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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
BRIXTON WOODS AND BRIXTON LAKES

THIS DECLARATION, made on the 6th day of January, 1998, ~~1997~~, by *CROSSMANN COMMUNITIES PARTNERSHIP, an Indiana general partnership*, ("Declarant"),

WITNESSETH:

WHEREAS, Declarant is the owner of certain real estate, located in Hendricks County, Indiana, which is more particularly described in Exhibit "A" (hereafter "Real Estate") attached hereto and by this reference, made a part hereof, upon which Declarant intends to develop a residential subdivision known as Brixton Woods and Brixton Lakes.

WHEREAS, Declarant may hereafter become the owner of the real estate more commonly described in what is attached hereto and incorporated herein by reference as exhibit "B" (hereafter "Additional Real Estate");

WHEREAS, Declarant desires to subdivide and develop the Real Estate and may in the future desire to subdivide and develop such portions (or all) of the Additional Real Estate as may be made subject to the terms of this Declaration, as hereinafter provided;

WHEREAS, the term "Property" shall hereafter mean and refer to the Real Estate together with such portions of the Additional Real Estate as have from time to time been subjected to and at anytime subject to this Declaration.

NOW, THEREFORE, the Declarant hereby declares that all of the Lots (as defined in Article II below) in the Property, as they are held and shall be held, conveyed, hypothecate, or encumbered, leased, rented, used, occupied, and improved, are subject to the following restrictions, all of which are declared to be in furtherance of a plan of the improvement and sale of the Property and each Lot situated therein, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property as a whole and each of the Lots situated therein. The restrictions shall run with the Property and shall be binding upon the Declarant, its successors and assigns, and upon the parties having or acquiring any interest in the Property or any part or parts thereof subject to these restrictions. The restrictions shall inure to the benefit of the Declarant and its respective successors entitled to the Property or any part or parts thereof.

As of the date of execution hereof, the Property consists solely of the Real Estate. The Owner of any Lots subject to these restrictions, by (i) acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot or (ii) the active occupancy of any Lot, shall accept such deed, execute such

contract and/or actively occupy such Lot subject to each restriction and agreement herein contained. By acceptance of such deed, execution of such contract, and/or actively occupying such Lot, each Owner acknowledges the rights and powers of Declarant and of the Association with respect to these restrictions and also for itself, its heirs, personal representatives, successors, and assigns covenants and agrees and consents to and with Declarant, the Association, and the Owners of each of the Lots hereby affected to keep, observe, and comply with the terms and conditions hereof.

Declarant shall have, and hereby reserves the right, at any time, and from time to time, at any time prior to the expiration of the Development Period, to add to the Property and subject to this declaration all or any part of the Additional Real Estate. Any portion of the Additional Real Estate shall be added to the Property, and therefore and thereby becomes a part of the Property and subject in all respects to this declaration and all rights, obligations, and privileges herein, when Declarant places of record in Hendricks County, Indiana an instrument so declaring the same to be part of the Property, which supplementary declaration (hereafter "Supplementary Declaration") may be as part of a subdivision plat for any portion of the Additional Real Estate, or by an amendment or supplement to this Declaration. Such Supplementary Declaration may contain modifications hereto and additional terms, conditions, restrictions, maintenance obligations, and assessments as may be necessary to reflect the different character, if any, of the added Dwelling Units or Additional Real Estate.

Upon recording of any such instrument on or before the expiration of the Development Period, the real estate described therein shall, for all purposes, thereafter be deemed a part of the Property and the Owners of any Lots within such real estate shall be deemed for all purposes, to have and be subject to all of the rights, duties, privileges, and obligations of Owners of Lots within the Property. No single exercise of Declarant's right and option to add and expand the Property as to any part or parts of the Additional Real Estate, shall preclude Declarant from thereafter from time to time further expanding and adding to the Property to include other portions of the Additional Real Estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Additional Real Estate so long as such expansion is accomplished on or before the expiration of the Development Period. Such expansion of the Property is entirely at the discretion of the Declarant and nothing contained in this Declaration or otherwise shall require Declarant to expand the Property beyond the Real Estate, or to any portions of the Additional Real Estate which Declarant may voluntarily and in its sole discretion from time to time subject to this Declaration.

ARTICLE I

Name

The subdivision of the Property created by this Declaration shall be known and designated as Brixton Woods and Brixton Lakes, a subdivision located in Hendricks County, Indiana.

ARTICLE II

Definitions

The following terms, when used throughout this Declaration, shall have the following meanings and definitions:

Section 2.1 "Articles" means the Articles of Incorporation of the Association (as hereinafter defined) filed, or to be filed, with the Office of the Secretary of State of Indiana, as the same are or hereafter may be amended from time to time.

Section 2.2 "Association" means the *BRIXTON WOODS AND BRIXTON LAKES HOMEOWNERS ASSOCIATION, INC.*, a non-profit corporation, its successors and assigns.

Section 2.3 "Board of Directors" means the Board of Directors of the Association.

Section 2.4 "Builder" means a person or entity engaged in and responsible for the original construction of a residence on a Lot.

Section 2.5 "Common Area" means: (1) those portions of the Property, including improvements thereto, facilities and personal property owned, to-be-owned, leased or to-be-leased by the Association from time to time for the common use, benefit and enjoyment of the Owners (as hereinafter defined), (2) Lake Area, as defined below, and (3) items (if any) deemed Common Area for maintenance purposes only. Unless expressly stated to the contrary, the term Common Area as used herein (whether or not so expressed) shall include all portions of the Property designated on the Plat (as hereafter defined) as a "Block", "Common Area", "C.A.", or such other areas within the Property that are not otherwise identified on the Plat (as hereafter defined) as a lot or street. The Common Area to be conveyed to the Association at the time of conveyance of the first Lot to an Owner is described in the Plat (as hereinafter defined).

Section 2.6 "Common Expenses" shall mean and refer to expenses of administration of the Association, and expenses for the upkeep, maintenance, repair and replacement of all Common Area, and all sums lawfully assessed against the Owners by the Association, and all sums, costs and expenses declared by this Declaration to be Common Expenses.

Section 2.7 "Declarant" means the *CROSSMANN COMMUNITIES PARTNERSHIP, an Indiana general partnership* and its successors and assigns.

Section 2.8 "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 Property. The Development Period shall recommence each time the Declarant acquires any part (or all) of the Additional Property.

Section 2.9 "Dwelling Unit" means any single-family residence situated upon a Lot (as hereafter defined).

Section 2.10 "Lake Area(s)" means any Common Area on which a lake now exists or is later constructed by Declarant and "Lake" means a body of water which now exists or is later constructed by Declarant in a Lake Area.

Section 2.11 "Lot" or "Lots" means, as the context requires, any parcel or parcels 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 Unit 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 2.12 "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 2.13 "Plat" means the subdivision plats of the Property, which are recorded with the Recorder of Hendricks County, Indiana, as the same may be hereafter amended or supplemented pursuant to this Declaration.

ARTICLE III

Property Rights, Easements and Encroachments

Section 3.1 Owners' Easements of Enjoyment of Common Area. Every Owner shall have a nonexclusive right and easement of enjoyment, in common with all Owners, in and to any Common Area, which nonexclusive right and easement or enjoyment shall be appurtenant to and shall pass with title to every Lot (in the form of a right to membership in the Association), subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities, if any, situated upon the Common Area owned by the Association;

(b) The right of the Association to suspend the voting rights and right to use of any recreational facilities, if any, by any Owner (i) for any period during which any assessment remains unpaid and (ii) for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to promulgate reasonable rules and regulations governing the use of the Common Area owned by the Association including, without limitation, parking, swimming, boating, fishing, (including the denial thereof of any such rights) and upon improvements, additions or alterations to the Lots and the Common Area owned by the Association;

(d) The rights of Declarant as provided in this Declaration, as the same may be amended from time to time;

(e) The right of the Association to mortgage any or all of the Common Area owned by the Association, upon the approval of two-thirds (2/3) of the membership of each class of members of the Association;

(f) The easements reserved elsewhere in this Declaration and the right of the Association to grant further reasonable utility easements across and through the Common Area owned by the Association for the benefit of its members;

(g) The right of the Association to dedicate or transfer all or any part of the Common Area owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members or otherwise allowed pursuant to this Declaration, as amended. No such dedication or transfer, except as allowed pursuant to this Declaration, shall be effective unless there is recorded an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the membership of each class of members of the Association; and

(h) All other rights, obligations and duties as set forth in this Declaration, as the same may be from time to time amended or supplemented.

Section 3.2 Delegation of Use. In accordance with the By-Laws and any reasonable and nondiscriminatory rules and regulations promulgated from time to time by the Association, and subject to the rights of others as set forth in this Declaration, any owner may assign his or her right of enjoyment of the Common Area owned by the Association, to family members, guests, tenants or contract purchasers who reside on the Lot.

Section 3.3 Certain Obligations and Access Rights to the Common Area.

(a) Except as otherwise set forth in this Declaration, the Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the management and control, for the exclusive benefit of the Owners as provided herein, of the Common Area owned by the Association and for the maintenance of the same in good, clean, attractive, safe and sanitary condition, order and repair.

