

DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE MURPHY'S) AND THE OWNERSHIP

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SECTION 1

THIS DECLARATION made this 11th day of June, 1994, by Yeager Realty LLC (an Indiana Limited Liability Company) (hereinafter called DECLARANT) is the title owner of real estate hereinafter detailed as Exhibit "A" and the installment contract sale purchaser of real estate hereinafter described as Exhibit "B".

WITNESSETH:

WHEREAS, the following facts are true:

A. DECLARANT at the time of execution hereof will be the sole owner in fee simple of real estate located in Marion County, Indiana, more particularly described in the attached Exhibit "A", which is incorporated herein by reference (the aggregate of which is comprised of recorded platted sections of Subdivisions in Hillbarney Hill at Murphy's Landing Section 1 and Shannon Lakes at Murphy's Landing Section 1, each separately also referred to as "Tract") with the right to acquire sole fee simple ownership from the Bluffview Farms, Inc. under a LAND CONTRACT recorded in the Marion County Recorder's Office as Instrument N^o 19930082191 as to real estate located in Marion County, Indiana, attached hereto and made a part hereof as Exhibit "B".

B. DECLARANT, by execution of this Declaration, assures that all properties which are conveyed which are a part of Exhibit "A" shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Exhibit "A" real estate and be binding upon all parties having right, title or interest in Exhibit "A", or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

C. W, THEREFORE, DECLARANT hereby makes this Declaration as follows:

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

- (a) "ADDITIONAL TRACT" means the real estate or any part of it described in Paragraph 21 of this Declaration, legally described in Exhibit "B".
- (b) "Applicable Date" means the date determined pursuant to Paragraph 8 of this Declaration.
- (c) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Corporation, as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.

- (d) "Board of Directors" means the governing body of the Corporation elected by the Members in accordance with the By-Laws of the Corporation.
- (e) "By-Laws" shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference.
- (f) "Common Expense" means expenses for the administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas or the Common Expense Areas, and all sums lawfully assessed against the members of the Corporation.
- (g) Common Areas and/or Common Expense Areas.

The following appear as designated by the reference 'Block' or otherwise described upon the Final Plat designated as subdivision sections namely Killarney Hill at Murphy's Landing Section 1 and Shannon Lakes at Murphy's Landing Section 1 or upon a recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof denominated as additional Sections of either Killarney Hill or Shannon Lakes.

The Common Areas which are subject to Common Expense are additionally identified as to their location in Parcel A or Parcel B as shown on the Conceptual Site Plan as shown on Exhibit 'C' attached.

Lakes (denominated as the bulk of BLOCK(S) in platted sections of Parcel A)

One or more of such Lakes are part of the overall drainage system of the development known as Murphy's Landing. These Lakes provide detention/retention in the drainage system and are expected, along with surrounding greenbelt land, to provide a look of open aesthetic ponds and greenbelt supplement in what is a natural floodway area.

A meandering path on one side of the lakes will traverse the North - South dimension of the lakes for strollers, walkers and possibly joggers with provisions for the path to proceed South to access to a Parks Department facility near Stop 11 Road and to ultimately proceed North beyond Southport Road. Declarant reserves the right

without the obligation to install a pavilion, foot bridge, fountain and WEIRCS.

These Blocks(s) shall ultimately be titled to Murphy's Landing Home-owners Association, Inc. (HOA) on or before the Applicable Date (hereafter defined), who have the responsibility to maintain, preserve and improve these Blocks as a "Common Expense".

Declarant makes no representations as to the level of water to be maintained in any of these lakes.

These Block areas are selected to be in direct or near proximity to dedicated streets consequently being available to all members of the HOA subject to rules and regulations promulgated by the HOA and/or as limited by the terms of this Declaration.

LANDSCAPE PERIMETER BLOCKS OR EASEMENTS

Perimeter landscape areas which will either be easements shown on platted Lots or Blocks as shown on recorded Plats ultimately to be titled in the name of the HOA shall appear on the Harding Street and Bluff Road sides of Parcel B and on the Bluff Road and Stop 11 Road sides of Parcel A. Ingress and egress is to be assured the HOA or its representative to plant, replace and maintain these landscape areas as a "Common Expense". The easements may be labeled on the Plat as LME (Landscape Maintenance Easement).

Esplanade

- denominated by this name on the Conceptual Site Plan and by the name Block as a common area subject to "Common Expense". This open area is, in part, over an existing pipeline easement and subject thereto but nevertheless provides the members of the HOA, subject to its rules and regulations and the limitations of this Declaration an open space - short hike area which leads to a hilltop overlook point located in a natural wooded area labeled Wooded Commons. The Esplanade will include a modest wooden deck structure. Title to the Esplanade will ultimately be in the name of the HOA.

If practical, without violating Declarant's tree preservation obligation, Declarant

will attempt to provide a pathway from the Wooded Commons area to the area described in the next sub title.

Primer for Landscapes Path

is designated as a Block and Common Area not part of platted Lots located at the North and Northwest perimeters of Parcel B traversing entry and exit points between Harding Street and the Wooded Commons point within the Esplanade. This Block will ultimately be titled in the name of the HOA and will contain a path for walking and strolling. The maintenance and rules governing use shall be the obligation of the HOA as a "Common Expense" thereof.

Entranceway Easements

Two entrance ingress - egress points for Parcel B are contemplated to and from Harding Street and to and from Bluff Road. Three such points are also contemplated for Parcel A; one on Stop 11 Road and two on Bluff Road, one of which is proposed to match the location of the Parcel B - Bluff Road point. Each of these points will be provided with subdivision identification in the form of entry walls and complimentary landscaping within easements identified on recorded plats which permit the HOA or its representatives access to plant, replant and maintain the walls and landscape therein all as a common expense.

The northerly most entry point on Bluff Road for Parcel A is to be expanded to present a minor park like appearance in possible combination with a Lake or Lakes and may be instead designated as a Block for the recorded plats involved. If a Block designation is so involved title therein will ultimately be in the HOA who has the maintenance responsibility therefore and the right to establish rules relative to the use thereof.

Landscape Islands

The Declarant reserves the right (but not the obligation) in the final design of Parcel A and/or Parcel B to aesthetically include landscape strips (islands) within

portions of the dedicated public right of way of some of the interior streets and/or entrance ways of Parcel A and/or Parcel B. Any such landscape lands are subject to the encroachment permission of applicable municipal government. Any such landscape Plan E established shall be maintained by the HOA as a common expense.

Landscape Eyebrow

One such eyebrow is contemplated in Parcel A and will be designated as a Block in the recorded plat that includes this Landscape Eyebrow. If this area is not part of any dedicated right of way then title thereto will ultimately be in the name of the HOA who has the maintenance responsibility therefore as a common expense.

Other Common Expense Items

The Declarant reserves the right, without the obligation, to incorporate within the subdivision design of Parcel A and/or Parcel B water sprinkler type equipment and/or electric light capacity in the corner areas or common expense areas and to also contract with the electric utility to install street lights within the right-of-way within all or portions of Parcel A and B under a lease arrangement. Any ongoing expenses after installation for such equipment by lease or otherwise and any charges for utility service shall be a common expense of the HOA who will have the maintenance responsibility therefore and the right to regulate use thereof.

- (h) "Corporation" also known as HOA means the Murphy's Landing Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 8 of this Declaration; such Corporation being more particularly described in Paragraph 8 of this Declaration.
- (i) "DECLARANT" shall mean and refer to Yeager Realty LLC and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of DECLARANT hereunder including, but not limited to, any mortgagee acquiring title to any portion of the "TRACT" pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by DECLARANT.

- (j) "Dwelling Unit" means the living units located upon a Lot.
- (k) "Lot" means any plot of ground designated as such upon the recorded Final Plat of Killarney Hill Section 1 and Shannon Lakes Section 1 or upon the recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed or hereinafter is used. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.
- (l) "Member" means a member of the Corporation.
- (m) "Mortgagee" means the holder of a first mortgage lien on a Lot.
- (n) "Killarney Hill Section 1 and Shannon Lakes Section 1" means the name by which the TRACT(S), as described in Paragraph A above, which is the subject of this Declaration shall be known.

The Lots in Shannon Lakes are located East of Bluff Road and the Lots in Killarney Hills are located West of Bluff Road with these Lots in Killarney Hills SOUTH OF THE ESPLANADE SEPARATELY DESIGNATED AS EMERALD HIGHLANDS.

- (o) "Murphy's Landing" includes as part of its overall designation as a project Killarney Hill Section 1 and Shannon Lakes Section 1 and any additional area or section from the Exhibit "B" realty by the recordation of a Final Plat in the Marion County Recorder's Office.
- (p) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.
- (q) "TRACT" means the real estate described in Paragraph A above and such portions of the ADDITIONAL TRACT for which a Final Plat has been recorded in the Office of the Recorder of Marion County, Indiana within the time period specified in paragraph 21 of this Declaration.
- (r) Conceptual Site Plan. The conceptual site plan for the Exhibit "A" and Exhibit "B" realty is attached hereto as Exhibit "C" and is illustrative only of a potential arrangement of Lots, streets, common areas, easements and common expense areas. Declarant reserves the SOLE right to modify this Conceptual Site Plan as reflected in any recorded Plats for all or portions of Parcel A and Parcel B.

2. Declaration. DECLARANT hereby expressly declares that the "TRACT" shall be held, conveyed

and transferred in accordance with the provisions of this Declaration.

3. Description of Kellamey Hill Section I and Shannon Lakes Section I. The "Kellamey Hill Section I" consists of 40 Lots and "Shannon Lakes Section I" consists of 48 Lots, as designated on the Final Plat. The legal description for each lot in each such subdivision shall be as follows:

Lot _____ in (Subdivision Name) Section I, a subdivision in Marion County, Indiana, as per plat thereof recorded _____, 19____, as Instrument No. _____ in the Office of the Recorder of Marion County, Indiana.

4. Ownership of Common Area. The Common Area in any platted portion of the Tract or the ADDITIONAL TRACT subject to this Declaration shall be conveyed to the HOA on or before the Applicable Date at the option of the Declarant and thereafter owned by the Corporation, and shall be held for the use and enjoyment of the Members, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to every Lot, subject to the provisions of this Declaration, including, but not limited to, the following:

- (a) The right of the Corporation to charge reasonable fees for use of any recreational facility including, but not limited to, the Lakes.
- (b) The right of the Corporation to suspend any Member from the right to use for any period during which any assessment against such Member's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Board's published rules and regulations.
- (c) The right of the Corporation, upon approval by a written instrument signed by two-thirds (2/3rds) of all Class A Members, two-thirds (2/3rds) of all Class B Members, and by two-thirds (2/3rds) of all first mortgagees, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such Common Area purposes and subject to such conditions as may be agreed by the Corporation. The Board of Directors shall have the right to convey title of Common Area to Lot owners to correct any overlaps or encroachments without the approval stated herein and shall likewise have the power and authority to grant easements within the Common Areas to water utilities to install and use water wells to access the aquifer located below portions of Parcel A and Parcel B.
- (d) The right of the Corporation to adopt such rules and regulations regarding the Common Area

and Common Expense Areas, if deemed necessary as provided in Paragraph 19.

- (c) A given Common Area in platted portions of the TRACT or of the ADDITIONAL TRACT made subject to this Declaration shall be conveyed by the DECLARANT and thereafter owned by the Corporation no later than the Applicable Date but may be conveyed to the Corporation in whole or in part at an earlier date at the option of the Declarant.

5. Delegation of Use of the Common Area and Common Expense Areas. Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment, and use of the Common Area and Common Expense Areas to members of his family, his tenants or contract purchasers who reside on any Lot.

6. Encroachments and Easements in Common Area and Common Expense Areas. If by reason of inexactness of construction, settling after construction or for any other reasons, any Common Area or Common Expense Areas encroach upon any Lot, an easement shall be deemed to exist and run to the Corporation for the maintenance, use and enjoyment of such Common Areas or Common Expense Areas.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, in the Common Areas and Common Expense Areas and serving his Dwelling Unit.

7. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity on the TRACT; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed and approved by DECLARANT on the Plat or as thereafter may be approved by DECLARANT or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the TRACT and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, DECLARANT prior to the Applicable Date and the HOA thereafter shall have the right to grant such easement on such TRACT, without conflicting with the terms of this Paragraph. The easements granted herein shall in

no way affect any other recorded document on the TRACT

B Corporation; Membership; Voting; Functions

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

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

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

(ii) **Class B.** Class B Members shall be DECLARANT and all successors and assigns of DECLARANT designated by DECLARANT as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to four (4) votes for each Lot of which it is the Owner in all matters requiring a vote of the Members of the Corporation (Lots for this purpose include Lots reflected in recorded plats and/or Lots reflected in preliminary plats that are in the platting process). The Class B membership shall cease and terminate upon the APPLICABLE DATE, which shall be the first to occur of:

1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
2. thirty (30) days after the date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or;
3. 10 years after date of recordation of this Declaration

(c) **Functions** The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the Common Areas, and Common Expense

Articles (Item 1g) and to pay any other necessary expenses and costs in connection with these matters, and to perform such other functions as may be designated by it to perform under this Declaration.

