located for party wall purpose.

Section 7. Perpetual Easement for Encroachments. If any portion of a dwelling Unit shall for any reason encroach upon any other half Lot as a result of the construction of the Unit, a valid, perpetual easement for the encroachment and for its maintenance is retained by the Developers for their benefit, and for the benefit of the Association and any Owner of a Unit whose Unit is affected thereby, and shall exist perpetually. In the event the building, or the improvement, shall be partially or totally destroyed as a result of fire, or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment shall be permitted, and a valid easement for such encroachments is hereby reserved by the Developers for their benefit, and for the benefit of the Association and any Owner of a Unit whose Unit is affected thereby, and shall exist perpetually.

ARTICLE X

GENERAL PROVISIONS

Section 1. Covenants Run with Land. All restrictions, reservations, covenants, conditions, and easements contained in this Amended Statement of Dedication shall constitute covenants running with the land, and all grantees, devisees, or mortgagees, their heirs, personal representatives, successors, and assigns, and all parties claiming by, through, or under such persons, agree to be bound by the provisions of (a) this Amended Statement of Dedication, and (b) the Articles of Incorporation and By-Laws of the Association which will be the entity responsible for the operation and maintenance of the Common Areas.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Amended Statement of Dedication. Failure by the Association, or by any Owner, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 4. Effect of Waiver of Violation. No waiver of a breach or violation of any of the terms, provisions, and covenants in this Amended Statement of Dedication, or in its Articles of Incorporation and By-Laws of the Association, shall be construed to be a waiver of any succeeding breach of the same term, provisions, or covenant of this Amended Statement of Dedication, or the Articles of Incorporation and By-Laws of the Association.

Section 5. Instruments Governing Common Areas and Owners of Units. This Amended Statement of Dedication, and the Articles of Incorporation and the By-Laws of the Association, which are attached hereto and made a part hereof, and any lawful amendments, from time to time to said instruments, shall govern the Common Areas and the rights, duties, and responsibilities of the Owners of Units.

Section 6. Duration. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Plat shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Unit subject to this Plat, their respective legal representatives, heirs, successors, and assigns for a term of twenty-five (25) years from the date of recordation of these covenants and restrictions, after which the said covenants shall be automatically extended for successive periods of ten (10) years each, unless by a two-thirds (2/3) vote of the members of the Association such covenants and conditions are amended, altered, or revoked.

Section 7. Notice to Owners. Whenever notices are required to be given hereunder, the same shall be sent to the Owners by certified mail at the address of the residence situated upon the Lot. Such notices shall be deemed given when deposited in the United States Mail, Postage Prepaid. Any Owner may change his mailing address by written notice given to the Association.

Section 8. Gender. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular.

ARTICLE XI

MORTGAGEE'S RIGHTS

Section 1. Notice of Rights of Mortgagee of a Unit. Upon written request by a mortgagee to the Association, mortgagee of a Unit shall be entitled to receive written notification of any default, not cured within sixty (60) days after its occurrence, by the Owner of the Unit of any obligation of the Owner under the Covenants, the By-Laws of the Association, or the Articles of

Incorporation of the Association. The request for notification can be made by any mortgagee of the Unit, its successors, or assigns. The notification shall be sent not later than the sixty-fifth (65th) day after the occurrence of an uncured default.

Section 2. Right to Examine Books and Records. Mortgagees, their successors, or assigns, shall have the right to examine the books and records of the Association.

Section 3. Right to Reimbursement. First mortgagees of Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of all first mortgagees duly executed by the Association.

Section 4. Insurance Proceeds and Condemnation Awards. No provision of the constituent documents shall give a Unit Owner or any other party, priority over any rights of first mortgagees of Units with the properties pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

ARTICLE XII

HARMONY AND ENVIRONMENTAL CONTROLS

Section 1. Architectural Control Committee. Except for original construction, or as otherwise in these covenants provided, no building, fence, sidewalk, drive, walk, or other structure shall be created, placed, altered, or maintained upon the properties, nor shall any exterior addition to, or change (including any change in color), or alteration therein be made until the proposed building plans, specifications, exterior color, and finish, plot plans (showing the proposed location of such building or structure, drives, and parking areas), by the general contractor and all subcontractors, and construction schedule shall have been submitted to, and approved in writing by, the Architectural Control Committee. Refusal of approval of plans, location, or specification by said Architectural Control Committee may be based upon any ground, including, without limitation, lack of harmony of external design, color, location, or relation to surrounding structures and topography and purely aesthetic considerations which, in the sole and uncontrolled discretion of said Architectural Control Committee shall deem sufficient. No alterations may be made in such plans after approval by the

Architectural Control Committee is given, except by and with its prior written consent. One copy of all plans, specifications, and related data shall be furnished the Architectural Control Committee for its records. In the event the Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Notice of disapproval shall be by certified mail, return receipt requested.