(b) The Association shall have and is hereby granted a general right of access and easement to all of the Common Area owned by the Association and across the Lots, at reasonable times and

at any time in case of emergency, as reasonably required by its officers, directors, employees and their agents and independent contractors, to the full extent necessary or appropriate to perform its obligations and duties as set forth in this Declaration. The easements and rights specified herein also are reserved for the benefit of Declarant so long as Declarant owns any portion of the Property and for so long as Declarant may be liable under any builder's warranty.

Section 3.4 General Drainage, Utility, Sewer and Other Development Easement - The following rights reserved in this Section shall not be exercised, after the conveyance of any Lot, in a manner that (i) unreasonably and adversely affects any Dwelling Unit or portion thereof located upon such Lot or the Owner's use or enjoyment thereof, or (ii) unreasonably restricts the rights of ingress and egress to such Lot. The following rights and easements reserved by Declarant in this Section shall run with the land, and Declarant's right to further alter or grant easements shall automatically terminate and pass to the Association one (1) year after Declarant shall have conveyed the last Lot within the Property.

(a) Declarant hereby reserves unto itself during the Development Period, and thereafter unto any public or private utility, a general easement ("Drainage, Utility and Sewer Easement") for drainage, utility and sewer purposes in, on and over all of the Common Area and any Lot, so as to permit Declarant to properly install and allow to be maintained all electrical, telephone, water, gas, sanitary and storm sewer, television (including but not limited to cable and/or satellite) transmission facilities, security systems and other utility services (including all necessary lines, pipes, wires, cables, ducts, antennae and other equipment and facilities) to serve any Dwelling Unit constructed on the Property. Any Drainage, Utility, Sewer and other Development Easement shall include all areas of the Property outside any Dwelling Units, with the exception of any areas covered by chimneys, or patios. Improvements or permanent structures installed within the Common Area are subject to the rights (including the right to remove where reasonably necessary without duty of replacement or reimbursement) of the Declarant and any public or private utility to construct, maintain, repair or remove any necessary facilities. By virtue hereof, Declarant reserves the right to install a lake(s) or pond(s) on any Common Area. The rights hereunder and easements hereby reserved survive the conveyance, by the Declarant to the Association, of any Common Area. This easement shall be in addition to any easement defined upon a Plat as a drainage, sewer, utility, cable, landscape, sign, transmission, flowage or similar type easement.

(b) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, an easement ("Lake Easement") and right-of-way in and to any Lake Area (s) or areas now or hereafter shown on the Plat as a "Block", "Common Area", or "Lake" or any other Common Area within the Property used as a water retention or detention area, or on which a Lake now exists or is later constructed, for the purpose of fulfilling any maintenance obligations set forth in this Declaration and/or establishing and maintaining proper surface water drainage throughout the Property, and an easement of ingress and egress through so much of the remainder of the Property as is reasonably necessary or appropriate, to perform such actions as Declarant or the Association deem necessary or appropriate, for the purpose of establishing and maintaining proper surface water drainage throughout the Property, which such actions shall include the construction, repair and

maintenance of retention and detention ponds or lakes in accordance with the requirements of applicable law and of all governmental agencies having jurisdiction (without undertaking any obligation or duty to exceed such requirements).

(c) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the right and an undefined sign and facilities easement ("Sign and Facilities Easement") to install, erect, construct and maintain an entryway sign or signs, directional signs, advertising signs advertising the Property or the Lots therein, lighting, walkways, pathways, fences, walls and any other landscaping, architectural and recreational features or facilities considered necessary, appropriate, useful or convenient, anywhere upon the Property (except upon any Lot after the first conveyance thereof). Any such signs shall comply with any applicable zoning requirements and all such facilities shall be maintained by the Association as a part of its Common Area maintenance obligations.

(d) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the full right, title and authority to:

(i) Relocate, alter or otherwise change the location of any Drainage, Flowage, Utility, Sewer and Lake, Sign and Facilities Easement, or any facility at any time located therein or thereon;

(ii) Grant such further easements, licenses and rights-of-way, temporary or permanent, exclusive or non-exclusive, surface or otherwise, as Declarant may deem necessary or appropriate, for ingress and egress, utility and similar purposes on or within any portion of the Property, for the benefit of the Property or any portion thereof; and,

(iii) Describe more specifically or to change the description of any Drainage, Flowage, Utility, Sewer, Lake, Sign and Facilities Easement or any other easement, license or right-of-way now or hereafter existing on the Property, by written instrument, amended Plat or amendment to the Plat recorded in the Office of the Recorder of Hendricks County, Indiana.

(e) The title of the Association (as to the Common Area owned by the Association during the Development Period) and of any Owner of any Lot shall be subject to the rights and easements reserved herein.

Section 3.5 Easement for Emergency Purposes. An easement is hereby dedicated and granted for use in the case of an emergency by emergency vehicles such as fire trucks, police cars and ambulances and emergency personnel, public and private, over and upon the Common Area.

Section 3.6 Fee Title to Lot. The fee title to any Lot described as bounded by any street, lane, walkway, park, pond, lake, or any other common property which has not been dedicated or accepted by the public and the fee title to any Lot shown on any Plat as abutting upon any such common property shall not extend upon such common property and the fee title to such common

property is reserved to the grantor to be conveyed to the Association for the common enjoyment of all residents in Brixton Woods and Brixton Lakes.

Section 3.7 Designated Drainage, Utility, and Sewer Easements. There are strips of ground designated on the Plat as drainage easements, utility easements, sewer easements, sanitary sewer easements and storm sewer easements, or any combination thereof, which are hereby reserved to the appropriate governmental entities, public utilities, and private 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 such easements hereby created and subject at all times to the rights of proper authorities to service and maintain such drainage facilities and easements, and no permanent structure of any kind and no part thereof except fences which do not retard or impede the flow of drainage water and which are approved pursuant to Section 6.2 below, shall be built, erected or maintained on said drainage easements. It shall be the responsibility of the Association and the Owners of the areas enclosed within such 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 or any private or public utility. All proper governmental agencies or departments and public and private utilities 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 Association and 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 Association and 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 Designated Mounding, Landscaping, and Screening and Sign Easements. Any strips of grounds shown or designated on the Plat for (i) mounding easements, (ii) landscape or landscape maintenance easements, and/or (iii) sign easements, are hereby reserved for such (i) mounding easements, (ii) landscape easements and/or landscape maintenance easements and/or (iii) sign easements. Declarant hereby reserves unto itself during the Development Period, and, thereafter, unto the Association, any such easements for the purposes of (i) providing signs which either advertise the Property and the availability of Lots or identify the Property or, (ii) installing

landscaping, mounding, and screening. Declarant reserves unto itself during the Development Period and thereafter unto the Association, the exclusive and sole right to erect signs and install landscaping, mounding, and screening within these strips of ground shown on the Plat as landscaping, mounding, and sign easements. Notwithstanding anything in this Declaration to the contrary, no planting shall be done, and no hedges, walls, fences or other improvements shall be erected or maintained in the area of such easements, except by the Declarant during the Development Period. Furthermore, notwithstanding anything in this Declaration to the contrary, no planting shall be done, and no hedges, walls, fences, structures, or other improvements shall be erected between (i) any landscape easement or landscape maintenance easement, and (ii) any perimeter roadway, public highway or right-of-way along the perimeter or boundary of the Property, except by the Declarant.

Section 3.9 Street Dedication. All streets now or hereafter located upon the Property are hereby dedicated to the public.

Section 3.10 Easement Work. Notwithstanding any architectural approval under Section 6.2 below, during the course of any maintenance, service, repair or work upon any easement, the Declarant, the Association, any private utility, any public utility, and/or any governmental entity shall have the right and the authority, without any obligation or liability whatsoever planted, to any owner, to remove, damage, or destroy any fence or other structure or landscaping built, erected, maintained or planted in any easement described in Section 3.7 and Section 3.8 above.

Section 3.11 No Access. There may be strips of ground designated on the Plat as "no access strips", "no access", "no access easement", "no access esmt", or by other similar language. Vehicular ingress, egress, and traveling and/or the construction of improvements for such ingress, egress and/or traveling, is prohibited on, over, or across any such strips or areas.

Section 3.12 Reservation of Right to Grant Easement. The Declarant hereby reserves the right, in its discretion, to (i) grant easements upon, under, over and across the Property for the benefit of land which is adjacent to the Property and/or (ii) to obtain, for the benefit of the Property, easements upon, under, over and across the real estate which is adjacent to the Property.

ARTICLE IV

Association Membership, Voting Rights Board of Directors and Professional Management

Section 4.1 Membership. Initially, the person(s) who serve as incorporator(s) of the Association shall be the member(s) (the "Initial Member(s)"). The Initial Member(s) shall remain member(s) of the Association until the Association Articles of Incorporation are accepted by the Indiana Secretary of State, at which time the Initial Member(s) shall cease to be member(s) unless they also qualify as Class A or Class B members. Every Owner of a Lot which is subject to

assessment shall be a member of the Association. Apart from the Initial Member(s), a membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2 Classes of Membership and Voting Rights. The Association shall have the following two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned. For purposes of this calculation, it shall be assumed that Declarant owns all Lots, which number shall be reduced as Lots are conveyed by the Declarant to an Owner. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) when the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; or, (b) December 31, 2004.