9. Board of Directors

(a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by DECLARANT as provided in subparagraph (b) of this Paragraph 9.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: Robert K. Yeager, John Michael Yeager and Marilyn J. Duran (hereinafter referred to as the Initial Board) all of whom have been or shall be appointed by DECLARANT. Notwithstanding anything to the contrary contained in, or any other provisions of this Declaration, the Articles or the By-Laws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, determined as provided above, every such vacancy shall be filled by a person appointed by DECLARANT, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any type or juridical acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed DECLARANT as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as DECLARANT determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the By-Laws or otherwise; provided, however, this right to vote granted to DECLARANT shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging the Common Areas titled in the HOA or merger/consolidation of the Corporation with another corporation. This appointment

of DECLARANT as such Owner's agent, attorney in fact and proxy shall not be affected by incapacity of the Owner granting the same. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by DECLARANT to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a Member of the Corporation).

- (c) Additional Qualifications Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.
- (d) Terms of Office and Vacancy The Initial Board, per subparagraph (b) of this Paragraph, shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided herein. After the Applicable Date there shall be five (5) Board Members to be selected and elected based on the location of the residence of the members as follows:

Two (2) Board Members must reside within Shannon Lakes and be elected by the members within Shannon Lakes.

One (1) Board Member must reside within Killarney Hills (excluding Emerald Highlands) and be elected by the members therein.

One (1) Board Member must reside in Emerald Highlands and be elected by the members therein.

One (1) Board Member who may reside anywhere within Killarney Hills including Emerald Highlands or Shannon Lake and will be elected AT LARGE by the members therein.

All of the Board Members, except for the AT LARGE BOARD MEMBER, shall be elected for a two (2) year term with the AT LARGE Board Member to be elected for a three (3) year term.

There shall be separate nominations for the office of each member of the Board to be elected at

such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions subparagraph (b) of this Paragraph as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subparagraph (a) of this Paragraph. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

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

(f) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement as required and detailed under this Declaration within the Common Areas, and Common Expense Areas (Item 1g), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Other than the Initial Management under Paragraph 9 any decision thereafter to employ a professional property management agent shall require the prior consent of the Owners

- (iii) to employ legal counsel, architects, contractors, accountants and other as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
 - (iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;
 - (v) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom; and
 - (vi) to open and maintain a bank account or accounts in the name of the Corporation.
- (h) Limitation on Board Authority. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 (adjusted annually for increases or decreases in the Consumer Price Index) but in no event less than \$2,500.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:
- (i) contracts for replacing or restoring portions of the Common Areas or Common Expense Areas (Item 1g) damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
 - (ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
 - (iii) expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners
- (i) Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.
- (j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by

them and a half of the Corporation.

- (k) **Additional Indemnity of Directors.** The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such finding and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statement or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meeting of the Board of Directors.
- (l) **Bond.** The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misappropriation, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors (provided, however, in no event shall the aggregate amount of the bond be

less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of employees or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

10. Initial Management. The Board of Directors has entered or will hereafter enter into a management agreement with DECLARANT or with a corporation or other entity affiliated with DECLARANT or designated by DECLARANT for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice under which DECLARANT (or such other corporation or entity as appropriated) will provide supervision, management and maintenance of the Lakes, and Landscape Area and/or Landscape Easements and in general perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years or a new management agreement with different parties may be executed under similar terms and conditions. Any management agreement is or will be subject to termination by DECLARANT (or such other corporation or entity as appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement between the Corporation and DECLARANT (or such other corporation or entity as appropriate) is in effect, DECLARANT (or such other corporation or entity as appropriate) shall have and DECLARANT hereby reserves to itself (or such other corporation or entity as appropriate), the exclusive right to manage the Lakes, and Landscape Area and/or Landscape Easements and perform all the functions of the Corporation.

11. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot but are assessed and taxed on the "TRACT" and "ADDITIONAL TRACT" or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to

the lots comprising the TRACT and ADDITIONAL TRACT or that part thereof that is assessed as a whole, which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the TRACT and ADDITIONAL TRACT or part thereof assessed as a whole, and shall pay his proportionate share of the real estate taxes assessed on the improvements on the TRACT and ADDITIONAL TRACT or part thereof assessed as a whole based upon the ratio that the square footage of all improved Lots

12. Utilities Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.

13. Maintenance, Repairs and Replacements Maintenance, repairs, replacements and upkeep of the Common Areas and the Common Expense Areas, as detailed in Item 1(g) of this Declaration, shall be furnished by the Corporation as a part of its duties and the cost thereof shall constitute a part of the Common Expenses.

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

Notwithstanding any obligation or duty of the corporation to repair or maintain aforesaid if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's lot is subject.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, exclusive of dwelling maintenance, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the TRACT is subject to this Declaration each Owner, by his acceptance of a deed to any Lot,

irrevocably grant to the Corporation, its agents and employees, the right to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.

14. Architectural Control

- (a) The Architectural Review Board. A standing committee of the Corporation there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. Until the date hereinafter referred to in Item 21, the Architectural Review Board shall be the Initial Board of Directors unless the Initial Board of Directors relinquishes this responsibility in writing to the POA at an earlier date. The Architectural Review Board shall be appointed by the Board of Directors at such time as all platted lots in the TRACT and ADDITIONAL TRACTS under Item 21 hereof have been transferred by the Declarant to a title holder other than Declarant. After the term of the Initial Board the Architectural Review Board shall be comprised in equal numbers from Shannon Lakes, Killarney Hills (excluding Emerald Highlands) and Emerald Highlands.
- (b) Purpose. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.
- (c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the DECLARANT to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, change in the Common Areas or Common Expense Areas (Item 1g), or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.
- (d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove

in writing an application from the title owner of a Lot within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) have been given to it, approval will be deemed granted by the Architectural Review Board. The Architectural Review Board partly in recognition of varying zoning and zoning commitments of record may, and is contemplated to, develop and have available for distribution different rules and standards for Shavano Lakes, Killarney Hills (excluding Emerald Highlands) and Emerald Highlands. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3rds) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

- (c) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design of the Dwelling Units nor for maintaining the Common Areas or Common Expense Areas (Item 1g) without the prior written approval of 2/3rds of all Owners and 2/3rds of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

15. Assessments.

- (a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then servicing the Corporation, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.
- (b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall

furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owner. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by issuing generally accepted accounting principles applied on consistent basis.

The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the Common Areas and Common Expense Areas (Item 1g), which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement for the Common Areas and Common Expense Areas (Item 1g), shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred ten percent (110%) of such last approved budget, as a temporary budget.

(c) *Regular Assessment.* The annual budget adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses on the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be the same amount for each Lot. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Lot (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Lot shall be determined on a calendar year basis of 360 days and shall be paid in advance annually commencing on the first day of the first month of each fiscal year and yearly thereafter with proration for Lots first acquired within a calendar year. In those instances where title to a Lot is transferred within a calendar year with that year's annual assessment already having been paid the Association will not be required to give the transferor any refund but shall credit the transferee with any proratable balance involved. Builders who purchase Lots for resale to homeowners for occupancy shall be excused from the annual Regular Assessment for an interval of four (4) months from the date of conveyance of the Lot from Declarant to the Builder. Payment of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then:

- (i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid within thirty (30) days of written notice to said effect.
- (ii) If the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess

shall be credited against the next payment of the Regular Assessment coming due, until the entire amount of such excess has been so credited.

The Regular Assessment for the current fiscal year of the corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and then after, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from Payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 16 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. The Regular Assessments shall be due and payable automatically on its due date without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

- (d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that any such assessment shall have the assent of two-thirds (2/3rd) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the DECLARANT shall not be any Owner's agent, attorney-in-fact or proxy in this vote pursuant to the third sentence of Paragraph 7 of this Declaration, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of

the Board, shall become a lien on each Lot, provided in a policy thereon called "Special Assessment". Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in this Declaration.

- (c) Regular Assessments Prior to the Applicable Date. During the period that Dwelling Units are being constructed within the TRACT or any "ADDITIONAL TRACT", it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly, and notwithstanding any other provision contained in the Declaration, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual Budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph.

The Corporation will enter into a management agreement with DECLARANT (or a corporation or other entity designated by DECLARANT) (hereinafter referred to as "Management Agent" or "Managing Agent") in accordance with the provisions of Paragraph 9 of this Declaration. So long as such management agreement (or similar agreement) remains in effect, the Common Expenses and Regular Assessment shall be paid by Owners to Management Agent. DECLARANT shall guarantee that until the earlier of (1) termination of said management agreement or (2) 1 year after the date of execution, the annual Regular Assessment shall not exceed \$100.00 (the "Guaranteed Charge"). After this date (assuming that said management agreement or similar agreement is still in effect) and so long thereafter as said management agreement (or similar agreement) remains in effect and Management Agent continues to perform such functions, DECLARANT guarantees that the annual Regular

Assessment shall not exceed the amount of the Guaranteed Charge for each year. Such adjustments to the Guaranteed Charge (up to a twenty percent (20%) increase as determined by the Board) shall be made annually on January 1 of each year so long as said management agreement remains in effect and Management Agent continues to perform such functions. Such annual charge shall during such guaranteed period entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. DECLARANT shall be responsible for any deficit over and above this "START UP FUND" hereinafter detailed, during such guarantee period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or if sufficient the replacement reserve fund, if any such fund exists.

That portion of the Regular Assessment collected by DECLARANT prior to the Applicable Date applicable to any replacement reserve created shall be held by the initial Board and if required, applied to the replacement required in the Common Areas and Common Expense Areas (Item 1g). To the extent that any such replacement reserve is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date. Payment of Regular Assessment prior to the Applicable Date with respect to each Dwelling Unit (that is not owned by DECLARANT) shall commence on the date of conveyance by DECLARANT to such new owner or from the date of conveyance by a Builder who secured title from Declarant for resale to homeowners for their occupancy. The "START UP FUND" of one-sixth (1/6th) of the Regular Assessment aforesaid shall be added to the Regular Assessment and be due at the same time. The first payment shall be payable on the date of conveyance prorated based upon a 365 day year. Thereafter, payment of the Regular Assessment shall be paid the first day of each annual period thereafter during the period prior to the Applicable Date. DECLARANT SHALL NOT BE RESPONSIBLE FOR REGULAR ASSESSMENTS FOR LOTS OWNED BY DECLARANT UNTIL AFTER THE APPLICABLE DATE.

Each Owner hereby authorizes the Corporation and the Board of Directors and its

officers to enter into the aforesaid management agreement described in Paragraph 9 of this Declaration and to adhere to and abide by the same.

- (f) Initial Working Capital and START-UP FUND. Upon the closing of the initial conveyance of each Lot by Declarant to another person, except for builders listed on Declarant's Builder List as that list is published from time to time, the purchaser of such Lot shall pay to the Corporation, in addition to any other amounts then owed or due to the Corporation, as a contribution to its working capital and "START-UP FUND", an amount equal to one-sixth (1/6th) of the then current annual Regular Assessment against such Lot, which payment shall be non-refundable and shall not be considered as an advance payment of any Assessment or other charge owed the Corporation with respect to such Lot. Such working capital and START-UP FUND shall be held and used by the Corporation for payment of, or reimbursement to Declarant for advances made to pay, expenses of the Corporation for its early period of operation, to enable the Corporation to have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary by the Board.
- (g) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Areas and/or Common Expense Areas (Item 1g) or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and

overly liable for the payment to the Corporation and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rental and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessment or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including, but not limited to, reasonable attorney's fees) and interest from the date such assessment were due until paid at the rate equal to the prime interest rate then being charged by NBD of Indianapolis to its largest and best corporate customer (or if said bank is no longer in existence then such rate charged by another National Bank in Marion County, Indiana selected by the Board of Directors). The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage.

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

16 Mortgagee

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

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

- (b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Paragraph 10 hereof.
- (c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation (1) to pay any charges against the Common Areas and/or

Common Expense Areas (Item 1g) which are in default and (2) to pay any overdue premiums on hazard insurance for the above areas or to secure new hazard insurance for the above areas on the lapse of a policy. Any Mortgagee making such payment shall be owed promptly reimbursement by the Corporation.

- (d) Notice of Condemnation or Casualty Loss. Mortgagee shall be timely notified of any condemnation loss which affects a material portion of the TRACT. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.
- (e) Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

17. Insurance.

- (a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring, if possible and practical, the Corporation's improvements within the Common Areas and Common Expense Areas (Item 1g) in an amount consonant with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth.

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

other of the Corporation provided in the By-Laws shall specifically include protection for any insurance proceeds received.

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

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

- (b) Public Liability Insurance - The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time, but not less than \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors, any committee of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the TRACT. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be cancelled or substantially modified without at least ten (10) days written notice to the Corporation.

