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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ARBOR SPRINGS**

THIS DECLARATION, made on the 9th day of October, 1996, by *HG DEVELOPMENT, an Indiana General Partnership*, ("Declarant"),

WITNESSES:

WHEREAS, Declarant is the owner of certain real estate (the "Property"), located in Johnson County, Indiana, which is more particularly described in Exhibit "A", attached hereto and by this reference, made a part hereof.

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

ARTICLE I

Name

The subdivision of the Property created by this Declaration shall be known and designated as *ARBOR SPRINGS*, a subdivision located in Johnson County, Indiana.

ARTICLE II

Definitions

Section 2.1 "Declarant" means *HG DEVELOPMENT, an Indiana General Partnership* and its successors and assigns as a declarant.

Section 2.2 "Development Period" means the period of time commencing with Declarant's acquisition of the Property and ending when Declarant has completed the development and sale of, and no longer owns, any Lot or any other portion of the real estate in the Property.

Section 2.3 "Dwelling Unit" means any single-family residence situated upon a Lot (as hereafter defined).

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Section 2.4 "Lot" means any parcel of land designated as such upon the Plat (as hereinafter defined) or, after construction, that parcel of land upon which there is constructed a Dwelling that is conveyed to an Owner (as hereinafter defined) by the Declarant. Subject to any necessary approval of the appropriate governmental authority, a "Lot" may contain portions of real estate greater or less than its originally platted dimensions should the Declarant deem it advisable in order to accommodate the construction of a Dwelling Unit.

Section 2.5 "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but otherwise excluding those having such interest merely as security for the performance of an obligation. Unless specifically indicated to the contrary, the term "Owner" shall include the Declarant.

Section 2.6 "Plat" means the subdivision plats of the Property which is recorded with Recorder of Johnson County, Indiana, as the same may be hereafter amended or supplemented pursuant to this Declaration.

Section 2.7 "Property" means the real estate described in Exhibit "A".

ARTICLE III

Property Rights, Easements and Encroachments

Section 3.1 Defined Utility, Sewer and Drainage Easements. There are strips of ground reserved for utility, sewer and drainage easements ("U. & D. E.") shown on this plat which are hereby reserved to the appropriate governmental entities and public utilities for the installation and maintenance of swales, ditches, pipes, drains, sanitary sewers, manholes, detention and retention areas or other drainage facilities. Purchasers of lots in this subdivision shall take title subject to the easements hereby created and subject at all times to the rights of proper authorities to service and maintain the drainage facilities and easements hereby created and no permanent structure of any kind and no part thereof except fences which do not retard or impede the flow of drainage water, shall be built, erected or maintained on said drainage easements. It shall be the responsibility of the owners of the areas enclosed within the drainage easements to maintain such areas in such conditions that the flow of storm drainage waters on, across and from said areas shall not be impeded, diverted or accelerated. Such use for storm water movement or retention or detention is hereby declared to be an easement and servitude upon said land for the benefit of the owners of other land included within the Plat, upstream or downstream, affected by such use and for any proper governmental agency or department. All proper governmental agencies or departments are hereby given the right to obtain access to such areas to perform maintenance and to perform such maintenance as may be necessary to protect that easement and servitude rights. It shall be the responsibility of the owner of any lot or parcel of land within the plat to comply at all times with the provisions of the drainage plan as approved for the applicable Plat by the appropriate governmental agency or department and the requirements of all drainage permits for such Plat issued by those agencies. Failure to so comply shall operate

as a waiver and release of the Declarant, the developer, or their engineers and agents from all liability as to damage caused by storm waters or storm drainage.

Further, there are easements and servitudes upon the land within the plat in favor of surface water runoff along natural valleys and drainage channels running to owners of other land contained within the Plat, upstream and downstream. It shall be the responsibility of the owners of these natural valleys and channels to use their land and maintain said natural valleys and channels in such manner and condition that the flow of storm drainage waters on, across, from and to such areas shall not be impeded, diverted or accelerated.