Section 4.3 Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association. Directors need not be members of the Association.

Section 4.4 Professional Management. No contract or agreement for professional management of the Association, nor any other contract between Declarant and the Association, shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause and without payment of any termination fee upon written notice of ninety (90) days or less.

ARTICLE V

Covenant for Maintenance Assessments

Section 5.1 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot now or hereafter owned by it within the Property, hereby covenants, and each Owner of any Lot 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:

(a) Regular Yearly Assessments (for maintenance, repairs and ordinary operating expenses, including Common Expenses); and

(b) Special Assessments for capital improvements and operating deficits and for special maintenance or repairs as provided in this Declaration.

Such assessments shall be established, shall commence upon such dates and shall be collected as hereinafter provided. All such assessments, together with prejudgment interest at eight percent (8%) per annum, costs and reasonable attorneys' fees, shall be a charge on the land 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 attorneys 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 such Owner's successors in title unless expressly assumed by them.

Section 5.2 Purpose of Regular Yearly Assessments. The Regular Yearly Assessments levied by the Association shall be used exclusively, in the reasonable discretion of the Board of Directors of the Association, for the promotion of the recreation, health, safety and welfare of the residents in the Property, for the improvement, maintenance and repair of the Common Area, for the performance of the obligations and duties of the Association and for other purposes only as specifically provided herein. As and if necessary, a portion of the Regular Yearly Assessments shall be set aside or otherwise allocated in a reserve fund for the purpose of providing repair and replacement of the Common Area, and other capital improvements which the Association is required to maintain.

Section 5.3 Maximum Regular Yearly Assessments.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Regular Yearly Assessment on any Lot shall be \$130.00 per Lot per year.

(b) From and after January 1 of such year, the maximum Regular Yearly Assessment may be increased each calendar year not more than 10% above the maximum Regular Yearly Assessment for the previous year, without a vote of the membership.

(c) From and after January 1 of such year, the maximum Regular Yearly Assessment may be increased each calendar year by more than 10% above the maximum Regular Yearly Assessment for the previous year, with the approval of two-thirds (2/3) of those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.

(d) The Board of Directors from time to time may fix the Regular Yearly Assessment, without any vote of the membership, at any amount not in excess of the maximum.

Section 5.4 Special Assessments for Capital Improvements and Operating Deficits. In addition to the Regular Yearly Assessments authorized above, the Association may levy a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain, or to recover any operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) of those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.

Section 5.5 Quorum. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of the total number of votes entitled to be cast (Class A and Class B votes combined) shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6 Uniform Rate of Assessment. Regular Yearly Assessments and Special Assessments for capital improvements and to recover operating deficits must be fixed at a uniform rate for all Lots, except that Declarant and any individual or entity purchasing a Lot or Lots solely for the purpose of construction of a for-sale Dwelling Unit thereon (a "Builder") shall pay only twenty-five percent (25%) of the Regular Yearly Assessments and Special Assessments so long as any Dwelling Unit constructed upon a Lot by Declarant or Builder has not been conveyed to an Owner intending to occupy or rent said Dwelling Unit as a residence or leased to an individual or entity for use as a residence.

Section 5.7 Date of Commencement of Yearly Assessments; Due Dates. The Regular Yearly Assessment provided for herein shall commence as to each Lot within a recorded Plat on the first day of the first month following the recording of such Plat. The Board of Directors shall fix any increase in the amount of the yearly assessments at least thirty (30) days in advance of the effective date of such increase. Written notice of any increase in the Regular Yearly Assessment, and written notice of any Special Assessment and such other assessment notices as the Board of Directors shall deem appropriate, shall be sent to every Owner subject thereto. The due dates for all assessments, and the assessment and collection period (i.e., annual, monthly, lump-sum or otherwise) for any Special Assessments, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate from the Association regarding the status of assessments for any Lot shall be binding upon the Association as of the date of its issuance.

Section 5.8 Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment (or periodic installment of such assessment, if applicable) is not paid on the due date established therefor pursuant to this Declaration, then the entire unpaid assessment (together with interest thereon, costs and attorneys' fees as provided in this Declaration) shall become delinquent and shall constitute a continuing lien on the Lot to which such assessment relates, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall not pass to such Owner's successors in title unless expressly assumed by them. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, or both. In such event, there shall be added to the amount of such assessment the costs and attorney's fees 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, costs of the action and reasonable attorneys' fees to be fixed by the court. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area owned by the Association or abandonment of his Lot.

Section 5.9 Subordination of the Lien to Mortgages; Sale or Transfer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot pursuant to the foreclosure of any first mortgage on such Lot (without the necessity of joining the Association in any such foreclosure action) or any proceedings or deed in lieu thereof shall extinguish the lien of all assessments becoming due prior to the date of such sale or transfer. No sale or transfer of any Lot (whether voluntary or pursuant to foreclosure or otherwise) shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof; and, except as hereinabove provided, the sale or transfer of any Lot shall not affect the lien of assessments becoming due prior to the date of such sale or transfer except to the extent that a purchaser may be protected against the lien for prior assessments by a binding certificate from the Association, issued pursuant to this Declaration, as to whether or not such assessments have been paid.

ARTICLE VI

Use, Restrictions, and Architectural Control

Section 6.1 Lot Use and Conveyance. All Lots shall be used exclusively for single family detached residential purposes, except that Declarant, during the Development Period, reserves (a) the rights provided in this Declaration respecting the Property generally, and (b) the right to subdivide, dedicate or otherwise convey or designate all or any portion of any one or more Lots which it may own from time to time for recreational or other common uses and benefit of all Owners

and other members of the Association. Any Lot or portion thereof so designated for common use shall become part of the Common Area owned by the Association, and reasonable rules and regulations shall be promulgated and enforced with respect thereto so that the use and enjoyment of adjacent Lots by the Owners thereof shall not be unreasonably disturbed. 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 6.2 Architectural Control. No building, outbuilding, mailbox, fence, satellite dish, 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, and thereafter by the Board of Directors of the Association. After the Development Period, the Board of Directors may appoint three (3) or more representatives to an Architectural Committee. 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. However, there shall be no such approval of the planting of hedges, walls, fences, structures and/or other improvements prohibited under Section 3.8 above, and any such approval shall be null and void. In the event that written approval is not received as required hereunder within thirty (30) days after complete plans and specifications have been submitted, then the request for approval shall be deemed denied.

Section 6.3 Leasing. Any Lot may be leased by its Owner.

Section 6.4 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Property, on any Lot, or in any Dwelling Unit, except that no more than a total of two (2) dogs, cats, or other normal household pets may be kept in residences subject to rules and regulations adopted by the Association through its Board of Directors, provided that such pets are not kept, bred, or maintained for any commercial purpose.

Section 6.5 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 6.6 Setback Lines. Front Building lines are hereby established as shown on the Plat. Between such Front Building lines and the right-of-way lines there shall be erected, placed or altered no structure or part thereof, except fences in keeping with architectural style as specifically approved by the Declarant until the end of the Development Period, and thereafter by the Association Board of Directors or Architectural Review Committee; provided, however, 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 6.7 Side Setbacks. The minimum side yard and minimum rear yard requirements shall be those established by applicable ordinances, including the applicable zoning and subdivision control ordinances.

Section 6.8 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 6.9 Motor Vehicle Repair. The repair 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 per the terms of the Declaration.

Section 6.10 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 this Declaration, which may be all or in part destroyed by fire, wind, storm or any other reason, shall be rebuilt and restored to its previous condition within a reasonable length of time, and all debris accumulated in connection therewith shall be removed within a reasonable time after any such occurrence.

Section 6.11 Permitted Uses. No use shall be made of any Lot except as permitted by applicable ordinances, including the applicable zoning and subdivision control ordinances under which this Property is developed.

Section 6.12 Drains. No house footing drain or roof water drain shall be discharged into the sanitary sewers.

Section 6.13 Number of Dwelling Units. The number of Dwelling Units shall not exceed the number of Lots within the Property.

Section 6.14 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. 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 6.15 Size. Subject to any further restrictions imposed by any recorded commitment, every single-family dwelling erected, placed, altered or maintained on any Lot within shall have a minimum living area, exclusive of open porches, unfinished basements and attached garages, of not less than what is required by applicable ordinances, including the applicable zoning and subdivision control ordinances.

Section 6.16 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 Property, 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 or the Association 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 Association or the Declarant may file suit and recover such amount together with reasonable attorneys fees and costs of collection.

Section 6.17 Site Visibility. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) feet and nine (9) 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 6.18 Semi-tractor trucks, trailers, etc. No semi-tractor trucks, semi-trucks, semi-tractor trailers, boats, campers, mobile homes, disabled vehicles, and/or trailers shall be permitted to park on the Property or a Lot unless fully enclosed in a garage, or unless the same is necessary and incident to the Declarant's, builder's or Association's business on the Property.

Section 6.19 Sign Limitations. No sign of any kind, other than those installed by Declarant, the Association, or a Builder, may be displayed to public view on any Lot, except that one sign with an area of not more than six (6) feet may be displayed with the purpose of advertising the Lot for sale.