- (c) Other Insurance The Corporation shall also obtain any other insurance required by law to be maintained including, but not limited to, workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall insure to the benefit of each Owner, the Corporation the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.
- (d) Insurance by Owners Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

18. Restoration of Common Areas and/or Common Expense Areas (Item 1g) ("Improvements"). In the event of damage to or destruction of any of the "Improvements" herein titled due to fire or any other casualty or disaster, the Corporation shall attempt to promptly cause the same to be repaired and reconstructed to the extent of proceeds of insurance and other funds available but without making the HOA insolvent. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the "Improvements", or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the "Improvements" so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the "Improvements" to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

(B) **Covenants and Restrictions.** The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Common Areas and Common Expense Areas (Item 1g) shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by an Owner or by the Corporation. Present or future Owners or the Corporation shall be entitled to injunctive relief on cause and then or attempt violation of any such covenant and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violation thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

- (a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.
- (b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Areas and/or Common Expense Areas (Item 1g) which will result in a cancellation of insurance or increase in insurance because of any such action, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- (c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the Common Areas and/or Common Expense Areas (Item 1g) or on any Lot. The Board of Directors determination as to what is a nuisance shall be conclusive.
- (d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Board.
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Areas and/or Common Expense Areas (Item 1g) except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that

such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an owner shall be fully liable for any injury or damage to persons or property, including the Common Areas and/or Common Expense Areas (Item 1g) caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the "TRACT" within ten (10) days after written notice from the Board to the respective Owner to do so.

- (f) The Common Areas and Common Expense Areas (Item 1g) shall be kept free and clear of rubbish, debris and other unsightly materials.
- (g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the "TRACT".
- (h) No for sale signs larger than the typical Realtor signs used in Marion County, Indiana, "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the "TRACT", and Lot or any Dwelling Unit without the prior consent of the Board; provided, however, that the right is reserved by the DECLARANT and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the "TRACT" in connection with any unsold or unoccupied Lots and Dwelling Units.
- (i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Areas, or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas and/or Common Expense Areas (Item 1g).
- (j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the "TRACT" except as otherwise specifically permitted by the Board. No repair work shall be done on the "TRACT" on any vehicles, including passenger automobiles.

- (k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas and/or Common Expense Areas (Item 1g), except with express permission from the Board.
- (l) The Common Areas and Common Expense Areas (Item 1g) shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:
 - No motorized boating or sailboats shall be permitted on the Lake.
 - Private dock facilities may not be installed into the Lake.
 - No swimming shall be permitted in the Lake.
- (m) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.
- (n) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease.

Notwithstanding anything to the contrary contained herein or in the Articles or By-Laws, inuring, but not limited to, any covenants and restrictions set forth herein or otherwise, DECLARANT shall have the right to use and maintain any Lots and Dwelling Units owned by DECLARANT and other portions of the "TRACT" (other than individual Dwelling Units and Lots owned by persons other than DECLARANT), all of such number and size and at such locations as DECLARANT in its sole discretion may determine, as DECLARANT may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. DECLARANT shall have the right to relocate any or all of the same from time to time as it desires. DECLARANT shall have the right to remove the same from the "TRACT" at any time.

20. Amendment of Declaration.

- (a) Generally. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:
 - (i) Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting at which the proposed amendment is to be considered.
 - (ii) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board

of Directors of Owner, having in the aggregate at least a majority of the votes of all Owners.

(iii) Meeting The resolution concerning a proposed amendment must be adopted by the directors of the Corporation at a meeting duly called and held in accordance with the provisions of the By-Laws.

(iv) Adoption Any proposed amendment to this Declaration must be approved by a vote of not less than a majority in the aggregate of the votes of all Owners. In the event any lot or Dwelling Unit is subject to a first mortgage, the mortgagee shall be notified of the meeting and the proposed amendment to the same amount as an Owner if the Mortgagee has been given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.

(v) Special Amendments No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Paragraph 17 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 18 of this Declaration with respect to reconstruction or repair of the Common Areas and Common Expense Areas (Item 1g) in the event of fire or any other casualty or disaster, or (4) the provision of Paragraph 14 of this Declaration establishing the Architectural Review Board, and providing for its functions, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Additional Special Amendments No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for, and responsibility for, maintenance, repair and replacement of the Common Areas and Common Expense Areas, or (3) right to use the Common Areas and Common Expense Areas, or (4) annexation of property to the TRACT (other than as provided in Paragraph 21), or (5) termination of the applicability of this Declaration, or (6) any provisions which are for the express benefit of Mortgagees without the consent of at least two-thirds (2/3rds) of the votes of the Owners for the first ten (10) years after recording of this Declaration and thereafter at least a majority of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages whose mortgage interest have been made known to the Board of Directors as heretofore detailed.

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

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

(b) Amendments by DECLARANT ONLY Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the DECLARANT shall have and hereby reserves the right and power, acting alone and without the consent or approval of the Owners, the

Corporation, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration at any time from time to time if such amendment or supplement is made: (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (e) adopt amendments prior to the Applicable Date which are not materially adverse to the owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the DECLARANT to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the DECLARANT to vote in favor of, make, execute and record any such amendments. The right of the DECLARANT to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the DECLARANT no longer holds or controls title to any part or portion of the "TRACT".

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

21. Annexation of "ADDITIONAL TRACT". In addition to the "TRACT", DECLARANT has a contractual right to purchase the Additional Tract from BLUFFVIEW FARMS, INC. who is the fee simple title owner of certain real estate described in the attached Exhibit "B" which is located contiguous to the "TRACT".

The Declarant at any time after acquiring fee simple title to all or any part of the Exhibit "B" realty shall have the right to automatically subject said realty at one or more instances to this DECLARATION but not subject to assessments under Article 15 of the recorded subdivision plat but any or all of said realty is removable from the terms and conditions of this DECLARATION as hereinafter detailed.

Any time prior to 10 years after date of recording of this Declaration, DECLARANT, without the consent of the Owners may, but is not obligated to, develop the "ADDITIONAL TRACT" or any part thereof (except as modified by zoning commitments filed relative to such additional tract(s) and file one or more Final Plats for such "ADDITIONAL TRACT" or part thereof. Improvements (excluding Dwelling Units) within the tract to be annexed must be substantially completed or bonded under the Marion County Subdivision Ordinance prior to annexation.

In the event the "ADDITIONAL TRACT" or any part of it is platted in a manner as herein stated, the Owners of such Lots in the "ADDITIONAL TRACT" or parts thereof, shall have the same rights and obligations of the Owners herein, and the Corporation shall have the same jurisdiction and authority over such "ADDITIONAL TRACT" or any part of it in a manner described. DECLARANT may file a Declaration stating that the "ADDITIONAL TRACT" or any part thereof shall not be developed as contemplated herein; provided, however, any part of the "ADDITIONAL TRACT" for which a Plat is not recorded with the Marion County Recorder by the date herein stated, shall be automatically removed from this DECLARATION terms and conditions therefor from the possibility of having a common entity which provides for the maintenance, repair, replacement, administration and operation of such part of the "ADDITIONAL TRACT", unless such is established by the Owner in the "TRACT" and those in the "ADDITIONAL TRACT".

Regardless of the method of development of the "ADDITIONAL TRACT" and whether or not all of any part of the "ADDITIONAL TRACT" comes within the jurisdiction of the Corporation or subject to the Declaration, DECLARANT reserves unto itself, its successors and assigns, for the use and benefit of that part of the part of the "ADDITIONAL TRACT" not coming within the jurisdiction of the Corporation or subject to the Declaration and the right and easement to enter upon and if necessary tie into the Common Areas and Landscape and Non-Access Easement of the "TRACT" to either continue the landscape plan mandated by zoning commitments and/or the surface drainage requirements for storm water management.

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

22. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or TRACT as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporation, partnership, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Lot or Lots or any part of the "TRACT" in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

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

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

or failure

25. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and/or Common Expense Areas or by abandonment of his Lot.

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

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

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

29. The Plat. The Final Plat of the portions of the "TRACT" detailed in Item 3 hereof is incorporated into this Declaration by reference to the instrument number thereof, filed in the Office of the Recorder of Marion County, Indiana.

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

MEMBERS OF YEAGER REALTY LLC

Robert K. Yeager
Robert K. Yeager

Virginia M. Yeager
Virginia M. Yeager

John Michael Yeager
John Michael Yeager

Marilyn J. Duran
Marilyn J. Duran

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Robert K. Yeager and Virginia M. Yeager, husband and wife, by me known to be Members of Yeager Realty LLC, who acknowledged the execution of the foregoing Declaration of Covenants and Restrictions of Murphy's Landing Ownership, this 14th day of JUNE, 1994

My Commission Expires:
3-15-97

Notary Public Jerry D. Wiggins
JERRY D. WIGGINS
(Printed)
County of Residence: JOHNSON

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared John Michael Yeager, by me known to be a Member of Yeager Realty LLC, who acknowledged the execution of the foregoing Declaration of Covenants and Restrictions of Murphy's Landing Ownership, this 14th day of JUNE, 1994.

WITNESS my hand and Notarial Seal this 14th day of JUNE, 1994.

My Commission Expires:
3-15-97

Notary Public Jerry D. Wiggins
JERRY D. WIGGINS
(Printed)
County of Residence: JOHNSON

APPROVED THIS 16th DAY OF JUNE, 1994
PERMY TOWN [Signature]

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County (State), personally appeared Marilyn J. Duran, by me known to be a Member of Yeager Realty LLC, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Murphy's Landing Ownership", this 19th day of June, 1994.

WITNESS my hand and Notarial Seal this 19th day of June, 1994.

My Commission Expires:

3-15-97

Notary Public

(Printed)

County of Residence:

JERRY D. WIGGINS
JANSON

APPROVED THIS 16th
DAY OF June 1994
Dorothy Price

This Instrument Prepared by:
Raymond Good, #7201-49
SCHNORR, GOOD & SCAHILL
144 North Delaware Street
Indianapolis, IN 46204-2551
317/264-3536

#1-Yeager\De:1-N-L

Land Description
Killarney Hill at Murphy's Landing
Section 1

A part of the Southwest 1/4 of Section 15, Township 14 North, Range 3 East of the Second Principal Meridian, City of Indianapolis, Perry Township, Marion County, Indiana, more particularly described as follows:

Commencing at the Northwest corner of said Southwest 1/4, said point marked by a stone found and confirmed by County Surveyor files, thence South 00 degrees, 09 minutes, 20 seconds West, (bearing based on a ILTA/ISPLS Land Title Survey of the lands titled to Bluffview Farms, Inc. Dated March 16, 1993, last revised June 30, 1993, prepared by MSE Corporation) along the West line of said Southwest 1/4, 596.46 feet; thence South 80 degrees, 03 minutes, 40 seconds East, 639.94 feet to the POINT OF BEGINNING; thence North 00 degrees, 00 minutes, 00 seconds West 95.82 feet; thence North 46 degrees, 20 minutes, 10 seconds East, 79.21 feet; thence North 76 degrees, 56 minutes, 30 seconds East, 81.25 feet; thence North 85 degrees, 26 minutes, 57 seconds East, 347.95 feet; thence North 85 degrees, 47 minutes, 59 seconds East, 165.33 feet; thence South 04 degrees, 11 minutes, 50 seconds East, 174.95 feet; thence South 85 degrees, 48 minutes, 10 seconds West, 5.73 feet; thence South 04 degrees, 11 minutes, 50 seconds East, 38.92 feet; thence South 45 degrees, 02 minutes, 15 seconds East, 47.69 feet; thence North 85 degrees, 48 minutes, 10 seconds East, 418.18 feet; thence South 15 degrees, 12 minutes, 17 seconds East, 156.26 feet to a point 250.11 feet (measured normal) west of the center of Bluff Road as now located and defined in said Survey; thence North 37 degrees, 51 minutes, 00 seconds East, parallel to said Bluff Road, 46.28 feet; thence South 52 degrees, 09 minutes, 00 seconds East, 250.11 feet, to a point in the center of said Bluff Road; thence South 37 degrees, 51 minutes, 00 seconds West, along the center of said Bluff Road, 495.35 feet; thence North 87 degrees, 22 minutes, 34 seconds West, 244.19 feet; thence North 00 degrees, 14 minutes, 26 seconds East, 120.70 feet; thence South 86 degrees, 43 minutes, 01 seconds West, 132.00 feet; thence thence South 88 degrees, 39 minutes, 59 seconds West, 800.12 feet; thence North 09 degrees, 20 minutes, 20 seconds East, 614.80 feet, to the POINT OF BEGINNING, containing 20.23 acres, more or less, subject to all highways, rights-of-way, easements, and restrictions of record.