Section 2. Fences. Except for original construction, no fence, hedge, or wall shall be constructed upon the properties without the prior written approval of the Architectural Control Committee.

Section 3. Roofs. All roofs on a Lot in the Subdivision shall be shingled with the same color shingles. Some roofs for two Units will be build as one continuous roof. Should such a roof in its entirety need to be replaced or repaired, each Owner shall be responsible for an equal share of the expense of such replacement or repair. In the event of damage by fire or other casualty as to only a portion of the roof, the party owning the portion of the roof so damaged shall be solely responsible for its repair, it being the intent of this paragraph that the Owners jointly share only that expense as is occasioned by the necessity of repairing or replacing an entire continuous roof as a result of its normal wear and tear, or its total destruction.

Section 4. Exterior. The front exterior of all Units shall be finished with brick veneer using one of the following three bricks:

1. General Clay Corinthian
2. General Clay Saint Armand
3. Sioux City Aztec White

Section 5. Location of Garage Doors. Only one of each two contiguous Units may have a garage door, or doors, which face the street upon which it fronts. No Units shall be remodeled or reconstructed in violation of this covenant. In the event of destruction, of the Unit or Units, the Unit which originally had a permissive front garage door shall have the exclusive right to such construction.

PROVIDED, however, in the event that an Owner chooses to construct a single family dwelling, each single family dwelling may have a garage door facing the street.

Section 6. Driveways. All driveways from the street to the garage shall be poured concrete, masonry, or asphalt and not less than twelve (12) feet in width.

Section 7. Landscaping. Each Lot shall be landscaped by planting of not less than two (2) shade trees and such foundation landscaping as the Architectural Control Committee shall deem appropriate.

Section 8. Living Space. No single family dwelling Unit (exclusive of garage area) shall be constructed on one Unit with less than twelve hundred (1200) square feet of living space.

Provided that no dwelling constructed on two Units (exclusive of garage area) shall have less than eighteen hundred (1800) square feet of living space.

Section 9. Side Walks. Each Lot shall have a side walk constructed along each Lot line that borders a street. Such side walk shall be located five (5') feet back from the back of the street curb. The side walks shall be constructed out of 3500-lb. concrete and shall be four (4') feet in width and a minimum of four (4") inches thick.

Section 10. Prohibited Uses and Nuisances. Except for the activities of the Developers during original construction:

(a) No noxious or offensive trade or activity shall be carried on or upon any Lot, within any Unit situated upon a Lot, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or the other Unit owners.

(b) The maintenance, keeping, boarding and/or raising of animals; livestock; or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any Unit situated upon the properties, except that this shall not prohibit the keeping of dogs, cats and/or caged bird or other unobjectionable domestic pets, provided they are not kept, bred or maintained for commercial purposes.

(c) No burning of any trash and no accumulation or storage of litter, new or used building materials, or trash of any kind, shall be permitted on any Lot.

(d) Except as herein elsewhere provided, no junk vehicle, motorcycle, commercial vehicle, trailer truck, camper, camp truck, house trailer, boat, or the like, shall be kept upon the properties (except in enclosed garages) nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles, or the like.

(e) In order to facilitate the free movement of passing vehicles, no automobiles belonging to owners shall be parked on the streets, except during bona fide temporary emergencies.

(f) Except as may be approved in writing by the Board of Directors, or their designated committee, no structure of a temporary character, trailer, tent, shack, barn, or other outbuilding shall be used on any portion of the property at any time.

(g) Except for entrance signs, directional signs, community "theme" and the like, no signs of any character shall be erected, posted, or displayed upon, in or about any Unit situated upon the properties, unless specifically permitted by a written resolution adopted by the Board of Directors.

(h) No structure, planting, or other material, other than driveways or sidewalks, shall be placed or permitted to remain upon any portion of the properties which may damage or interfere with any easement for the installation or maintenance of utilities, or which may change, obstruct, or retard direction or flow of any drainage channels.

(i) Garage doors shall be maintained in a closed position when not being used for immediate ingress and egress.

(j) There shall be no violation of any rules for the Common Areas which may from time to time be adopted by the Board of Directors, or promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in the By-Laws, authorized to adopt such rules.

DEVELOPERS:

(STEVEN L. MAINES

(LAWRENCE C. BURDEN