Section 3.8 Street Dedication. All streets now or hereafter located upon the Property are hereby dedicated to the public.

ARTICLE VI

Use, Restrictions, and Architectural Control

Section 4.1 Lot Use and Conveyance. All Lots shall be used exclusively for single family detached residential purposes. Except as provided in the Declaration, no Lot shall be subdivided to form units of less area. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein.

Section 4.2 Architectural Control. No building, fence, wall or other structure, except original construction of Dwelling Units by or on behalf of the Declarant shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein, other than by the Declarant, be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant until the end of the Development Period. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor as above provided. In the event that written approval is not received as required hereunder within thirty (30) days after complete plans and specifications have been submitted, approval will not be required and this Section will be deemed to be fully complied with.

Section 4.3 Leasing. Any Lot may be leased by its Owner.

Section 4.4 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes.

Section 4.5 Outside Storage. All clotheslines, equipment, garbage cans, service yards, woodpiles or storage piles shall be kept from view of neighboring homes and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. Trash must be stored in enclosed containers.

Section 4.6 Antenna and Satellite Dishes. All outside antennas or satellite dishes shall conform to standards set forth by the Architectural Review Committee.

Section 4.7 Setback Lines. Front Building Lines are hereby established as shown on the foregoing plat between which line and the right-of-way lines there shall be erected, place or altered no structure or part thereof except that fences in keeping with architectural style as specifically approved by the Architectural Review Committee will be permitted, except that in no case will such fences be permitted on the public right-of-way. The building lines which are from public right-of-way lines are parallel to and measured perpendicularly from these public right-of-way lines.

Section 4.8 Other Requirements. The minimum separation between dwelling units shall be twelve (12) feet and the minimum rear yard requirement shall be fifteen (15) feet, all as established by the applicable zoning ordinance.

Section 4.9 Temporary Structures and Outbuildings. No structure of a temporary character, tent, shack, basement, garage, barn or other out-building shall be erected, placed, or altered upon any lot FOR USE AS A RESIDENCE either temporarily or permanently or at any time be used for such purpose.

Section 4.10 Motor Vehicle Repair and Storage. The repair or storage of inoperative motor vehicles or material alteration of motor vehicles shall not be permitted on any lot unless entirely within a garage permitted to be constructed by these covenants, conditions and restrictions.

Section 4.11 Nuisances. No noxious or offensive activities shall be carried on or be permitted to exist on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance. Any structure or building permitted to be constructed on any lot by these covenants, which may be all or in part destroyed by fire, wind, storm or any other reason, shall be rebuilt and restored to its previous condition within a reasonable length of time, and all debris accumulated in connection therewith shall be removed within a reasonable time after any such occurrence.

Section 4.12 Permitted Uses. No use shall be made of any lot in this subdivision except as permitted by the applicable zoning and subdivision control ordinances under which this Property is developed.

Section 4.13 Drains. No house footing drain or roof water drain shall be discharged into the sanitary sewers.

Section 4.14 Number of Dwelling Units. The number of Dwelling Units shall not exceed the number of platted lots within the Property.

Section 4.15 Residential Use. Lots may be used only for residential purposes and only for one single-family dwelling, a private garage, and other such outbuildings as are usual and incidental to the use of a residential lot may be constructed thereon. All lots in this subdivision shall be designated as residential lots, and no home shall exceed two and one half (2-1/2) stories or thirty-five (35) feet in height.

Section 4.16 Size. Subject to any further restrictions imposed by any recorded commitment and the applicable Zoning Ordinance, every single-family dwelling erected, placed, altered or maintained on any lot within this subdivision shall have a minimum living area exclusive of open porches, unfinished basements and attached garages of not less than twelve hundred (1200) square feet as required by the applicable Zoning Ordinance, and every multi-level, single-family dwelling erected, placed, altered or maintained on any lot within this subdivision shall have a minimum living area exclusive of open porches, unfinished basements and attached garages of not less than fifteen hundred (1500) square feet as required by the applicable Zoning Ordinance.