This description was prepared from information taken from a certain ILTA/ISPLS LAND TITLE SURVEY dated March 16, 1993, last revised June 30, 1993 prepared by Bryan F. Catlin (L.S. #910012) for the lands under title to Bluffview Farms, Inc., and a subdivision plat for Killarney Hill at Murphy's Landing, Section 1 prepared by MSE Corporation dated 11/23/93.

last revised: March 17, 1994 SEB

Land Description
Shaunon Lakes at Murphy's Landing
Section 1

A part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East of the Second Principal Meridian, City of Indianapolis, Perry Township, Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Southwest Quarter, said point marked by a Harrison Marker found and confirmed by County Surveyor ties, said point also being in the center of Stop 11 Road as now located; thence South 88 degrees, 43 minutes, 01 seconds West (bearing based on a H.T.A./S.P.L.S. Land Title Survey of the lands titled to Bluffview Farms, Inc. Dated March 16, 1993 and last revised June 30, 1993, prepared by MSE Corporation), along the South line of said Southwest Quarter, 412.35 feet to the POINT OF BEGINNING; thence continuing South 88 degrees, 43 minutes, 01 seconds West, along said South line, 786.45 feet;

thence North 00 degrees, 14 minutes, 26 seconds East, 879.32 feet to a point in the center of Bluff Road as now located;

thence North 37 degrees, 49 minutes, 25 seconds East, along the center of said Bluff Road, 400.03 feet; thence North 37 degrees, 51 minutes, 00 seconds East along said centerline, 500.98 feet;

thence South 52 degrees, 09 minutes, 00 seconds East, 415.00 feet;

thence South 37 degrees, 51 minutes, 00 seconds West, 358.70 feet;

thence South 43 degrees, 25 minutes, 00 seconds West, 114.76 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 561.29 feet;

thence North 88 degrees, 43 minutes, 01 seconds East, 160.00 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 125.00 feet;

thence North 88 degrees, 43 minutes, 01 seconds East, 19.77 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 270.00 feet; to the POINT OF BEGINNING, containing 20.57 acres, more or less, subject to all highways, rights-of-ways, easements, and restrictions of record.

This description was prepared from information provided by others and a Land Title Survey prepared by Bryan F. Catlin (L.S. #910012) dated March 16, 1993.

EXHIBIT "B"

LEGAL DESCRIPTION:

A part of the Northeast Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Southeast corner of said Quarter Section; running thence North 37 degrees East 2205.69 feet to a point, said point being 1337.24 feet East of the West line and 924 feet South of the North line of said Quarter Section; thence in a Southerly direction 104 feet to a point; thence North 88 degrees 45 minutes East 560 feet to a point; thence South 45 degrees East 147 feet to a point; thence South 73 degrees East 307 feet to a point, said point being 372.39 feet West of the East line of said Quarter Section; thence in a Northerly direction 1221.76 feet to a point in the North line of said Quarter Section; thence in an Easterly direction upon and along the North line of said Quarter Section 384.77 feet to the Northeast corner of said Quarter Section; thence South upon and along the East line of said Quarter Section 2665.12 feet to the Southwest corner of said Quarter Section; thence West upon and along the South line of said Quarter Section 2662.12 feet to the place of beginning, except:

Beginning at the Northeast corner of said Quarter Section and running thence South on and along the East line thereof twelve hundred and eighty-eight (1288) feet; thence West-Northwest three hundred and eighty and eighty-five hundredths (380.85) feet; thence North eleven hundred and seventy-seven (1177) feet to a point on the North line of said Quarter Section, and thence East on and along said North line three hundred eighty-four and seventy-seven hundredths (384.77) feet to the place of beginning.

Also, a part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Northwest corner of said Quarter Section running thence South upon and along the West line of said Quarter Section 1330.25 feet to a point; thence in an Easterly direction 1331.56 feet to a point; thence in a Northerly direction 510.15 feet to a point; thence in an Easterly direction 893.20 feet to a point in the center line of the Bluff Road; thence in a Northeasterly direction upon and along the center line of the Bluff Road; 714.50 feet to a point in the East line of said Quarter Section; thence North upon and along the East line of said Quarter Section 264.20 feet to the Northeast corner of said Quarter Section; thence in a Westerly direction upon and along the North line of said Quarter Section 2662.12 feet to the place of beginning, except:

Part of the Northwest Quarter of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, Marion County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of said Quarter Quarter Section; running thence North along the West line of said Quarter Quarter Section 729.5 feet; thence in a Southeasterly direction making an interior angle of 80 degrees 13 minutes a distance of 639.94 feet; thence in a Southwesterly direction making an interior angle of 90 degrees 36 minutes a distance of 615 feet to the South line of said Quarter Quarter Section; thence West along said South line 532.65 feet to the point of beginning.

Parcel II:

Part of the Northwest Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Southeast corner of said Quarter Section; running thence North upon and along the West line of said Quarter Section 266.12 feet to the Northwest corner of said Quarter Section; thence East upon and along the North line of said Quarter Section 1304.66 feet to a point in the center line of the Bluff Road; thence South 15 degrees 45 minutes West upon the center line of said Bluff Road 1089 feet to a point; thence South 16 degrees West upon the center line of said Bluff Road 390 feet to a point; thence South 20 degrees 19 minutes West upon the center line of said Bluff Road 101.94 feet to a point; thence South 21 degrees 19 minutes West upon the center line of said Bluff Road 99 feet to a point; thence South 33 degrees 45 minutes West upon the center line of said Bluff Road 349 feet to a point; thence South 38 degrees 16 minutes West upon the center line of said Bluff Road 819.72 feet to a point in the South line of said Quarter Section; thence West upon and along the South line of said Quarter Section 207.35 feet to the place of beginning.

Also, a part of the Southeast Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Northwest corner of said Quarter Section; running thence East upon and along the North line of said Quarter Section 175.9 feet to a point in the West line of the Bluff Road; thence in a Southwesterly direction upon and along the West line of the Bluff Road 287.10 feet to a point in the West line of said Quarter Section; thence North upon and along the West line of said Quarter Section 223.65 feet to the place of beginning.

Parcel III-Tract One:

Beginning at the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section 15, Township 14 North, Range 3 East and running thence North with the West line of said Quarter Section 510.15 feet; thence East parallel to the North line of the South Half of said Section 893.20 feet to a point in the centerline of Bluff Road as it is now located and established; thence Northeasterly along and with the center line of said Bluff Road 1054 feet, more or less, to a point in the North line of the Southeast Quarter of said Section 15, 207.50 feet East of the Northwest corner thereof; thence East along and with the said North line 1123.25 feet to the East line of the West Half of the said Southeast Quarter Section; thence South with said East line 2652 feet to the South line of said Section; thence West with the South line of said Section 2533 feet to a point 132 feet East of the Southwest corner of the Southeast Quarter of the Southwest Quarter of said Section; thence North parallel to the West line of the Southeast Quarter of said Southwest Quarter of said Section; thence North parallel to the West line of the Southeast Quarter of said Southwest Quarter 1322.3 feet; thence West parallel with the South line of said Section 132 feet to the place of beginning, except:

Commencing at the Northeast corner of the said Southwest Quarter Section and running thence South on and along the East line thereof a distance of 267.3 feet to a point in the center line of State Road #37 as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees 15 minutes on and along the said centerline a distance of 709.4 feet to the place of beginning of this description; thence continuing Southwesterly on and along the said centerline a distance of 897.0 feet to a point; thence running North and parallel to the said East line a distance of 694.9 feet to a point; thence running East and parallel to the North line of the said Southwest Quarter Section a distance of 541.8 feet to the place of beginning.

Also except that part conveyed to Maynard Louis Houston and Peggy Lois Houston by deed recorded February 19, 1976 as Instrument #76-8590 in the Office of the Recorder of Marion County, Indiana, to-wit: (PAGE 2 of 3)

PART OF THE EASTING AND WESTING OF SECTION 15, TOWNSHIP 14 NORTH, RANGE 3 EAST, MARION COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at the North West corner of the said Southwest Quarter Section and running thence South on and along the East line thereof, a distance of 267.3 feet to a point in the centerline of the Bluff Road as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees, 15 minutes on and along the said centerline a distance of 709.4 feet to a point; thence continuing Southwesterly on and along the said centerline a distance of 800 feet to the point of beginning of this description; thence continuing Southwesterly on and along the said centerline of the Bluff Road, 390.5 feet to a point; thence North 312.3 feet to a point; thence East 242 feet to the point of beginning.

Parcel III-Block Two:

Also a part of the Northwest Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at a point in the North line of said Quarter Section 962.24 feet West of the Northeast corner of said Quarter Section; running thence West upon and along the North line of said Quarter Section 334 feet to a point in the center line of the Bluff Road; thence South 15 degrees 45 minutes West upon center line of said Road, 1089 feet to a point; thence South 16 degrees West upon the center line of said road 350 feet to a point; thence East and parallel with the North line of said Quarter Section 826 feet to a point in the West right-of-way line of the Indianapolis Southern Railroad; thence in a Northwesterly direction upon and along the West right-of-way of said Railroad 1390.60 feet to the place of beginning.

Parcel IV:

Part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, in Marion County, Indiana, more particularly described as follows:

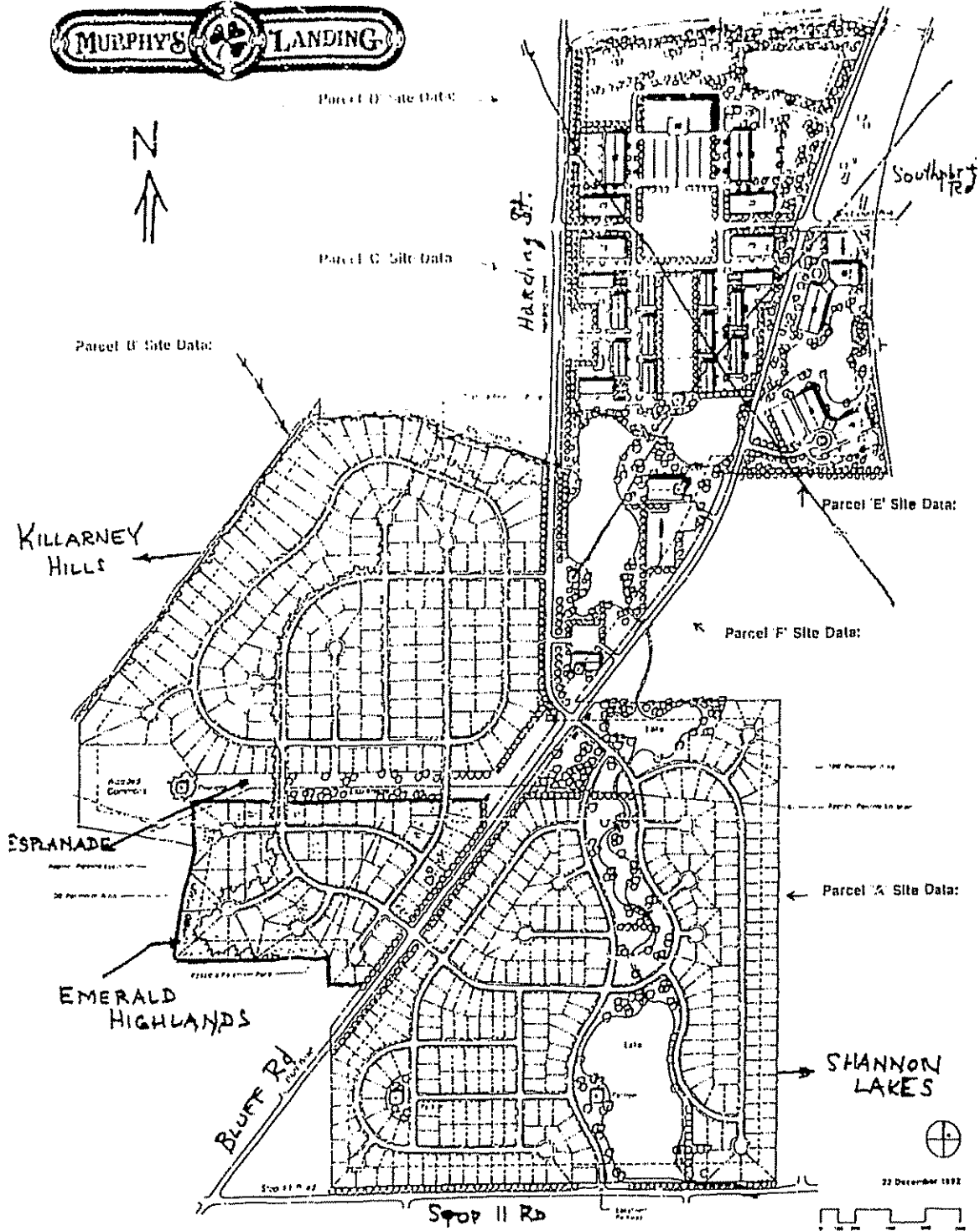
Commencing at the Northeast corner of the said Southwest Quarter Section and running thence South on and along the East line thereof a distance of 267.3 feet to a point in the centerline of State Road #37 as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees 15 minutes on and along the said centerline a distance of 709.4 feet to the place of beginning of this description; thence continuing Southwesterly on and along the said centerline a distance of 397.0 feet to a point; thence running North and parallel to the said East line a distance of 694.9 feet to a point; thence running East and parallel to the North line of the said Southwest Quarter Section a distance of 541.8 feet to the place of beginning.

Parcel V:

Part of the Southeast Quarter of Section 10, Township 14 North, Range 3 East of the Second Principal Meridian in Marion County, Indiana, more particularly described as follows, to-wit:

Beginning at the Southwest corner of said Quarter Section; thence North on and along the West line of said Quarter Section 1033.35 feet to a point; thence North 67 degrees 11 minutes East 176.70 feet; thence North 84 degrees 37 minutes East 273.20 feet; thence North 83 degrees 22 minutes East 447 feet; thence South 0 degrees 46 minutes West 137 feet; thence North 86 degrees 33 minutes East 821.42 feet; thence South 27 degrees 40 minutes East 38.20 feet; thence South 70 degrees 55 minutes East 25 feet to a point in the center line of the Bluff Road as now located; thence in a Southwesterly direction on and along the center line of said Bluff Road as now located 1075.86 feet to the South line of said Quarter Section; thence West on and along the South line of said Quarter Section 1384.66 feet to the place of beginning.