Section 6.20 Lakes, Lake Area(s). Except as otherwise provided, no individual using a Lake, if any, has the right to cross another Lot or trespass upon shoreline not within a Common Area owned by the Association, subject to the rights of the Declarant, the Association, their employees, heirs, successors and assigns as set forth in the Declaration. No one shall do or permit any action or activity which could result in pollution of any Lake, diversion of water, elevation of any Lake level, earth disturbance resulting in silting or any other conduct which could result in an adverse effect upon water quality, drainage or proper Lake management except as provided in the Declaration. A Lake may not be used for swimming, ice skating, boating, or for any other purpose, except for drainage of the Property, unless expressly and specifically approved by the Board of Directors in writing and allowed by law. Lakes and Lake Areas may or may not exist on the Property, and the reference throughout this Declaration to Lakes and Lake Areas is made in order to address Lakes and Lake Areas, if any, which now exist or are later constructed upon the Property. The installation on the Property of any Lake or Lake Area shall be within the sole discretion of the

Declarant, and under no circumstances shall the Declarant be required or obligated to install any Lake or Lake Area. Only the Declarant and the Association shall have the right to store items or develop recreational facilities upon any Common Area owned by the Association adjacent to a Lake.

Section 6.21 Rules and Regulations. The Board of Directors from time to time may promulgate further rules and regulations concerning the use of Lots and the Common Area owned by the Association. A majority of those Owners voting at a meeting called for the purpose may rescind or modify any rule or regulation adopted by the Board of Directors. Copies of all rules and regulations shall be furnished by the Board to all Owners, at the Owner's last known address, prior to the time when the same shall become effective. The Association shall have current copies of the Declaration, Articles and By-Laws, and other rules concerning the Property as well as its own books, records and financial statements available for inspection by Dwelling Unit Owners or by holders, insurers and guarantors of first mortgages, that are secured by Dwelling Units in the Property. These documents shall be available during normal business hours or under other reasonable circumstances.

Section 6.22 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 6.23 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 Board of Directors. Above ground swimming pools are prohibited on the Property.

Section 6.24 Mailboxes. All mailboxes installed upon Lots shall be uniform and shall be of a type, color and manufacture approved by the Declarant during the Development Period and, thereafter, by the Board of Directors of the Association.

Section 6.25. Yard Lights. The builder on each Lot shall supply and install a yard light in operable condition on such Lot at a location, having a height and of a type, style and manufacture approved by the Declarant during the Development Period and, thereafter, by the Board of Directors of the Association. Each such light fixture shall also have a bulb of sufficient wattage to insure uniform illumination on each Lot and shall be equipped with a photo-electric cell or similar device to insure automatic illumination from dusk to dawn each day. The yard light thereafter shall be maintained in proper working order by the Owner of each Lot.

Section 6.26 Notice of Zoning Commitments. Notice is hereby given that certain written commitments were made in connection with the zoning of all or part of the Property to the RPD (residential) classification, which commitments are on file with the Clerk Treasurer of the Town of Pittsboro, Indiana. Said written commitments pertain to, among other things, minimum structure floor, maximum height, minimum lot width, minimum street frontage, front yard set back, rear yard set back, minimum side yard, off-street parking per lot, fence heights, outbuildings, and the applicable landscape plan.

ARTICLE VII

Maintenance, Repairs and Replacements

Section 7.1 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 or any part of the Common Area owned by the Association. 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.

Section 7.2 Common Properties and Lawns by the Association.

(a) The Association, as part of its duties, and as part of the Common Expenses, shall provide for:

(i) Maintenance of the Common Area. Maintenance of the Common Area shall include, but shall not be limited to, fertilizing, treating any Lakes, mowing and replanting when necessary of the grass and trees and maintenance of any other improvement within the Common Area.

(ii) Maintenance of the entry signs, permanent subdivision identification sign, and landscaping installed by the Declarant in any Common Area, Landscape Easement, or Landscape Maintenance Easement.

The Board of Directors may adopt such other rules and regulations concerning maintenance, repair, use and enjoyment of the Common Area owned by the Association (or any items deemed Common Area for purposes of maintenance only) as it deems necessary.

(b) Notwithstanding any obligation or duty of the Association to repair or maintain any of the Common Area owned by the Association (or any items deemed Common Area for purposes of

maintenance only), if, due to the willful, intentional or negligent acts or omissions of an Owner or a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused to the Common Area owned by the Association (or any items deemed as such for purposes of maintenance only), or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Association, 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.

(c) The authorized representatives of the Association, the Board of Directors and the Managing Agent for the Association (if any) are hereby granted an easement for access upon and to any Lot as may be required in connection with maintenance only, repairs or replacements of or to the Common Area owned by the Association or any items deemed as Common Area for purposes of maintenance only, including, but not limited to, access to any easements reserved by any Plat of any portion of the Property for such purposes.

ARTICLE VIII

Insurance

Section 8.1 Liability Insurance. The Association shall purchase a master comprehensive general liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive general liability insurance policy shall cover the Association, its Board of Directors, any committee or organ of the Association or Board of Directors, all persons acting or who may come to act as agents, or employees of any of the foregoing with respect to the Association. It shall also cover all Common Area owned by the Associations, public ways and any other areas under the Association's control or supervision. The premiums for all such liability policies shall be a Common Expense.

Section 8.2 Fidelity Bonds. The Association shall have blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The Association bonds shall name the Association as the obligee and the premium shall be paid as a Common Expense by the Association. Any management agent that handles funds for the Association shall be covered by its own fidelity bond, which must provide the same coverage required of the Association. The Association shall be named as an additional obligee in the management agent's bond. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. In addition, the fidelity bond coverage must at least equal one (1) years' assessments on all Dwelling Units in the Property, plus the Association's reserve funds. If available,

the fidelity bonds must include a provision that calls for ten (10) days' written notice to the Association or insurance trustee before the bond can be canceled or substantially modified for any reason.

Section 8.3 Miscellaneous Insurance Provisions. The Association shall obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of the Association, its Board of Directors and any managing agent acting on behalf of the Association. The premiums for all such insurance coverage shall be a Common Expense.

Section 8.4 Casualty and Restoration. Damage to or destruction of any Common Area actually owned by the Association due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Association and the proceeds of insurance, if any, shall be applied for that purpose. The same obligation shall apply to an Owner, and not the Association, for damage or destruction to the Owner's Dwelling Unit. For purposes of this Section, repair, reconstruction and restoration shall mean construction or rebuilding of the damaged property to as near as possible the same condition as it existed immediately prior to the damage or destruction, with the same or a similar type of architecture.

Section 8.5 Insufficiency of Insurance Proceeds. If the insurance proceeds received by the Association as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area actually owned by the Association or any improvements damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by the Association which shall then have the right to levy a Special Assessment against all Lots for such deficiency.

Section 8.6 Surplus of Insurance Proceeds. In the event that there is any surplus of insurance proceeds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Association as a reserve or may be used in the maintenance and operation of the Property. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against any Owner for committing willful or malicious damage.

ARTICLE IX

Mortgages

Section 9.1 Mortgagee Rights. In addition to any other rights provided elsewhere in this Declaration to mortgagees, any lender or lenders holding a first mortgage or first mortgages upon

any Lot or Lots, jointly or singly, may pay any real estate taxes or other taxes or charges which are in default and which may or have become a charge or lien against any Common Area owned by the Association or any other property owned by the Association; and may pay any overdue premiums on any hazard, casualty, liability or other insurance policies or secure new insurance coverage on the lapse of any policies for any such property owned by the Association or covering any property for which the Association has an obligation to maintain insurance coverage. Any such lender or lenders making payments in accordance with this Section shall be entitled to immediate reimbursement therefor from the Association along with any costs incurred, including reasonable attorneys' fees.

Section 9.2 Notice to Mortgagees. The Association, upon request, shall provide to any lender holding a first mortgage upon any Lot, a written certificate or notice specifying unpaid assessments and other defaults of the Owner of such Lot, if any, in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation of the Association, its By-Laws or any other applicable documents, which default has not been cured within sixty (60) days. A reasonable charge maybe made by the Association for the issuance of any such certificate or notice, and any such certificate properly executed by an officer of the Association shall be binding upon the Association, as provided in this Declaration.

Section 9.3 Condemnation and Insurance Awards. No provisions of this Declaration, or any amendment thereto, shall give an Owner, or any other party, priority over any rights of the first mortgagee of a Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area property.

Section 9.4 Right of First Refusal. The Association DOES NOT have the "right of first refusal" to purchase any Dwelling Unit. Any right of "right of first refusal" subsequently granted to the Association through amendment of the Declaration, Association Articles, Association By-Laws or any other document governing the development and administration of the Properties must receive the prior written approval of the Federal Housing Administration or Secretary of the Department of Housing and Urban Development. Any "right of first refusal" subsequently added in the Declaration, Association Articles, Association By-Laws or any other document governing the development and administration of the Property must not impair the rights of a first mortgagee to:

(a) Foreclose or take title to a Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, pursuant to the remedies in the mortgage;

(b) Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor;
or

(c) Sell or lease a unit acquired by the mortgagee.

Section 9.5 Unpaid Dues or Charges. Any first mortgagee who obtains title to a Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, pursuant to the remedies in the mortgage

or through foreclosure, will not be liable for the Dwelling Unit's unpaid dues or charges accrued before the acquisition of the title to the Dwelling Unit by the mortgagee.