Section 4.17 Unsightly Growth. In order to maintain the standards of the Property, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any land, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Failure to comply shall warrant the Declarant to cut weeds or clear the refuse from the Property at the expense of the Owner, and there shall be a lien against said Property for the expense thereof, which lien shall be due and payable immediately. If such lien is not promptly paid, the Declarant may file suit and recover such amount together with reasonable attorneys fees and costs of collection.

Section 4.18 Site Visibility. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) feet and six (6) feet above the street shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting points twenty-five (25) feet from the intersection of said street lines, or in the case of a rounded property corner from the intersection of the street lines extended. The same sightline limitations shall apply to any lot within ten (10) feet from the intersection of a street line with the edge of a driveway pavement or alley line. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. No fences shall be permitted to be constructed between the front set back line and the street curb.

Section 4.19 Semi-tractor trucks and trailers. No semi-tractor trucks and/or semi-tractor trailers shall be permitted to park on the Property for more than eight (8) hours unless fully enclosed inside a building, or unless the same is necessary and incident to the Declarant's, or builder's business on the Property.

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Section 4.20 Development and Sale Period. Nothing contained in this Article 6 shall be construed or interpreted to restrict the activities of Declarant or a Builder in connection with the development of the Property and sale of Lots. During the Development Period, Declarant or a Builder shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities, upon any portion of the Property at any time owned or leased by Declarant or a Builder, as in the sole opinion of Declarant or a Builder may be reasonably required, or convenient or incidental to, the development of the Property and sale of the lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices.

Section 4.21 Outside Use of Lots. Except in an individual patio area appurtenant to a Dwelling Unit, no planting or gardening shall be done, and no fences, hedges, walls or other improvements shall be erected or maintained upon the Property except such as installed in accordance with the initial construction of the buildings located thereon or as approved by the Declarant. Above ground swimming pools are prohibited on the Property.

ARTICLE V

Maintenance, Repairs and Replacements

Section 5.1 By Owners. Except as specifically provided in this Declaration, each Owner shall furnish and be responsible for the maintenance of all portions of his Lot. All fixtures and equipment installed within or as part of the Dwelling Unit, commencing at the points where the utility lines, pipes, wires, conduits or systems enter the Lot upon which said Dwelling Unit is located, shall be maintained and kept in repair by the Owner thereof. Each Owner shall promptly perform all maintenance and repair of his Lot and Dwelling Unit which, if neglected, might adversely affect any other Lot or Dwelling Unit. Such maintenance and repairs include, but are not limited to, all exterior surface, siding, roof, gutters, internal water lines, plumbing, electric lines gas lines, appliances, and all other fixtures, equipment and accessories belonging to the Owner and a part of or appurtenant to his Dwelling Unit or Lot.

ARTICLE VI

General Provisions

Section 6.1 Right of Enforcement. In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant or any Owner and all parties claiming under them shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue any and all remedies, at law or in equity, available under applicable Indiana law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorneys' fees and the costs and expenses incurred as a result thereof.

Section 6.2 Severability and Waiver. Invalidation of any one of the covenants, restrictions or provisions contained in this Declaration by judgment or court order shall not in any way affect any of the other provisions hereof, which shall remain in full force and effect. No delay or failure by any person to enforce any of the restrictions or to invoke any available remedy with respect to a violation or violations thereof shall under any circumstances be deemed or held to be a waiver by that person of the right to do so thereafter, or as estoppel of that person to assert any right available to him upon the occurrence, recurrence or continuation of any violation or violations of the restrictions.