MURPHY'S LANDING



MURPHY'S LANDING

Conceptual Site Plan
Exh C

TEMPERANCE HILLS / 1

MURPHY'S LANDING

ARCHITECTURAL STANDARDS

All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwellings exteriors shall have One Hundred percent masonry construction on the first floor, except front porches, bay window, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story homes. Period Houses may be submitted for Architectural Approval.
2. There shall be no vinyl or aluminum siding on any dwelling, except soffits.
3. No lot shall be used or maintained as a dumping ground for rubbish trash, or garbage. Antennas, masts, towers or satellite dishes of any kind will not be permitted on any lot or outside any dwelling, unless first approved by the Approved Builder. No trash or building materials may be burned or buried on any lot within the development and all lots shall be kept clean at all times during construction. Dumpsters shall be used and located on each lot during any construction with all trash and excess materials stored therein.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Approved Builder for approval.
5. Chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 2000 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2400 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area), provided, however, that the Architectural Control Committee as hereinafter defined and comprised may, in its sole discretion, permit a single story ground floor living area of less than 2,000 square feet, but in no event less than 1,800 square feet where the elevations and floor plan proposed by the lot owner are determined by the Architectural Control Committee to be particularly suited to the lot and compatible with the theme of the development and

the adjacent dwelling. All conditions are subject to the zoning covenants in force for lots that perimeter the existing homesites of Timber Hill:

7. All dwellings shall have at least a two (2) car finished attached garage
8. No dwellings shall be constructed on a "slab" floor. All dwellings shall have crawl-spaces or have basements where practical
9. Above ground pools are not permitted
10. The minimum roof pitch shall be 8/12
11. Total sideyards are 12 feet with a minimum of 6 feet on each side
12. Any party other than the developer who secures title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. (Exception: All lots in Emerald Highlands will be titled to the Approved Builder, and this condition does not apply.)
13. Mailboxes shall be standardized according to specifications supplied by the Approved Builder.
14. All plans must be reviewed, stamped and signed by the Approved Builder. The Approved Builder will submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Approved Builder
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least three trees selected from a list to be supplied by the developer
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.

17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the Approved Builder.
20. Participation in the Murphy's Landing Homeowner's Association is mandatory. The assessed dues will be determined by the Association.
21. The formation of an Emerald Highlands Homeowners Association, in addition to the Murphy's Landing Homeowner's Association, will be established when ninety (90%) of the lots have been deeded from the Approved Builder. Terms and Conditions of the Association will be established at the time the Emerald Highlands Homeowners Association is formed. These terms and conditions must be in accordance with the terms and conditions of the Murphy's Landing Homeowner's Association.
22. Sidewalks are required on each homesite in the community. It is the purchaser's responsibility for the cost and installation.
23. Driveways shall be constructed of concrete, asphalt, and/or masonry.
24. Panelized construction shall not be permitted.
25. Windows shall be constructed of wood, or clad wood. No aluminum windows shall be permitted.
26. All chimney flues must be of similar masonry material of the house.
27. No signage of any type will be permitted in the yard except for a "For Sale" sign with specifications to be supplied by the Approved Builder. Violation of this sign restriction will result in Fifty Dollars (\$50.00) per day; liquidated damages shall be payable to the Approved Builder until such time as the Homeowners Association

owns and is responsible for the maintenance of the common areas, at which time such liquidated damages shall be payable to the said Association. The exception will be the Approved Builder may use signs while in the community with homes under construction.

28. Each lot shall be kept in a neat and pleasing manner, with the grass mowed when necessary to maintain a growth of six (6) inches or less at all times. Campers, recreational vehicles or boats or any kind may not be stored or parked on any lot outside the main dwelling or garage. Any motor vehicle which is inoperative or unlicensed and not being used for normal transportation shall not be permitted to remain on any lot. All basketball backboards and any other fixed games and play structures shall be located behind the front foundation line of the main structure and within lot setback lines, and must be approved by the Architectural Control Committee prior to location on the premises. It is the intention of this restriction to assure that lots and surroundings present a park-like appearance.
29. All costs of litigation and attorney's fees resulting from violation of these Covenants and Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
30. The Developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.

KILLABBEY HILL AT MURPHY'S LANDING

ARCHITECTURAL STANDARDS

All dwelling constructed upon any homestead in this development shall conform to the following restrictions:

1. All dwelling exteriors shall have One Hundred (100) percent masonry construction, except front porches, bay windows, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story houses.
2. There shall be no vinyl or aluminum siding on any dwelling, except for soffits.
3. No satellite dishes larger than 24" are permitted. Landscaping plans addressing satellite dishes less than 24" must be submitted to the Architectural Committee for approval prior to the installation of the dish.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Architectural Committee for approval.
5. Galvanized chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 1,700 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2,000 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area).
7. All dwellings shall have at least a two (2) car attached garage.
8. No dwelling shall be constructed on a "slab" floor. All dwellings shall have crawlspaces or have basements where practical.
9. Above ground pools are not permitted.
10. The minimum roof pitch shall be 3/12.

11. Total lot yard area 15 feet with a minimum of 6 feet on each side.
12. Any party other than the developer who acquires title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. Failure to honor this condition shall establish an option by the developer to repurchase said homesite for such at the original selling price. The developer shall give written notice within ninety (90) days of the expiration of the aforesaid one (1) year period to the purchaser of said homesite.
13. Mailboxes shall be standardized according to specifications supplied by the developer.
14. Purchaser must submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the purchaser.
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least one tree selected from a list to be supplied by the developer.
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.
17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the developer.
20. Participation in the Homeowner's Association is mandatory. The assessed dues will be determined by the Association.

21. Sidewalks are required on each home site in the community. It is the purchaser's responsibility for the cost and installation.
22. Driveways shall be constructed of concrete and/or masonry.
23. Paved construction shall not be permitted.
24. Windows shall be constructed of vinyl or wood. No aluminum windows shall be permitted.
25. All costs of litigation and attorney's fees resulting from violation these Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
26. The Developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.

SHANNON LAKES AT MURPHY'S LANDING

ARCHITECTURAL STANDARDS

All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwelling exteriors shall have One Hundred (100) percent masonry construction, except front porches, bay windows, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story homes.
2. There shall be no vinyl or aluminum siding on any dwelling, except for soffits.
3. No satellite dishes larger than 24" are permitted. Landscaping plans addressing satellite dishes less than 24" must be submitted to the Architectural Committee for approval prior to the installation of the dish.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Architectural Committee for approval.
5. Galvanized chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 1,500 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2,000 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area).
7. All dwellings shall have at least a two (2) car attached garage.
8. No dwelling shall be constructed on a "slab" floor. All dwellings shall have crawlspaces or have basements where practical.
9. Above ground pools are not permitted.
10. The minimum roof pitch shall be 8/12.

(PAGE ONE OF THREE)

11. Total sideyards are 12 feet with a minimum of 6 feet on each side.
12. Any party other than the developer who acquires title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. Failure to honor this condition shall establish an option by the developer to repurchase said homesite for cash of the original selling price. The developer shall give written notice within ninety (90) days of the expiration of the aforesaid one (1) year period to the purchasers of said homesite.
13. Mailboxes shall be standardized according to specifications supplied by the developer.
14. Purchaser must submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Purchaser.
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least one tree selected from a list to be supplied by the developer.
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.
17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the developer.
20. Participation in the Homeowner's Association is mandatory. The assessed dues will be determined by the Association.

21. Sidewalks are required on each homestead in the community. It is the purchaser's responsibility for the cost and installation.
22. Driveways shall be constructed of concrete and/or masonry.
23. Panelized construction shall not be permitted.
24. Windows shall be constructed of vinyl or wood. No aluminum windows shall be permitted.
25. All costs of litigation and attorney's fees resulting from violation these Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
26. The Developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.

RECORDED TO AMEND
FOR WATERFORD CROSSING
SECTIONS 3 AND 4.

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DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE MURPHY'S LANDING OWNERSHIP

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SECTION I

THIS DECLARATION made this 14th day of June, 1994, by Yeager Realty LLC (an Indiana Limited Liability Company) (hereinafter called DECLARANT) is the title owner of real estate hereinafter detailed as Exhibit "A" and the installment contract sale purchaser of real estate hereinafter described as Exhibit "B".

WITNESSETH:

WHEREAS, the following facts are true:

A. DECLARANT at the time of execution hereof will be the sole owner in fee simple of real estate located in Marion County, Indiana, more particularly described in the attached Exhibit "A", which is incorporated herein by reference (the aggregate of which is comprised of recorded platted sections of Subdivisions in Killarney Hill at Murphy's Landing Section 1 and Shannon Lakes at Murphy's Landing Section 1, each separately also referred to as "Tract") with the right to acquire sole fee simple ownership from the Bluffview Farms, Inc. under a LAND CONTRACT recorded in the Marion County Recorder's Office as Instrument N^o 19930082191 as to real estate located in Marion County, Indiana, attached hereto and made a part hereof as Exhibit "B".

B. DECLARANT, by execution of this Declaration, assures that all properties which are conveyed which are a part of Exhibit "A" shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Exhibit "A" real estate and be binding upon all parties having right, title or interest in Exhibit "A", or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

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

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

- (a) "ADDITIONAL TRACT" means the real estate or any part of it described in Paragraph 21 of this Declaration, legally described in Exhibit "B".
- (b) "Applicable Date" means the date determined pursuant to Paragraph 8 of this Declaration.
- (c) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Corporation, as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.

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- (d) "Board of Directors" means the governing body of the Corporation elected by the Members in accordance with the By-Laws of the Corporation.
- (e) "By-Laws" shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference.
- (f) "Common Expense" means expenses for the administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas or the Common Expense Areas, and all sums lawfully assessed against the members of the Corporation.
- (g) Common Areas and/or Common Expense Areas.

The following appear as designated by the reference "Block" or otherwise described upon the Final Plat designated as subdivision sections namely Killarney Hill at Murphy's Landing Section 1 and Shannon Lakes at Murphy's Landing Section 1 or upon a recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof denominated as additional Sections of either Killarney Hill or Shannon Lakes.

The Common Areas which are subject to Common Expense are additionally identified as to their location in Parcel A or Parcel B as shown on the Conceptual Site Plan as shown on Exhibit "C" attached.

Lakes (denominated as the bulk of BLOCK(S) in platted sections of Parcel A)

One or more of such Lakes are part of the overall drainage system of the development known as Murphy's Landing. These Lakes provide detention/retention in the drainage system and are expected, along with surrounding greenbelt land, to provide a look of open aesthetic ponds and greenbelt supplement in what is a natural floodway area.

A meandering path on one side of the lakes will traverse the North - South dimension of the lakes for strollers, walkers and possibly joggers with provisions for the path to proceed South to access to a Parks Department facility near Stop 11 Road and to ultimately proceed North beyond Southport Road. Declarant reserves the right

without the obligations to install a pavilion, foot bridge, fountain and WEIRS.

These Block(s) shall ultimately be titled to Murphy's Landing Homeowners Association, Inc. (HOA) on or before the Applicable Date (hereafter defined), who have the responsibility to maintain, preserve and improve these Blocks as a "Common Expense".

Declarant makes no representations as to the level of water to be maintained in any of these Lakes.

These Block areas are expected to be in direct or near proximity to dedicated streets consequently being available to all members of the HOA subject to rules and regulations promulgated by the HOA and/or as limited by the terms of this Declaration.

LANDSCAPE PERIMETER BLOCKS OR EASEMENTS

Perimeter landscape areas which will either be easements shown on platted Lots or Blocks as shown on recorded Plats ultimately to be titled in the name of the HOA shall appear on the Harding Street and Bluff Road sides of Parcel B and on the Bluff Road and Stop 11 Road sides of Parcel A. Ingress and egress is to be assured the HOA or its representative to plant, replace and maintain these landscape areas as a "Common Expense". The easements may be labeled on the Plat as LME (Landscape Maintenance Easement).

Esplanade

- denominated by this name on the Conceptual Site Plan and by the name Block as a common area subject to "Common Expense". This open area is, in part, over an existing pipeline easement and subject thereto but nevertheless provides the members of the HOA, subject to its rules and regulations and the limitations of this Declaration an open space - short hike area which leads to a hilltop overlook point located in a natural wooded area labeled Wooded Commons. The Esplanade will include a modest wooden deck structure. Title to the Esplanade will ultimately be in the name of the HOA.

If practical, without violating Declarant's tree preservation obligation, Declarant

will attempt to provide a pathway from the Wooded Commons area to the area described in the next sub-title.