ARTICLE X

General Provisions

Section 10.1 Right of Enforcement. In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the Association 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 10.2 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 10.3 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 Hendricks 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 Association, the Owners or Declarant shall effect any of the following changes without the prior written approval of two-thirds (2/3) of the Owners of Lots (excluding Declarant or Builder):

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned directly or indirectly by the Association for the benefit of the Owners of the Dwelling Units. The granting of easements for public utilities or other public purposes consistent

with the intended use of the Common Area owned by the Association by the Dwelling Unit Owners is not a transfer in the meaning of this clause;

(b) Change the method of determining the obligations, assessments, dues or other charges that may be levied per the terms hereof;

(c) 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 Dwelling Units, the exterior maintenance of Dwelling Units, the maintenance of the Common Area owned by the Association, party walks, common fences and driveways, and the upkeep of lawns and plantings in the Property;

(d) Fail to maintain fire and extended coverage on insurable Common Area owned by the Association on a current replacement cost basis in an amount at least 100 percent of the insurable value (based on current replacement costs);

(e) Use hazard insurance proceeds for losses to any Common Area owned by the Association for other than the repair, replacement, or reconstruction of the Common Area owned by the Association.

(f) Change the voting rights, assessments, assessment liens or subordination of assessment liens, except as provided for in this Declaration;

(g) Change the manner in which reserves for maintenance, repair and replacement of Common Areas have been set up and previously maintained by the Association;

(h) Change the rights to the use of the Common Area owned by the Association, except as provided for in this Declaration;

(i) Any change concerning convertibility of Dwelling Units into Common Area owned by the Association or vice versa, except as provided for in this Declaration;

(j) Any change in requirements for insurance or fidelity bonds set forth in this Declaration,;

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

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

(m) Restoration and repair of the Common Area (after a hazard damage or partial condemnation) in a manner other than specified in the Declaration;

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

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

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

The covenants, restrictions and all other provisions of this Declaration shall run 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 10.4 HUD Amendment Approval. All other provisions of the Declaration, Association Articles, Association By-Laws or any other document governing the development and administration of the Property notwithstanding, so long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or Secretary of the Department of Housing and Urban Development:

(a) Annexation of additional properties other than the Additional Real Estate;

(b) Dedication of Common Area; and

(c) Amendment of the Declaration of Covenants, Conditions and Restrictions.

Section 10.5 Assignment. Declarant may assign or otherwise transfer any and all of its rights as Declarant in whole or in part.

Section 10.6 Condemnation, Destruction or Liquidation. The Association shall be designated to represent the Owners in any proceedings, negotiations, settlements or agreements for the handling of any losses or proceeds from condemnation, destruction or liquidation of all or a part of the Common Area owned by the Association, or from the termination of the development. Each Dwelling Unit Owner, by his acceptance of a deed, appoints the Association as his attorney-in-fact for this purpose. Proceeds from the settlement will be payable to the Association for the benefit of the Dwelling Unit Owners and their mortgage holders. Any distribution of funds in connection with the termination of this development shall be made on a reasonable and an equitable basis.

EXHIBIT "A"

The Northwest Quarter of the Northwest Quarter and part of the Southwest Quarter of the Northwest Quarter of Section 5, Township 16 North, Range 1 East of the Second Principal Meridian in Middle Township, Hendricks County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of the Northwest Quarter of the Northwest Quarter of said Section 5, said point being marked by a stone with a cut "X"; thence North 00 degrees 31 minutes 50 seconds West (Assumed bearing) 1419.41 feet along the West line of said Northwest Quarter Section line to the Northwest corner of the Northwest Quarter of said Section 5; thence South 89 degrees 28 minutes 40 seconds East 342.39 feet along the North line of said Northwest Quarter to the Southwesterly Right of Way of the Conrail Railway; thence South 69 degrees 38 minutes 48 seconds East 1027.15 feet along said Right of Way to the East line of the Northwest Quarter of the Northwest Quarter of said Section 5; thence South 00 degrees 03 minutes 06 seconds East 1075.63 feet along said East line to the Southeast Corner of said Quarter Section; thence North 89 degrees 15 minutes 13 seconds West 86.95 feet along the South line of said Quarter Section line to the East line of Minor Plat No. 512 recorded in plat cabinet 2, slides 99 and 100 as recorded in the Office of the Recorder of Hendricks County, Indiana; thence North 00 degrees 04 minutes 15 seconds East 41.89 feet along said East line to a 5/8" rebar with Lewis Eng. Cap being the Northeast corner of said Minor Plat; thence North 89 degrees 17 minutes 08 seconds West 550.85 feet (551.22 feet per deed) along the North line of said Minor Plat to a 5/8" rebar with Lewis Eng. Cap being the Northwest corner of said Minor Plat; thence South 00 degrees 04 minutes 15 seconds West 41.58 feet along the West line of said Minor Plat to the South line of said Northwest Quarter; thence North 89 degrees 15 minutes 13 seconds West 352.97 feet along said South line; thence North 02 degrees 50 minutes 04 seconds West 41.36 feet to a 5/8" rebar with Lewis Eng. Cap; thence North 89 degrees 16 minutes 38 seconds West 108.30 feet to a 5/8" rebar with Lewis Eng. Cap; thence South 08 degrees 40 minutes 43 seconds West 180.56 feet to a 5/8" rebar with Lewis Eng. Cap and the Northerly Right of Way for S.R.136, which said point lies on a curve having a radius of 3850.05 feet, the radius point of which bears South 24 degrees 57 minutes 37 seconds West (next two courses are along said Right of Way), thence Northwesterly along said curve 55.79 feet to a point which bears North 24 degrees 07 minutes 49 seconds East from said radius point; thence North 66 degrees 52 minutes 11 seconds West 124.65 feet to the West line of the Southwest Quarter of the Northwest Quarter of said Section 5; thence North 00 degrees 29 minutes 09 seconds East 65.82 feet along said West line to the Point of Beginning, containing 38.327 acres more or less. Subject to all legal easements Rights of ways and any other servitude.

EXHIBIT "A" (continued)

ALSO:

A part of the Northeast quarter and the Southeast quarter of the Northwest quarter of Section 5, Township 16 North, Range 1 East of the Second Principal Meridian in Middle Township, Hendricks County, Indiana, more particularly described as follows:

Commencing at Southwest corner of the Northwest quarter of the Northwest quarter of said Section 5, said point being marked by a stone with a cut "X"; thence South 89 degrees 15 minutes 13 seconds East along the South line of said Northwest quarter 1293.33 feet to the Southeast corner of said Northwest quarter; thence continuing South 89 degrees 15 minutes 13 seconds East 1305.24 feet to the Northeast corner of the Southeast quarter of said Northwest quarter, said point being marked by a stone found also being the Point of Beginning; thence South 00 degrees 04 minutes 43 seconds East along the East line of the Southeast quarter of said Northwest quarter 878.95 feet; thence North 89 degrees 15 minutes 13 seconds West 426.69 feet parallel with the North line of said Southeast quarter; thence South 00 degrees 04 minutes 43 seconds East 353.99 feet parallel with the East line of said Southeast quarter to the Northerly right-of-way of US 136, which said point lies on a curve having a radius of 11,407.69 feet, the radius point of which bears North 27 degrees 24 minutes 56 seconds East (the next two courses are along said Northerly Right of Way); thence Northwesterly along said curve 262.05 feet to a point which bears South 28 degrees 43 minutes 54 seconds West from said radius point; thence North 62 degrees 19 minutes 28 seconds West 252.26 feet; thence North 29 degrees 08 minutes 26 seconds East 225.67 feet; thence North 05 degrees 09 minutes 46 seconds West 60.53 feet; thence North 29 degrees 08 minutes 26 seconds East 110.00 feet; thence South 64 degrees 48 minutes 29 seconds East 52.71 feet; thence North 88 degrees 04 minutes 00 seconds East 62.41 feet; thence North 12 degrees 02 minutes 33 seconds East 70.68 feet; thence North 37 degrees 09 minutes 26 seconds East 448.00 feet; thence North 28 degrees 02 minutes 15 seconds East 45.55 feet; thence North 07 degrees 33 minutes 54 seconds West 39.01 feet; thence North 41 degrees 47 minutes 07 seconds West 50.02 feet; thence North 47 degrees 23 minutes 57 seconds West 64.00 feet; thence North 47 degrees 15 minutes 47 seconds West 261.61 feet; thence North 35 degrees 37 minutes 23 seconds West 87.88 feet; thence North 19 degrees 19 minutes 32 seconds West 87.88 feet; thence North 03 degrees 01 minutes 41 seconds West 87.88 feet; thence North 13 degrees 06 minutes 26 seconds East 86.32 feet; thence North 20 degrees 23 minutes 58 seconds East 207.00 feet; thence South 69 degrees 36 minutes 02 seconds East 270.00 feet; thence South 20 degrees 23 minutes 58 seconds West 207.00 feet; thence South 01 degree 24 minutes 58 seconds West 32.99 feet; thence South 42 degrees 52 minutes 56 seconds East 46.94 feet; thence South 47 degrees 23 minutes 57 seconds East 256.00 feet; thence South 46 degrees 41 minutes 05 seconds East 69.04 feet; thence South 43 degrees 16 minutes 57 seconds East 72.13 feet; thence South 89 degrees 15 minutes 13 seconds East 75.49 feet to The Point of Beginning and containing 17.28 acres more or less.