Section 6.3 Amendment. During the first- twenty (20) years following its recordation, this Declaration may be amended or modified at any time by an instrument recorded in the Office of the Recorder of Johnson County, Indiana, approved and signed by at least ninety percent (90%) of the then Owners, and thereafter by an instrument signed by at least seventy- five percent (75%) of the then Owners. Provided, however, that none of the rights or duties of Declarant reserved or set out hereunder may be amended or changed without Declarant's prior written approval. Except as prohibited below, this Declaration may also be amended by Declarant, if it then has any ownership interest in the Property, at any time within four (4) years after the recordation hereof. Any amendment must be recorded. Neither the Owners nor Declarant shall effect any of the following changes without the prior written approval of two-thirds (2/3) of the first mortgagees of the Lots (based upon one (1) vote for each mortgage owned) and two-thirds (2/3) of the Owners of Lots (excluding Declarant or Builder):

(a) By act or omission change, waive or abandon any scheme of regulations or their enforcement pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, party walks, common fences and driveways, and the upkeep of lawns and plantings in the Property;

(b) Change the boundaries of any Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, except as provided for in this Declaration;

(c) Allow for the expansion or contraction of the development, or the addition, annexation or withdrawal of property to or from the development;

(d) Any change in the manner in which units may be leased except as set forth in this declaration;

(e) Any imposition of any restriction on a Dwelling Unit Owner's right to sell or transfer his or her Dwelling Unit;

(f) Any action to terminate the legal status of the development after substantial destruction or condemnation occurs;

(g) Any provision that expressly benefits mortgage holders, insurers or guarantors; or

(h) Any termination of legal situs of the development for reasons other than substantial destruction or condemnation of the Property.

If an addition or amendment is not considered as a material change, such as the correction of a technical error or the clarification of a statement within the Declaration or other constituent documents, there shall be an implied approval to be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after proposal is made. The covenants, restrictions and all other provisions of this Declaration shall with the land and shall be binding upon the persons owning any portion of the Property and all parties claiming under them for a period of twenty (20) years from the date of recordation, and thereafter shall automatically extend for successive periods of ten (10) years each unless prior to the expiration of such ten-year period this Declaration is amended or changed in whole or in part as hereinabove provided.

Section 6.4 Assignment. Declarant may assign or otherwise transfer any and all of its rights as Declarant in whole or in part.

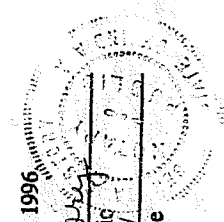
IN WITNESS WHEREOF, HG DEVELOPMENT, an Indiana General Partnership, has caused this Declaration to be executed as of the date first written above.

By: Joseph W. Harrick
Joseph W. Harrick, Partner
HG DEVELOPMENT,
an Indiana General Partnership

STATE OF INDIANA)
) §
COUNTY OF MARION)

Before me the undersigned, a Notary Public in and for said County and State, personally appeared Joseph W. Harrick, Partner of HG Development, and having been duly sworn, acknowledged execution of this Declaration of Covenants, Conditions and Restrictions of Arbor Springs.

Witness my hand and Notarial Seal this 9th day of October, 1996
My Commission Expires: Aug 7, 2000
Residing in Madison County
Benita G. Story
Notary Public
Printed Name



PREPARED BY STEVEN B. WILLIAMS

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EXHIBIT "A"

LEGAL DESCRIPTION

A part of the Northwest Quarter of the Northeast Quarter of Section 22, Township 12, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Beginning at the Northeast corner of said Quarter Quarter Section, thence South 00 degrees 41 minutes 00 seconds West on and along the East line thereof a distance of 801.55 feet; thence South 73 degrees 01 minutes 03 seconds West a distance of 718.70 feet; thence North 00 degrees 31 minutes 18 seconds East a distance of 993.64 feet to the North line of said Quarter Section; thence North 88 degrees 31 minutes 00 seconds East on and along the North line thereof 688.10 feet more or less to the Point of Beginning containing 14.1439 acres more or less subject however to all legal rights-of-way and easements of record.

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