Perimeter Landscape Path

- designated as a Block and Common Area not part of platted Lots located at the North and Northwest perimeters of Parcel B traversing entry and exit points between Harding Street and the Wooded Commons point within the Esplanade. This Block will ultimately be titled in the name of the HOA and will contain a pathway for walking and strolling. The maintenance and rules governing use shall be the obligation of the HOA as a "Common Expense" thereof.

Entranceway Easements

Two entrance ingress - egress points for Parcel B are contemplated to and from Harding Street and to and from Bluff Road. Three such points are also contemplated for Parcel A; one on Stop 11 Road and two on Bluff Road, one of which is proposed to match the location of the Parcel B - Bluff Road point. Each of these points will be provided with subdivision identification in the form of entry walls and complimentary landscaping within easements identified on recorded plats which permit the HOA or its representatives access to plant, replant and maintain the walls and landscape therein all as a common expense.

The northerly most entry point on Bluff Road for Parcel A is to be expanded to present a minor park like appearance in possible combination with a Lake or Lakes and may be instead designated as a Block for the recorded plats involved. If a Block designation is so involved title therein will ultimately be in the HOA who has the maintenance responsibility therefore and the right to establish rules relative to the use thereof.

Landscape Islands

The Declarant reserves the right (but not the obligation) in the final design of Parcel A and/or Parcel B to aesthetically include landscape strips (islands) within

portions of the dedicated public right-of-way of some of the interior streets and/or entranceways of Parcel A and/or Parcel B. Any such landscape islands are subject to the encroachment permission of applicable municipal government. Any such landscape islands established shall be maintained by the HOA as a common expense.

Landscape Eyebrow

One such eyebrow is contemplated in Parcel A and will be designated as a Block in the recorded plat that includes this Landscape Eyebrow. If this area is not part of any dedicated right-of-way then title thereto will ultimately be in the name of the HOA who has the maintenance responsibility therefore as a common expense.

Other Common Expense Items

The Declarant reserves the right, without the obligation, to incorporate within the subdivision design of Parcel A and/or Parcel B water sprinkler type equipment and/or electric light capacity in the common areas or common expense areas and to also cause the electric utility to install street lights within the right-of-way within all or portions of Parcel A and B under a lease arrangement. Any ongoing expenses after installation for such equipment by lease or otherwise and any charges for utility service shall be a common expense of the HOA who will have the maintenance responsibility therefore and the right to regulate use thereof.

- (h) "Corporation" also known as HOA means the Murphy's Landing Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 8 of this Declaration; such Corporation being more particularly described in Paragraph 8 of this Declaration.
- (i) "DECLARANT" shall mean and refer to Yeager Realty LLC and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of DECLARANT hereunder including, but not limited to, any mortgagee acquiring title to any portion of the "TRACT" pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by DECLARANT.

- (j) "Dwelling Unit" means the living units located upon a Lot.
- (k) "Lot" means any plot of ground designated as such upon the recorded Final Plat of Killarney Hill Section 1 and Shannon Lakes Section 1 or upon the recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed or has existed. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.
- (l) "Member" means a member of the Corporation.
- (m) "Mortgagee" means the holder of a first mortgage lien on a Lot.
- (n) "Killarney Hill Section 1 and Shannon Lakes Section 1" means the name by which the TRACT(S), as described in Paragraph A above, which is the subject of this Declaration shall be known.

The Lots in Shannon Lakes are located East of Bluff Road and the Lots in Killarney Hills are located West of Bluff Road with those Lots in Killarney Hills SOUTH OF THE ESPLANADE SEPARATELY DESIGNATED AS EMERALD HIGHLANDS.

- (o) "Murphy's Landing" includes as part of its overall designation as a project Killarney Hill Section 1 and Shannon Lakes Section 1 and any additional area or section from the Exhibit "B" realty by the recordation of a Final Plat in the Marion County Recorder's Office.
- (p) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.
- (q) "TRACT" means the real estate described in Paragraph A above and such portions of the ADDITIONAL TRACT for which a Final Plat has been recorded in the Office of the Recorder of Marion County, Indiana within the time period specified in paragraph 21 of this Declaration.
- (r) Conceptual Site Plan. The conceptual site plan for the Exhibit "A" and Exhibit "B" realty is attached hereto as Exhibit "C" and is illustrative only of a potential arrangement of Lots, streets, common areas, easements and common expense areas. Declarant reserves the SOLE right to modify this Conceptual Site Plan as reflected in any recorded Plats for all or portions of Parcel A and Parcel B.

2. Declaration. DECLARANT hereby expressly declares that the "TRACT" shall be held, conveyed

and transferred in accordance with the provisions of this Declaration.

3. Description of "Killarney Hill Section 1 and Shannon Lakes Section 1". The "Killarney Hill Section 1" consists of 40 Lots and "Shannon Lakes Section 1" consists of 48 Lots, as designated on the Final Plat. The legal description for each lot in each such subdivision shall be as follows:

Lot ____ in (Subdivision Name) Section I, a subdivision in Marion County, Indiana, as per plat thereof recorded _____, 19____, as Instrument No. _____, in the Office of the Recorder of Marion County, Indiana.

4. Ownership of Common Area. The Common Area in any platted portion of the Tract or the ADDITIONAL TRACT subject to this Declaration shall be conveyed to the "HOA" on or before the Applicable Date at the option of the Declarant and thereafter owned by the Corporation, and shall be held for the use and enjoyment of the Members, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to every Lot, subject to the provisions of this Declaration, including, but not limited to, the following:

- (a) The right of the Corporation to charge reasonable fees for use of any recreational facility including, but not limited to, the Lakes.
- (b) The right of the Corporation to suspend any Member from the right to use for any period during which any assessment against such Member's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Board's published rules and regulations.
- (c) The right of the Corporation, upon approval by a written instrument signed by two-thirds (2/3rds) of all Class A Members, two-thirds (2/3rds) of all Class B Members, and by two-thirds (2/3rds) of all first mortgagees, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such Common Area purposes and subject to such conditions as may be agreed by the Corporation. The Board of Directors shall have the right to convey title of Common Area to Lot owners to correct any overlaps or encroachments without the approval stated herein and shall likewise have the power and authority to grant easements within the Common Areas to water utilities to install and use water wells to access the aquifer located below portions of Parcel A and Parcel B.
- (d) The right of the Corporation to adopt such rules and regulations regarding the Common Area

and Common Expense Areas as it deems necessary as provided in Paragraph 19.

- (e) A given Common Area in platted portions of the TRACT or of the ADDITIONAL TRACT made subject to this Declaration shall be conveyed by the DECLARANT and thereafter owned by the Corporation no later than the Applicable Date but may be conveyed to the Corporation in whole or in part at an earlier date at the option of the Declarant.

5. Delegation of Use of the Common Area and Common Expense Areas. Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment, and use of the Common Area and Common Expense Areas to members of his family, his tenants or contract purchasers who reside on any Lot.

6. Encroachments and Easements in Common Area and Common Expense Areas. If by reason of inexactness of construction, settling after construction or for any other reasons, any Common Area or Common Expense Areas encroach upon any Lot, an easement shall be deemed to exist and run to the Corporation for the maintenance, use and enjoyment of such Common Areas or Common Expense Areas.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, in the Common Areas and Common Expense Areas and serving his Dwelling Unit.

7. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity on the "TRACT"; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed and approved by DECLARANT on the Plat or as thereafter may be approved by DECLARANT or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the "TRACT" and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, DECLARANT prior to the Applicable Date and the HOA thereafter shall have the right to grant such easement on such "TRACT", without conflicting with the terms of this Paragraph. The easements granted herein shall in

no way affect any other recorded easement on the "TRACT".

8. Corporation; Membership; Voting; Functions.

- (a) Membership in Corporation. DECLARANT and each Owner of a Lot which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Lot; provided, however, that any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.
- (b) Voting Rights. The Corporation shall have two (2) classes of membership, with the following voting rights:
- (i) Class A. Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot of which such Member is the Owner with respect to each matter submitted to a voted of Members upon which the Class A Members are entitled to vote. When more than one (1) person constitutes the Owner of a particular Lot, all such persons shall be Members of the Corporation, but all of such persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be case with respect to any such Lot.
- (ii) Class B. Class B Members shall be DECLARANT and all successors and assigns of DECLARANT designated by DECLARANT as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to four (4) votes for each Lot of which it is the Owner in all matters requiring a vote of the Members of the Corporation (Lots for this purpose include Lots reflected in recorded plats and/or Lots reflected in preliminary plats that are in the platting process). The Class B membership shall cease and terminate upon the APPLICABLE DATE, which shall be the first to occur of:
1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
 2. thirty (30) days after the date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or;
 3. 10 years after date of recordation of this Declaration.
- (c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the Common Areas, and Common Expense

Areas (Item 1g) and to pay any other necessary expenses and costs in connection with these areas, and to perform such other functions as may be designated by it to perform under this Declaration.

9. Board of Directors.

- (a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by DECLARANT as provided in subparagraph (b) of this Paragraph 9.
- (b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: Robert K. Yeager, John Michael Yeager and Marilyn J. Duran (hereinafter referred to as the "Initial Board") all of whom have been or shall be appointed by DECLARANT. Notwithstanding anything to the contrary contained in, or any other provisions of this Declaration, the Articles or the By-Laws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, determined as provided above, every such vacancy shall be filled by a person appointed by DECLARANT, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any type or juridical acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed DECLARANT as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as DECLARANT determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the By-Laws or otherwise; provided, however, this right to vote granted to DECLARANT shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging the Common Areas titled in the HOA or merger/consolidation of the Corporation with another corporation. This appointment

of DECLARANT as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by DECLARANT to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a Member of the Corporation).

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

(d) Terms of Office and Vacancy. The Initial Board, per subparagraph (b) of this Paragraph, shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided herein. After the Applicable Date there shall be five (5) Board Members to be selected and elected based on the location of the residence of the members as follows:

Two (2) Board Members must reside within Shannon Lakes and be elected by the members within Shannon Lakes.

One (1) Board Member must reside within Killarney Hills (excluding Emerald Highlands) and be elected by the members therein.

One (1) Board Member must reside in Emerald Highlands and be elected by the members therein.

One (1) Board Member who may reside anywhere within Killarney Hills including Emerald Highlands or Shannon Lake and will be elected AT LARGE by the members therein.

All of the Board Members, except for the AT LARGE BOARD MEMBER, shall be elected for a two (2) year term with the AT LARGE Board Member to be elected for a three (3) year term.

There shall be separate nominations for the office of each member of the Board to be elected at

such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions subparagraph (b) of this Paragraph as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subparagraph (a) of this Paragraph. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

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

(f) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement as required and detailed under this Declaration within the Common Areas, and Common Expense Areas (Item 1g), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Other than the Initial Management under Paragraph 9 any decision thereafter to employ a professional property management agent shall require the prior consent of the Owners

of at least fifty-one percent (51%) of the vote and fifty-one percent (51%) of the vote of Mortgagees who are registered as hereinafter detailed. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

- (i) protection, surveillance of the Common Areas and Common Expense Areas (Item 1g), unless the same are otherwise the responsibility or duty of Owners of Lots; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
 - (ii) the duties delineated under Item 1(g) hereof;
 - (iii) assessment and collection from the Owners of each Owner's respective share of the Common Expenses;
 - (iv) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
 - (v) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
 - (vi) keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Areas and the Common Expense Area (Item 1g) and the business and affairs of the Corporation specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagee, insurer or guarantor of a first mortgage, at any time during normal business hours;
 - (vii) procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
 - (viii) paying any other necessary expenses and costs in connection with the duties in subsection (ii) hereof; and
 - (ix) to furnish, upon request of any Mortgagee, insurer or guarantor of a first mortgage, an audited financial statement for the immediately preceding fiscal year.
- (g) Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:
- (i) to employ a Managing Agent to assist the Board in performing its duties;
 - (ii) to purchase, lease or otherwise obtain for the Corporation to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

- (iii) to employ legal counsel, architects, contractors, accountants and other as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
 - (iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;
 - (v) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom; and
 - (vi) to open and maintain a bank account or accounts in the name of the Corporation.
- (h) Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 (adjusted annually for increases or decreases in the Consumer Price Index) but in no event less than \$2,500.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:
- (i) contracts for replacing or restoring portions of the Common Areas or Common Expense Areas (Item 1g) damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
 - (ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
 - (iii) expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.
- (i) Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.
- (j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by

them on behalf of the Corporation.

- (k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such finding and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statement or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meeting of the Board of Directors.
- (l) Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors (provided, however, in no event shall the aggregate amount of the bond be

less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

10. Initial Management. The Board of Directors has entered or will hereafter enter into a management agreement with DECLARANT or with a corporation or other entity affiliated with DECLARANT or designated by DECLARANT for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice under which DECLARANT (or such other corporation or entity as appropriated) will provide supervision, management and maintenance of the Lakes, and Landscape Area and/or Landscape Easements and in general perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years or a new management agreement with different parties may be executed under similar terms and conditions. Any management agreement is or will be subject to termination by DECLARANT (or such other corporation or entity as appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement between the Corporation and DECLARANT (or such other corporation or entity as appropriate) is in effect, DECLARANT (or such other corporation or entity as appropriate) shall have and DECLARANT hereby reserves to itself (or such other corporation or entity as appropriate), the exclusive right to manage the Lakes, and Landscape Area and/or Landscape Easements and perform all the functions of the Corporation.

11. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot but are assessed and taxed on the "TRACT" and "ADDITIONAL TRACT" or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to

the land comprising the "TRACT" and "ADDITIONAL TRACT" or that part thereof that is assessed as a whole. which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the "TRACT" and "ADDITIONAL TRACT" or part thereof assessed as a whole, and shall pay his proportionate share of the real estate taxes assessed on the improvements on the "TRACT" and "ADDITIONAL TRACT" or part thereof assessed as a whole based upon the ratio that the square footage of all improved Lots.

12. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.

13. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the Common Areas and the Common Expense Areas, as detailed in Item 1(g) of this Declaration, shall be furnished by the Corporation as a part of its duties and the cost thereof shall constitute a part of the Common Expenses.

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

Notwithstanding any obligation or duty of the corporation to repair or maintain aforesaid if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's lot is subject.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, exclusive of dwelling maintenance, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the "TRACT" is subject to this Declaration each Owner, by his acceptance of a deed to any Lot,

irrevocably grants the Corporation, its agents and employees, the right to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.

14. Architectural Control.

- (a) The Architectural Review Board. As a standing committee of the Corporation there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. Until the date hereinafter referred to in Item 21, the Architectural Review Board shall be the Initial Board of Directors unless the Initial Board of Directors relinquishes this responsibility in writing to the HOA at an earlier date. The Architectural Review Board shall be appointed by the Board of Directors at such time as all platted lots in the TRACT and ADDITIONAL TRACTS under Item 21 hereof have been transferred by the Declarant to a title holder other than Declarant. After the term of the Initial Board the Architectural Review Board shall be comprised in equal numbers from Shannon Lakes, Killarney Hills (excluding Emerald Highlands) and Emerald Highlands.
- (b) Purpose. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.
- (c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the DECLARANT to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, change in the Common Areas or Common Expense Areas (Item 1g), or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.
- (d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove

in writing an application from the title owner of a Lot within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) have been given to it, approval will be deemed granted by the Architectural Review Board. The Architectural Review Board partly in recognition of varying zoning and zoning commitments of record may, and is contemplated to, develop and have available for distribution different rules and standards for Shannon Lakes, Killarney Hills (excluding Emerald Highlands) and Emerald Highlands. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3rds) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

- (e) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design of the Dwelling Units nor for maintaining the Common Areas or Common Expense Areas (Item 1g) without the prior written approval of 2/3rds of all Owners and 2/3rds of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

15. Assessments.

- (a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then servicing the Corporation, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.
- (b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall

furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by issuing generally accepted accounting principles applied on consistent basis.

The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the Common Areas and Common Expense Areas (Item 1g), which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement for the Common Areas and Common Expense Areas (Item 1g), shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred ten percent (110%) of such last approved budget, as a temporary budget.

(c) Regular Assessment. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses on the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be the same amount for each Lot. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Lot (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Lot shall be determined on a calendar year basis of 360 days and shall be paid in advance annually commencing on the first day of the first month of each fiscal year and yearly thereafter with proration for Lots first acquired within a calendar year. In those instances where title to a Lot is transferred within a calendar year with that year's annual assessment already having been paid the Association will not be required to give the transferor any refund but shall credit the transferee with any proratable balance involved. Builders who purchase Lots for resale to homeowners for occupancy shall be excused from the annual Regular Assessment for an interval of four (4) months from the date of conveyance of the Lot from Declarant to the Builder. Payment of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then:

- (i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid within thirty (30) days of written notice to said effect.
- (ii) If the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess

shall be credited against the next payment of the Regular Assessment coming due, until the entire amount of such excess has been so credited.

The Regular Assessment for the current fiscal year of the corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided sells, conveys or transfers his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from Payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 16 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. The Regular Assessments shall be due and payable automatically on its due date without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

- (d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that any such assessment shall have the assent of two-thirds (2/3rd) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the DECLARANT shall not be any Owner's agent, attorney-in-fact or proxy in this vote pursuant to the third sentence of Paragraph 7 of this Declaration, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of

the Board, shall become a lien on each Lot, prorated in equal shares (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in this Declaration.

- (e) Regular Assessments Prior to the Applicable Date. During the period that Dwelling Units are being constructed within the "TRACT" or any "ADDITIONAL TRACT", it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly, and notwithstanding any other provision contained in the Declaration, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph.

The Corporation will enter into a management agreement with DECLARANT (or a corporation or other entity designated by DECLARANT) (hereinafter referred to as "Management Agent" or "Managing Agent") in accordance with the provisions of Paragraph 9 of this Declaration. So long as such management agreement (or similar agreement) remains in effect, the Common Expenses and Regular Assessment shall be paid by Owners to Management Agent. DECLARANT shall guarantee that until the earlier of (1) termination of said management agreement or (2) 1 year after the date of execution, the annual Regular Assessment shall not exceed \$100.00 (the "Guaranteed Charge"). After this date (assuming that said management agreement or similar agreement is still in effect) and so long thereafter as said management agreement (or similar agreement) remains in effect and Management Agent continues to perform such functions, DECLARANT guarantees that the annual Regular

Assessment shall not exceed the amount of the Guaranteed Charge for each year. Such adjustments to the Guaranteed Charge (up to a twenty percent (20%) increase as determined by the Board) shall be made annually on January 1 of each year so long as said management agreement remains in effect and Management Agent continues to perform such functions. Such annual charge shall during such guaranteed period entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. DECLARANT shall be responsible for any deficit over and above this "START UP FUND" hereinafter detailed, during such guarantee period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or if sufficient the replacement reserve fund, if any such fund exists.

That portion of the Regular Assessment collected by DECLARANT prior to the Applicable Date applicable to any replacement reserve created shall be held by the initial Board and if required, applied to the replacement required in the Common Areas and Common Expense Areas (Item 1g). To the extent that any such replacement reserve is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date. Payment of Regular Assessment prior to the Applicable Date with respect to each Dwelling Unit (that is not owned by DECLARANT) shall commence on the date of conveyance by DECLARANT to such new owner or from the date of conveyance by a Builder who secured title from Declarant for resale to homeowners for their occupancy. The "START UP FUND" of one-sixth (1/6th) of the Regular Assessment aforesaid shall be added to the Regular Assessment and be due at the same time. The first payment shall be payable on the date of conveyance prorated based upon a 365 day year. Thereafter, payment of the Regular Assessment shall be paid the first day of each annual period thereafter during the period prior to the Applicable Date. DECLARANT SHALL NOT BE RESPONSIBLE FOR REGULAR ASSESSMENTS FOR LOTS OWNED BY DECLARANT UNTIL AFTER THE APPLICABLE DATE.

Each Owner hereby authorizes the Corporation and the Board of Directors and its

officers to enter into the aforesaid management agreement described in Paragraph 9 of this Declaration and to adhere to and abide by the same.

- (f) Initial Working Capital and START-UP FUND. Upon the closing of the initial conveyance of each Lot by Declarant to another person, except for builders listed on Declarant's Builder List as that list is published from time to time, the purchaser of such Lot shall pay to the Corporation, in addition to any other amounts then owed or due to the Corporation, as a contribution to its working capital and "START-UP FUND", an amount equal to one-sixth (1/6th) of the then current annual Regular Assessment against such Lot, which payment shall be non-refundable and shall not be considered as an advance payment of any Assessment or other charge owed the Corporation with respect to such Lot. Such working capital and START-UP FUND shall be held and used by the Corporation for payment of, or reimbursement to Declarant for advances made to pay, expenses of the Corporation for its early period of operation, to enable the Corporation to have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary by the Board.
- (g) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Areas and/or Common Expense Areas (Item 1g) or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and

severally liable for the payment to the Corporation and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including, but not limited to, reasonable attorney's fees) and interest from the date such assessment were due until paid at the rate equal to the prime interest rate then being charged by NBD of Indianapolis to its largest and best corporate customer (or if said bank is no longer in existence then such rate charged by another National Bank in Marion County, Indiana selected by the Board of Directors). The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage.

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

16. Mortgages.

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

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

- (b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Paragraph 16 hereof.
- (c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation (1) to pay any charges against the Common Areas and/or

Common Expense Areas (Item 1g) which are in default and (2) to pay any overdue premiums on hazard insurance for the above areas or to secure new hazard insurance for the above areas on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately reimbursement by the Corporation.

- (d) Notice of Condemnation or Casualty Loss. Mortgagee shall be timely notified of any condemnation loss which affects a material portion of the "TRACT". Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.
- (e) Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

17. Insurance.

- (a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring, if possible and practical, the Corporation's improvements within the Common Areas and Common Expense Areas (Item 1g) in an amount consonant with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth.

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

officers of the Corporation as provided in the By-Laws shall specifically include protection for any insurance proceeds so received.

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

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

- (b) Public Liability Insurance. The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time, but not less than \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors, any committee of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the "TRACT". Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be cancelled or substantially modified without at least ten (10) days written notice to the Corporation.

- (c) Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained including, but not limited to, workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.
- (d) Insurance by Owners. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

18. Restoration of Common Areas and/or Common Expense Areas (Item 1g) ("Improvements"). In the event of damage to or destruction of any of the "Improvements" herein titled due to fire or any other casualty or disaster, the Corporation shall attempt to promptly cause the same to be repaired and reconstructed to the extent of proceeds of insurance and other funds available but without making the HOA insolvent. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the "Improvements", or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the "Improvements" so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the "Improvements" to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

19. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Common Areas and Common Expense Areas (Item 1g) shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by an Owner, or by the Corporation. Present or future Owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

- (a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.
- (b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Areas and/or Common Expense Areas (Item 1g) which will result in a cancellation of insurance or increase in insurance because of any such action, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- (c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the Common Areas and/or Common Expense Areas (Item 1g) or on any Lot. The Board of Directors determination as to what is a nuisance shall be conclusive.
- (d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Board.
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Areas and/or Common Expense Areas (Item 1g) except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that

such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an owner shall be fully liable for any injury or damage to persons or property, including the Common Areas and/or Common Expense Areas (Item 1g) caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the "TRACT" within ten (10) days after written notice from the Board to the respective Owner to do so.

- (f) The Common Areas and Common Expense Areas (Item 1g) shall be kept free and clear of rubbish, debris and other unsightly materials.
- (g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the "TRACT".
- (h) No for sale signs larger than the typical Realtor signs used in Marion County, Indiana, "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the "TRACT", and Lot or any Dwelling Unit without the prior consent of the Board; provided, however, that the right is reserved by the DECLARANT and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the "TRACT" in connection with any unsold or unoccupied Lots and Dwelling Units.
- (i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Areas, or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas and/or Common Expense Areas (Item 1g).
- (j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the "TRACT" except as otherwise specifically permitted by the Board. No repair work shall be done on the "TRACT" on any vehicles, including passenger automobiles.

(k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas and/or Common Expense Areas (Item 1g), except with express permission from the Board.

(l) The Common Areas and Common Expense Areas (Item 1g) shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:

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

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

(n) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease.

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

20. Amendment of Declaration.

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

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

(ii) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board

of Directors of Owners having in the aggregate at least a majority of the votes of all Owners.

- (iii) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the By-Laws.
 - (iv) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less a majority in the aggregate of the votes of all Owners. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.
 - (v) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Paragraph 17 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 18 of this Declaration with respect to reconstruction or repair of the Common Areas and Common Expense Areas (Item 1g) in the event of fire or any other casualty or disaster, or (4) the provision of Paragraph 14 of this Declaration establishing the Architectural Review Board and providing for its functions, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.
 - (vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for, and responsibility for, maintenance, repair and replace of the Common Areas and Common Expense Areas, or (3) right to use the Common Areas and Common Expense Areas, or (4) annexation of property to the "TRACT" (other than as provided in Paragraph 21), or (5) termination of the applicability of this Declaration, or (6) any provisions which are for the express benefit of Mortgagees without the consent of at least two-thirds (2/3rds) of the votes of the Owners for the first ten (10) years after recording of this Declaration and thereafter at least a majority of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages whose mortgage interest have been made known to the Board of Directors as heretofore detailed.
 - (vii) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.
 - (viii) Failure of Mortgagees to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.
- (b) Amendments by DECLARANT ONLY. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the DECLARANT shall have and hereby reserves the right and power, acting alone and without the consent or approval of the Owners, the

Corporation, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration at any time from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (e) adopt amendments prior to the Applicable Date which are not materially adverse to the owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the DECLARANT to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the DECLARANT to vote in favor of, make, execute and record any such amendments. The right of the DECLARANT to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the DECLARANT no longer holds or controls title to any part or portion of the "TRACT".

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

21. Annexation of "ADDITIONAL TRACT". In addition to the "TRACT", DECLARANT has a contractual right to purchase the Additional Tract from BLUFFVIEW FARMS, INC. who is the fee simple title owner of certain real estate described in the attached Exhibit "B" which is located contiguous to the "TRACT".