EXHIBIT "B"

A part of the Northwest quarter of Section 5, Township 16 North, Range 1 East of the Second Principal Meridian in Middle Township, Hendricks County, Indiana, more particularly described as follows:

Commencing at the Southwest corner of the Northwest quarter of the Northwest quarter of said Section 5, said point being marked by a stone with a cut "X"; thence South 89 degrees 15 minutes 13 seconds East 1293.33 feet along the South line of the Northwest quarter of the Northwest quarter of said Section 5 to the Southeast corner of said Northwest quarter which is The Point of Beginning said point bearing North 89 degrees 15 minutes 13 seconds West 1305.24 feet from the Northeast corner of the Southeast quarter of said Northwest quarter and being marked by a stone; thence North 00 degrees 03 minutes 06 seconds West 423.64 feet; thence South 89 degrees 45 minutes 39 seconds East 147.73 feet; thence North 77 degrees 49 minutes 54 seconds East 51.20 feet; thence South 89 degrees 45 minutes 39 seconds East 110.00 feet; thence South 00 degrees 14 minutes 21 seconds West 280.00 feet; thence North 67 degrees 52 minutes 33 seconds East 54.08 feet; thence South 00 degrees 18 minutes 09 seconds West 64.00 feet; thence South 24 degrees 08 minutes 37 seconds East 132.43 feet; thence South 65 degrees 46 minutes 36 seconds East 121.68 feet; thence North 66 degrees 41 minutes 59 seconds East 273.03 feet; thence South 47 degrees 15 minutes 47 seconds East 194.61 feet; thence South 47 degrees 23 minutes 57 seconds East 64.00 feet; thence South 41 degrees 47 minutes 07 seconds East 50.02 feet; thence South 07 degrees 33 minutes 54 seconds East 39.01 feet; thence South 28 degrees 02 minutes 15 seconds West 45.55 feet; thence South 37 degrees 09 minutes 26 seconds West 448.00 feet; thence South 12 degrees 02 minutes 33 seconds West 70.68 feet; thence South 88 degrees 04 minutes 00 seconds West 62.41 feet; thence North 64 degrees 48 minutes 29 seconds West 52.71 feet; thence South 29 degrees 08 minutes 26 seconds West 110.00 feet; thence South 05 degrees 09 minutes 46 seconds East 60.53 feet; thence South 29 degrees 08 minutes 26 seconds West 225.67 feet to a point on the Northerly right-of-way of US 136 (the next two courses are along said northerly right of way); thence North 62 degrees 19 minutes 28 seconds West 341.27 feet to the point of curvature of a tangent curve having a radius of 30,907.54 feet the radius point of which bears South 29 degrees 49 minutes 03 seconds East; thence Northwesterly along said curve 1.05 feet to a point which bears South 29 degrees 49 minutes 03 seconds East; thence North 04 degrees 10 minutes 54 seconds East 624.85 feet; thence North 89 degrees 03 minutes 34 seconds West 250.30 feet; thence North 00 degrees 03 minutes 06 seconds West 218.66 feet; thence South 89 degrees 15 minutes 13 seconds East 82.50 feet to The Point of Beginning and containing 17.64 acres more or less.

EXHIBIT "B" (continued)

ALSO:

A part of the Northwest quarter of Section 5, Township 16 North, Range 1 East of the Second Principal Meridian in Middle Township, Hendricks County, Indiana, more particularly described as follows:

Commencing at the Southwest corner of the Northwest quarter of the Northwest quarter of said Section 5, said point being marked by a stone with a cut "X"; thence South 89 degrees 15 minutes 13 seconds East 1293.33 feet along the South line of the Northwest quarter of the Northwest quarter of said Section 5 to the Southeast corner of said Northwest quarter said point bearing North 89 degrees 15 minutes 13 seconds West 1305.24 feet from the Northeast corner of the Southeast quarter of said Northwest quarter and being marked by a stone; thence North 00 degrees 03 minutes 06 seconds West 423.64 feet; to The Point of Beginning; thence continue North 00 degrees 03 minutes 06 seconds West 651.99 feet to the South right-of-way of the Conrail Railroad; thence South 69 degrees 38 minutes 48 seconds East along said South right-of-way 1392.47 feet to the East line of the Northeast quarter of said Northwest quarter; thence South 00 degrees 03 minutes 12 seconds East 608.33 feet along the East line of said Northeast quarter to the Northeast corner of the Southeast quarter of said Northwest quarter; thence North 89 degrees 15 minutes 13 seconds West 75.49 feet; thence North 43 degrees 16 minutes 57 seconds West 72.13 feet; thence North 46 degrees 41 minutes 05 seconds West 69.04 feet; thence North 47 degrees 23 minutes 57 seconds West 256.00 feet; thence North 42 degrees 52 minutes 56 seconds West 46.94 feet; thence North 01 degree 24 minutes 58 seconds East 32.99 feet; thence North 20 degrees 23 minutes 58 seconds East 207.00 feet; thence North 69 degrees 36 minutes 02 seconds West 270.00 feet; thence South 20 degrees 23 minutes 58 seconds West 207.00 feet; thence South 13 degrees 06 minutes 26 seconds West 86.32 feet; thence South 03 degrees 01 minutes 41 seconds East 87.88 feet; thence South 19 degrees 19 minutes 32 seconds East 87.88 feet; thence South 35 degrees 37 minutes 23 seconds East 87.88 feet; thence South 47 degrees 15 minutes 47 seconds East 67.00 feet; thence South 66 degrees 41 minutes 59 seconds West 273.03 feet; thence North 65 degrees 46 minutes 36 seconds West 121.68 feet; thence North 24 degrees 08 minutes 37 seconds West 132.43 feet; thence North 00 degrees 18 minutes 09 seconds East 64.00 feet; thence South 67 degrees 52 minutes 33 seconds West 54.08 feet; thence North 00 degrees 14 minutes 21 seconds East 280.00 feet; thence North 89 degrees 45 minutes 39 seconds West 110.00 feet; thence South 77 degrees 49 minutes 54 seconds West 51.20 feet; thence North 89 degrees 45 minutes 39 seconds West 147.73 feet to The Point of Beginning and containing 17.64 acres more or less.

COPY

ARTICLES OF INCORPORATION
OF
BRIXTON WOODS AND BRIXTON LAKES
HOMEOWNERS ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, executes the following Articles of Incorporation:

ARTICLE I

Name

Section 1.01. Name and Type. The name of this Corporation shall be BRIXTON WOODS AND BRIXTON LAKES HOMEOWNERS ASSOCIATION, INC. This Corporation is a mutual benefit corporation. Certain capitalized words used herein shall have the meaning set forth in Article XI below.

ARTICLE II

Purposes and Powers

Section 2.01. Primary Purposes. The purposes for which this Corporation is formed are to exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration and all Supplemental Declarations.

Section 2.02. Additional Purposes. In addition, the Corporation is formed for the promotion of the health, safety and welfare of the residents of Brixton Woods and Brixton Lakes and other non-profitable purposes that are authorized by the Act and permitted to be carried on by an organization exempt from Federal income taxation under the provisions of Section 528 of the Internal Revenue Code of 1986 (hereinafter referred to as the "Code") and the Regulations issued pursuant thereto, as amended.

Section 2.03. Specific Powers. Subject to any specific written limitations or restrictions imposed by the Act, by the Code, by other law, or by the Declaration or the Articles, and solely in furtherance of but not in addition to the purposes set forth in Section 2.01 and 2.02 of these Articles, the Corporation shall have the following specific powers:

(a) To Manage, etc. To manage, maintain, repair and replace the Common Area, and appurtenant easements, improvements and other property of every kind and nature whatsoever, real, personal or mixed, located upon the Common Area or used or held for use

in connection with the business or operation of the Corporation for the benefit and use of the members of the Corporation, subject to such restraints or suspensions of use and voting rights of members as are provided herein, in the By-laws and in the Declaration.

(b) To Make Assessments. To fix, levy and collect Assessments and to enforce payment thereof by all lawful means.

(c) To Promulgate Rules. To promulgate such rules and regulations and perform such deeds as are deemed necessary to achieve the aforesaid purposes.

(d) To Insure. To secure from insurers licensed and approved in the State of Indiana, appropriate fire/property damage coverage, comprehensive general liability coverage and such other forms of insurance as may be deemed necessary or appropriate.

(e) To Secure Services. To secure professional managerial services by employing a professional manager, contracting with a professional management service or entity, or otherwise, which services may include administrative, managerial, bookkeeping, legal, architectural, engineering, maintenance, repair, construction and other services.

(f) To Acquire and Dispose of Property. To acquire by give, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber or dedicate for public use, real or personal property in connection with the business of the Corporation subject to the provisions of the Declaration.

(g) To Borrow. To borrow money and, subject to the provisions of the Declaration, to give, as security therefor, a mortgage or other security interest in any or all real or personal property owned by the Corporation, or a pledge of monies to be received pursuant to the provisions of the Declaration or any Supplemental Declaration, and to assign and pledge its right to make Assessments and its rights to claim a lien therefor.

(h) To Appoint a Fiscal Agent. To appoint any Person as its fiscal agent to collect all Assessments and charges levied by the Corporation and to enforce the Corporation's liens for unpaid Assessments and charges or any other lien held by the Corporation.

(i) To Make Contracts. To enter into, perform, cancel and rescind all kinds of contractual obligations, including the guarantee of the obligations and performance of others.

(j) To Act With Others. To perform any act which the Corporation acting alone has the power and capacity to perform by acting as a partner or otherwise in association with any Person or Persons, whether legally constituted or informally organized.

(k) To Pay. To pay all Operating Expenses, including all licenses, taxes or governmental charges levied or imposed against the property.

(l) To Merge. To participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional real estate as provided in the Declaration.

(m) To Otherwise Act. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise.

Section 2.04. Limitations Upon Powers.

(a) Earnings. No member of the Corporation shall have or receive any earnings from the Corporation, except a member who is an employee of the Corporation, in which event he may receive fair and reasonable compensation for his services as an employee; and a member may also receive payments of principal and interest at a rate not exceeding that from time to time permitted by the Act on funds loaned or advanced by him to the Corporation.

(b) Loans to Directors. The Corporation shall make no advancements for services to be performed in the future, nor any loan of money or property to any director or officer of the Corporation.

(c) Dissolution. In the event of dissolution of the Corporation, all assets remaining after payment of all debts of the Corporation, including advances and loans of members of the Corporation, and, if so authorized by the Board of Directors, distribution to members of the Corporation of such amounts as may be authorized by the Act, shall be dedicated by the Board of Directors to an appropriate public agency to be used for purposes similar to those for which this Corporation was organized. In the event such dedication is refused acceptance, such assets shall be transferred by the Board of Directors to the State of Indiana or any instrumentality or subdivision thereof exclusively for public purposes, or to any nonprofit corporation whose purposes are substantially the same as those of the Corporation and which, at the time of transfer, is exempt from Federal taxation under Sections 501(c)(3), 501(c)(4) or 528 of the Code or the corresponding provisions of any future United States Internal Revenue Law. Any such assets not so dedicated or transferred by the Board of Directors shall be disposed of in accordance with the Act. No member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the assets of the Corporation on dissolution of the Corporation, except as otherwise provided in these Articles or in the Act.

(d) Prohibited Activities.

(i) No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or to any private individual;

(ii) No substantial part of the activities of the Corporation shall be devoted to attempting to influence legislation by propaganda or otherwise within the meaning of the prospective provisions of the Code;

(iii) The Corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office;

(iv) Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization exempt from Federal taxation under Section 528 of the Code and Regulations issued pursuant thereto, as amended, or the corresponding provisions of any future United States internal revenue law, if the effect thereof is to subject the gross income of the Corporation to federal income taxation at rates established for corporations engaged in business for profit unless the purposes of the Corporation set forth in Section 2.01 of these Articles cannot otherwise be achieved.

ARTICLE III

Period of Existence

Section 3.01 Period of Existence. The period during which the corporation shall continue is perpetual.

ARTICLE IV

Registered Agent and Registered Office

Section 4.01 Registered Agent. The name and address of the Registered Agent in charge of the Corporation's principal office is Trimark Development, Inc., 9202 North Meridian Street, Suite 295, P.O. Box 40691, Indianapolis, Indiana 46240-0691.

Section 4.02 Registered Office. The post office address of the registered office of the Corporation is Trimark Development, Inc., 9202 North Meridian Street, Suite 295, P.O. Box 40691, Indianapolis, Indiana 46240-0691.

ARTICLE V

Membership

Section 5.01. Classes of Membership. The Corporation shall have two (2) classes of members of follows:

(a) Class A. Every Person, other than Declarant, who is an Owner shall be a Class A member of the Corporation. Class A membership shall be appurtenant to and may not be separated from the ownership of a Lot.

(b) Class B. The Declarant shall be a Class B member. No other Person, except a successor to substantially all of the interest of the Declarant in the Development Area, shall hold a Class B membership in the Corporation.

Section 5.02. Voting Rights.

(a) Class A Members. Each Lot shall have appurtenant thereto one (1) vote which may be cast by the Owners thereof who are present in Person or proxy pursuant to the voting procedures established in the By-Laws.

(b) Class B Members. The Class B member, if present, in Person or by proxy, shall be entitled to three (3) votes for each Lot owned by the Class B member.

(c) Casting of Votes. Members who are not natural persons shall designate by written notice to the Secretary of the Corporation the name of an individual who is authorized to exercise the right of such Member to vote. The name of such individual shall be kept on the records of the Corporation and may be changed only by written notice to the Secretary.

(d) Tabulation of Votes. In any matter upon which a vote of the Members is required or allowed, the votes of Class A members and the Class B member shall be totaled and considered as though there were a single class of membership.

Section 5.03. Termination of Membership.

(a) Class A Members. Membership in the Corporation shall lapse and terminate when a Class A member ceases to be an Owner.

(b) Class B Member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (i) when the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; or, (ii) December 31, 2004.

Section 5.04. Suspension of Membership Rights. No Class A or Class B member may be expelled from membership in the Corporation for any reason. The Board of Directors shall have the right to suspend the voting rights of a Class A member for a period during which any Assessment or charge owed by the Member remains unpaid in excess of thirty (30) days.

Section 5.05. Meetings of Members. All meetings of the Members shall be held at such place within the State of Indiana as may be designated by the Board of Directors pursuant to the provisions of the By-Laws. Notice of meetings need not be given to Associate Members if notice thereof is given to the Members appointing such Associate Members.

Section 5.06. No Preferences, etc. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the Members.

ARTICLE VI

Directors

Section 6.01. Number of Directors. The initial Board of Directors of the Corporation shall consist of no fewer than three (3) Members nor more than five (5) members. The number of Directors of the Corporation shall be specified from time to time in the By-Laws, but the minimum number shall be three (3) and the maximum number shall be five (5).

Section 6.02. Names and Post Office Addresses. The names and post office addresses of the initial members of the Board of Directors are as follows:

Charles Scheumann
9202 North Meridian Street, Suite 300
Indianapolis, Indiana 46260

Sandy Martin
9202 North Meridian Street, Suite 300
Indianapolis, Indiana 46260

Chamma Skipper
9202 North Meridian Street, Suite 300
Indianapolis, Indiana 46260

ARTICLE VII

Incorporator

Section 7.01. Name and Address of Incorporator. The name and post office address of the incorporator is Deluxe Homes, Inc., 2935 East 96th Street, Indianapolis, Indiana 46240.

ARTICLE VIII

Statement with Respect to Property

Section 8.01. Property of Corporation. The Corporation, upon its incorporation, has no property of value.

ARTICLE IX

Provision for Regulation and Conduct of the Affairs of the Corporation

Section 9.01. Management of Corporation. The affairs of the Corporation shall be managed by the Board of Directors.

Section 9.02. Code of By-Laws. The Board of Directors of the Corporation shall have the power, without the assent of the Members, to make, alter, amend, or repeal the By-Laws.

Section 9.03. Officers. The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as may be prescribed by the By-Laws or prescribed by resolution of the Board of Directors in the manner specified in the By-Laws. The offices of President and Secretary shall not be occupied by the same Person.

Section 9.04. Initial Board. The Initial Board of Directors, named in Section 6.02 hereof, shall serve as the Board of Directors of the Corporation until the Applicable Date and, in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, every such vacancy shall be filled by an individual appointed by Declarant. Any such individual appointed by Declarant shall thereafter be deemed a member of the Initial Board. If the Initial Board of Directors named in Section 6.02 hereof consists of fewer members than the maximum number of members specified hereunder then, at any time prior to the Applicable Date, the Declarant may, in its sole discretion, appoint an additional member, or additional members, so long as the number of members comprising the Board of Directors is always less than or equal to the maximum number of members permitted hereunder. Any additional members appointed by the Declarant shall thereafter be deemed to be a member of the Initial Board of Directors.

Section 9.05. Term of Office of Directors and Officers. Each officer and director shall hold his office for the term specified in the By-Laws, but no term shall end until a successor is elected and qualified for the office to be vacated.

Section 9.06. Removal of Member of the Board of Directors. After the Applicable Date, any member of the Board of Directors may be removed or replaced, with or without cause, at a meeting of the Members called for such purpose by the affirmative vote of three-fifths (3/5) of all the votes allocated to Members. Prior to the Applicable Date, any Director may be removed by Declarant with or without cause.

Section 9.07. Amendment of Articles of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provisions contained in the Articles or any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; provided, however, that any such amendment shall require the approval of two-thirds (2/3) of all Lot Owners. Provided, further, that such power of amendment does not authorize any amendment that would permit any part of the net earnings of the Corporation to inure to the benefit of any private individual, that would modify the provisions of Section 2.04 if such modification would have the effect of disqualifying this Corporation as an organization exempt from Federal income taxation under the provisions of Section 528 of the Code, as amended, or such equivalent provision as may hereafter exist from time to time, or that would be in conflict with the provisions of the Declaration or any Supplemental Declaration.

Section 9.08. Non-Liability. No member or Director of the Association shall be liable for any of the Associations obligations.

Section 9.09. Consent Resolutions. Any action required or permitted to be taken at any meeting of the members or of the Board of Directors may be taken without a meeting if, prior to such action a written consent to such action is signed by all members or all Directors, as the case may be, and such written consent is filed with the minutes of the proceedings of the members or of the Board.

Section 9.10. Liability to the Corporation. No person shall be liable to the Corporation for any loss or damage suffered by the Corporation on account of any action taken or omitted to be taken by such person in good faith as a Director, officer, employee or agent of the Corporation if such person (i) exercised or used the same degree of care as an ordinary prudent person in a like position would use under similar circumstances; or (ii) took or omitted to take such action in reliance upon information, opinions, reports or statements, including financial statements and other financial data, in each case, prepared or presented by any officer, employee or committee of the Board of Directors of the Corporation, or legal counsel, public accountants or other professional persons engaged by the Corporation, but such person shall not be considered to be acting in good faith if such person has actual knowledge concerning the matter in questions that would cause such reliance to be unwarranted; or (iii) has not breached or failed to perform the duties of their position or office in compliance with the Act, Articles of the Corporation and By-Laws of the Corporation in a manner constituting willful misconduct or recklessness.

Section 9.11. Indemnification. The Corporation shall indemnify any Director or officer or former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, against expenses (including attorney's fees), judgment, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense of any action, suit, or proceeding, whether civil, administrative, or investigative, in which he was, is made, or is threatened to be made a party by reason of being or having been a Director or officer or former Director or officer of the Corporation, or serving or having served at its request as a director or officer of another corporation, except in relation to matters as to which the person's acts or omissions are adjudged in the action, suit, or proceeding to be a breach of the

person's duty to the Corporation. Such duty to the Corporation shall be to discharge the duties of the office in a manner that does not constitute willful misconduct or recklessness in the exercise of good faith and reasonable belief that the action or actions were in or not opposed to the best interest of the Corporation. The termination of any action, suit, or proceeding by adverse judgment, order, or settlement (whether with or without court approval) shall not, alone, create a presumption that the Director or officer or former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, did not properly discharge his duty to the Corporation. If several claims, issues, or matters are involved, a Director or officer of former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, may be entitled to indemnification concerning some matters even though indemnification may or can not be given concerning other matters. Any Director or officer serving in any capacity for another corporation, who were it not for the influence or vote of the Corporation would not be so serving, shall be deemed to be serving at the request of the Corporation. In addition:

(a) To the extent that an individual has been successful on the merits or otherwise in the defense of any action, suit, or proceeding referred to in this Section 9.11, or in the defense of any claim, issue or matter therein, the individual shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred in connection therewith.

(b) Any indemnification, against underlying liability, provided for in this Section 9.11 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of any Director or officer or former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 9.10. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding; (b) if such an independent quorum is not obtainable, by majority vote of a committee duly designated by the full Board of Directors (in which designation directors who are parties may participate), consisting solely of two (2) or more directors not at the time parties to the proceeding; (c) by special legal counsel (1) selected by the independent quorum of the Board of Directors (or the independent committee thereof if no such quorum can be obtained), or (2) if no such independent quorum or committee thereof can be obtained, selected by majority vote of the full Board of Directors (in which selection directors who are parties may participate); or (d) by the Members, who are not directors who are at the time parties to the proceeding. Notwithstanding the foregoing, any Director or officer or former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, shall be able to contest any determination that he or she has not met the applicable standard of conduct, by petitioning a court of appropriate jurisdiction.

(c) Expenses incurred in defending any action, suit, or proceeding, whether civil, administrative, or investigative, may be paid by the Corporation in advance of the final

disposition of such action, suit, or proceeding upon receipt of a written undertaking by or on behalf of any Director or officer or former Director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation, to repay the amount paid by the Corporation if it shall ultimately be determined that he or she is not entitled to indemnification as provided in the Articles of Incorporation. No advance shall be given if the Corporation has completed the determination of conduct procedure as provided for in Section 9.11(b) and it is determined that the individual will be precluded from indemnification.

(d) The indemnification provided by this Section 9.11 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Laws, agreement, vote of members or disinterested Directors, as a matter of law, or otherwise, both as to actions in the officer's or director's official capacity and as to actions in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to the Articles of Incorporation shall vest at the time of occurrence or performance of any event, act or omission giving rise to any action, suit or proceeding of the nature referred to in these Articles and, once vested, shall not later be impaired as a result of any amendment, repeal, alteration or other modification of any or all of these provisions.

Section 9.12. Conflicting Provisions. Any further provisions consistent with the Articles of Incorporation and the laws of this state, for the regulation and conduct of the affairs of the Corporation, and creating, defining, limiting or regulating the powers of this Corporation, of the Directors or of the members, may from time to time prescribed by the By-Laws of the Corporation. If there is any conflict between these Articles and the Declaration, the Declaration shall control. If there is a conflict between the By-Laws and the Declaration, the Declaration shall control. If there is any conflict between these Articles and the By-Laws, these Articles shall control.

ARTICLE X

Distribution of Assets on Dissolution or Final Liquidation

The Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution or liquidation of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted,

conveyed and assigned to any non-profit corporation, Corporation, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

Definitions

Section 11.01. Terms. The following terms, as used in these Articles, and in the By-Laws, unless the context clearly requires otherwise, shall mean the following:

(a) "Act" means The Indiana General Nonprofit Corporation Act of 1991, as amended from time to time.

(b) "Applicable Date" means the date the Class B membership terminates as specified in Section 5.03(b) of these Articles.

(c) "Articles" means the Articles of Incorporation of the Corporation, as amended from time to time.

(d) "Assessment" means all sums lawfully assessed against the Members by the Corporation or as declared by the Declaration, any Supplementary Declaration, the Articles or the By-Laws.

(e) "Board of Directors" means the governing body of the Corporation.

(f) "By-Laws" means the Code of By-Laws of the Corporation, as amended from time to time.

(g) "Corporation" means Brixton Woods and Brixton Lakes Homeowners Association, Inc., an Indiana nonprofit corporation.

(h) "Declaration" means the Declaration of Covenants, Conditions and Restrictions of Brixton Woods and Brixton Lakes which was recorded in the office of the Recorder of Hendricks County, Indiana.

(i) "Development Area" means the "Property" as that term is defined in the Declaration.

(j) "Declarant" means Crossmann Communities Partnership, an Indiana general partnership, its successors and assigns to its interest in the Development Area other than Owners purchasing Lots or Residences by deed from Declarant (unless the conveyance indicates an intent that the grantee assume the rights and obligations of Declarant).

(k) "Initial Board" means those individuals appointed by Declarant as Directors pursuant to the power granted to Declarant in Section 9.04 of these Articles.

(l) "Lot" means a platted lot as shown on a Plat.

(m) "Member" means a Class A or Class B member of the Corporation and "Members" means Class A and Class B members of the Corporation.

(n) "Operating Expenses" means expenses of administration of the Corporation and expenses for the upkeep, maintenance, repair and replacement of the Common Area and other Property.

(o) "Owner" means a Person, including Declarant, who at the time has or is acquiring any interest in a Lot except a Person who has or is acquiring such an interest merely as security for the performance of an obligation.

(p) "Person" means an individual, firm, corporation, partnership, association, joint venture, trust or other legal entity, or any combination thereof.

(q) "Plat" means a plat of a part or all of the Development Area recorded in the Office of the Recorder of Hendricks County, Indiana.

(r) "Residence" means any structure intended exclusively for occupancy by a single family together with all appurtenances thereto, including private garage and outbuildings and recreational facilities usual and incidental to the use of a single family residential lot.

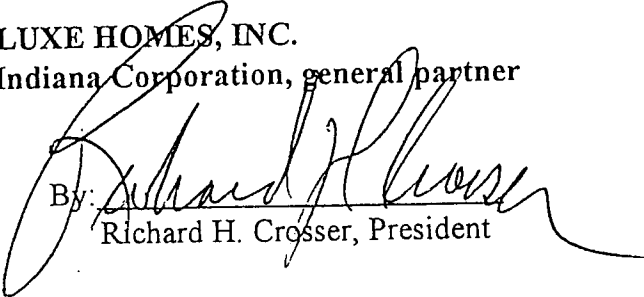
(s) "Supplemental Declaration" means any supplemental declaration of covenants, conditions or restrictions that may be recorded after the Declaration.

Section 11.02. Other Terms. Any capitalized word used herein or in the By-Laws and not otherwise defined above in Section 11.01 shall, unless the context required otherwise, have the meaning set forth in Article II of the Declaration.

The undersigned, being the sole Incorporator designated in Article 7, does hereby adopt these Articles of Incorporation, representing by his execution hereof to the Secretary of State of the State of Indiana and all persons whom it may concern that a membership list of the Corporation for which a Certificate of Incorporation is hereby applied for has heretofore been opened in accordance with the Act and that at least one (1) person has signed such membership list.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation and verifies, subject to penalties of perjury, that the facts contained herein are true, to the best of his knowledge, information and belief, this 6th day of January, 1998, ~~1997~~.

DELUXE HOMES, INC.
an Indiana Corporation, general partner

By: 
Richard H. Crosser, President

Prepared by:

Charles D. Frankenberger
NELSON & FRANKENBERGER
3021 East 98th Street
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Indianapolis, Indiana 46280
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