The Declarant at any time after acquiring fee simple title to all or any part of the Exhibit "B" realty shall have the right to automatically subject said realty at one or more instances to this DECLARATION but not subject to assessments under Article 15 until recorded as a recordable plat but any or all of said realty is removable from the terms and conditions of this DECLARATION as hereinafter detailed.

Any time prior to 10 years after date of recordation of this Declaration, DECLARANT, without the consent of the Owners may, but is not obligated to, develop the "ADDITIONAL TRACT" or any part thereof (except as modified by zoning commitments filed relative to such additional tracts) and file one or more Final Plats for such "ADDITIONAL TRACT" or part thereof. Improvements (excluding Dwelling Units) within the area to be annexed must be substantially completed or bonded under the Marion County Subdivision Ordinance prior to annexation.

In the event the "ADDITIONAL TRACT" or any part of it is platted in a manner as herein stated, the Owners of such Lots in the "ADDITIONAL TRACT" or parts thereof, shall have the same rights and obligations of the Owners herein, and the Corporation shall have the same jurisdiction and authority over such "ADDITIONAL TRACT" or any part of it in a manner described. DECLARANT may file a Declaration stating that the "ADDITIONAL TRACT" or any part thereof shall not be developed as contemplated herein; provided, however, any part of the "ADDITIONAL TRACT" for which a Plat is not recorded with the Marion County Recorder by the date herein stated, shall be automatically removed from this DECLARATION terms and conditions therefor from the possibility of having a common entity which provides for the maintenance, repair, replacement, administration and operation of such part of the "ADDITIONAL TRACT", unless such is established by the Owner in the "TRACT" and those in the "ADDITIONAL TRACT".

Regardless of the method of development of the "ADDITIONAL TRACT" and whether or not all of any part of the "ADDITIONAL TRACT" comes within the jurisdiction of the Corporation or subject to the Declaration, DECLARANT reserves unto itself, its successors and assigns, for the use and benefit of that part of the part of the "ADDITIONAL TRACT" not coming within the jurisdiction of the Corporation or subject to the Declaration and the right and easement to enter upon and if necessary tie into the Common Areas and Landscape and Non-Access Easement of the "TRACT" to either continue the landscape plan mandated by zoning commitments and/or the surface drainage requirements for storm water management.

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

22. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or TRACT as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporation, partnership, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Lot or Lots or any part of the "TRACT" in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

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

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

or failure.

25. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and/or Common Expense Areas or by abandonment of his Lot.

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

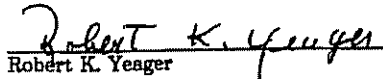
27. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. And the singular shall include and refer to the plural and vice versa as appropriate.

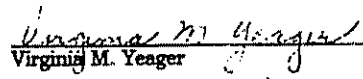
28. Interpretation. The captions and titles of the various articles, sections, subsection, paragraphs and subparagraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.


29. The Plat. The Final Plat of the portions of the "TRACT" detailed in Item 3 hereof is incorporated into this Declaration by reference to the Instrument number thereof, filed in the Office of the Recorder of Marion County, Indiana.

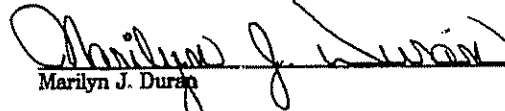
IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

MEMBERS OF YEAGER REALTY LLC


Robert K. Yeager


Virginia M. Yeager


John Michael Yeager


Marilyn J. Duran

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Robert K. Yeager and Virginia M. Yeager, husband and wife, by me known to be Members of Yeager Realty LLC, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Murphy's Landing Ownership", this 14th day of JUNE, 1994.

My Commission Expires:
3-15-97

Notary Public [Signature]
JERRY D. WIGGINS
(Printed)
County of Residence: Johnson

APPROVED THIS 16th
DAY OF June, 1994
PERRY TOWNSHIP, INDIANA
[Signature] DRAFTSMAN

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared John Michael Yeager, by me known to be a Member of Yeager Realty LLC, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Murphy's Landing Ownership", this 14th day of JUNE, 1994.

WITNESS my hand and Notarial Seal this 14th day of JUNE, 1994.

My Commission Expires:
3-15-97

Notary Public [Signature]
JERRY D. WIGGINS
(Printed)
County of Residence: Johnson

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Marilyn J. Duran, by me known to be a Member of Yeager Realty LLC, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Murphy's Landing Ownership", this 14th day of JUNE, 1994.

WITNESS my hand and Notarial Seal this 14th day of JUNE, 1994.

My Commission Expires:

3-15-97

Notary Public

(Printed)

County of Residence:

[Handwritten Signature]
RAYMOND WIGGINS

JOHNSON

APPROVED THIS 16th
DAY OF June, 1994
PERBY TOWNSHIP CLERK
[Handwritten Signature] CLERK

This Instrument Prepared by:
Raymond Good, #7201-49
SCHNORR, GOOD & SCAHILL
144 North Delaware Street
Indianapolis, IN 46204-2551
317/264-3636

#1-Yeager\Decl.H-1

Land Description
Killarney Hill at Murphy's Landing
Section 1

A part of the Southwest 1/4 of Section 15, Township 14 North, Range 3 East of the Second Principal Meridian, City of Indianapolis, Perry Township, Marion County, Indiana, more particularly described as follows:

Commencing at the Northwest corner of said Southwest 1/4, said point marked by a stone found and confirmed by County Surveyor ties, thence South 00 degrees, 09 minutes, 20 seconds West, (bearing based on a ILTA/ISPLS Land Title Survey of the lands titled to Bluffview Farms, Inc. Dated March 16, 1993, last revised June 30, 1993, prepared by MSE Corporation) along the West line of said Southwest 1/4, 596.46 feet; thence South 80 degrees, 03 minutes, 40 seconds East, 639.94 feet to the POINT OF BEGINNING; thence North 00 degrees, 00 minutes, 00 seconds West, 95.82 feet; thence North 46 degrees, 20 minutes, 10 seconds East, 79.21 feet; thence North 76 degrees, 56 minutes, 30 seconds East, 81.25 feet; thence North 85 degrees, 26 minutes, 57 seconds East, 347.95 feet; thence North 85 degrees, 47 minutes, 59 seconds East, 165.33 feet; thence South 04 degrees, 11 minutes, 50 seconds East, 174.95 feet; thence South 85 degrees, 48 minutes, 10 seconds West, 5.73 feet; thence South 04 degrees, 11 minutes, 50 seconds East, 88.92 feet; thence South 45 degrees, 02 minutes, 15 seconds East, 47.69 feet; thence North 85 degrees, 48 minutes, 10 seconds East, 418.18 feet; thence South 15 degrees, 12 minutes, 17 seconds East, 156.26 feet to a point 250.11 feet (measured normal) west of the center of Bluff Road as now located and defined in said Survey; thence North 37 degrees, 51 minutes, 00 seconds East, parallel to said Bluff Road, 46.28 feet; thence South 52 degrees, 09 minutes, 00 seconds East, 250.11 feet, to a point in the center of said Bluff Road; thence South 37 degrees, 51 minutes, 00 seconds West, along the center of said Bluff Road, 495.35 feet; thence North 87 degrees, 22 minutes, 34 seconds West, 244.19 feet; thence North 00 degrees, 14 minutes, 26 seconds East, 120.70 feet; thence South 88 degrees, 43 minutes, 01 seconds West, 132.00 feet; thence thence South 88 degrees, 39 minutes, 59 seconds West, 800.12 feet; thence North 09 degrees, 20 minutes, 20 seconds East, 614.80 feet, to the POINT OF BEGINNING, containing 20.23 acres, more or less, subject to all highways, rights-of-way, easements, and restrictions of record.

This description was prepared from information taken from a certain ILTA/ISPLS LAND TITLE SURVEY dated March 16, 1993, last revised June 30, 1993 prepared by Bryan F. Catlin (L.S. #910012) for the lands under title to Bluffview Farms, Inc., and a subdivision plat for Killarney Hill at Murphy's Landing, Section 1 prepared by MSE Corporation dated 11/23/93.

last revised: March 17, 1994 SEB

Land Description
Shannon Lakes at Murphy's Landing
Section 1

A part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East of the Second Principal Meridian, City of Indianapolis, Perry Township, Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Southwest Quarter, said point marked by a Harrison Marker found and confirmed by County Surveyor ties, said point also being in the center of Stop 11 Road as now located; thence South 88 degrees, 43 minutes, 01 seconds West (bearing based on a ILTA/ISPLS Land Title Survey of the lands titled to Bluffview Farms, Inc. Dated March 16, 1993 and last revised June 30, 1993, prepared by MSE Corporation), along the South line of said Southwest Quarter, 412.35 feet to the POINT OF BEGINNING; thence continuing South 88 degrees, 43 minutes, 01 seconds West, along said South line, 786.45 feet;

thence North 00 degrees, 14 minutes, 26 seconds East, 879.32 feet to a point in the center of Bluff Road as now located;

thence North 37 degrees, 49 minutes, 25 seconds East, along the center of said Bluff Road, 400.03 feet; thence North 37 degrees, 51 minutes, 00 seconds East along said centerline, 500.98 feet;

thence South 52 degrees, 09 minutes, 00 seconds East, 415.00 feet;

thence South 37 degrees, 51 minutes, 00 seconds West, 358.70 feet;

thence South 43 degrees, 25 minutes, 00 seconds West, 114.76 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 561.29 feet;

thence North 88 degrees, 43 minutes, 01 seconds East, 160.00 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 125.00 feet;

thence North 88 degrees, 43 minutes, 01 seconds East, 19.77 feet;

thence South 01 degrees, 16 minutes, 59 seconds East, 270.00 feet; to the POINT OF BEGINNING, containing 20.57 acres, more or less, subject to all highways, rights-of-ways, easements, and restrictions of record.

This description was prepared from information provided by others and a Land Title Survey prepared by Bryan F. Catlin (LS #910012) dated March 16, 1993.

EXHIBIT "B"

LEGAL DESCRIPTION:

A part of the Northwest Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Southwest corner of said Quarter Section; running thence North 37 degrees East 2205.69 feet to a point, said point being 1337.24 feet East of the West line and 924 feet South of the North line of said Quarter Section; thence in a Southerly direction 104 feet to a point; thence North 88 degrees 45 minutes East 560 feet to a point; thence South 45 degrees East 147 feet to a point; thence South 73 degrees East 307 feet to a point, said point being 372.39 feet West of the East line of said Quarter Section; thence in a Northerly direction 1221.70 feet to a point in the North line of said Quarter Section; thence in an Easterly direction upon and along the North line of said Quarter Section 384.77 feet to the Northeast corner of said Quarter Section; thence South upon and along the East line of said Quarter Section 2665.12 feet to the Southeast corner of said Quarter Section; thence West upon and along the South line of said Quarter Section 2662.12 feet to the place of beginning, except:

Beginning at the Northeast corner of said Quarter Section and running thence South on and along the East line thereof twelve hundred and eighty-eight (1288) feet; thence West-Northwest three hundred and eighty and eighty-five hundredths (380.85) feet; thence North eleven hundred and seventy-seven (1177) feet to a point on the North line of said Quarter Section, and thence East on and along said North line three hundred eighty-four and twenty-seven hundredths (384.77) feet to the place of beginning.

Also, a part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Northwest corner of said Quarter Section running thence South upon and along the West line of said Quarter Section 1330.25 feet to a point; thence in an Easterly direction 1331.56 feet to a point; thence in a Northerly direction 510.15 feet to a point; thence in an Easterly direction 893.20 feet to a point in the center line of the Bluff Road; thence in a Northeasterly direction upon and along the center line of the Bluff Road; 714.50 feet to a point in the East line of said Quarter Section; thence North upon and along the East line of said Quarter Section 264.20 feet to the Northeast corner of said Quarter Section 264.20 feet to the Northeast corner of said Quarter Section; thence in a Westerly direction upon and along the North line of said Quarter Section 2662.12 feet to the place of beginning, except:

Part of the Northwest Quarter of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, Marion County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of said Quarter Quarter Section; running thence North along the West line of said Quarter Quarter Section 729.5 feet; thence in a Southeasterly direction making an interior angle of 80 degrees 13 minutes a distance of 639.94 feet; thence in a Southwesterly direction making an interior angle of 90 degrees 36 minutes a distance of 615 feet to the South line of said Quarter Quarter Section; thence West along said South line 532.65 feet to the point of beginning.

Part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East in Marion County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of the said Southwest Quarter Section and running thence South on and along the East line thereof, a distance of 267.3 feet to a point in the centerline of the Bluff Road as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees, 15 minutes on and along the said centerline a distance of 709.4 feet to a point; thence continuing Southwesterly on and along the said centerline a distance of 860 feet to the Point of Beginning of this Description; thence continuing Southwesterly on and along the said centerline of the Bluff Road, 390.5 feet to a point; thence North 312.3 feet to a point; thence East 242 feet to the point of beginning.

Parcel III-Tract Two:

Also a part of the Northeast Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at a point in the North Line of said Quarter Section 962.24 feet West of the Northeast corner of said Quarter Section; running thence West upon and along the North Line of said Quarter Section 334 feet to a point in the center line of the Bluff Road; thence South 15 degrees 45 minutes West upon center line of said Road, 1089 feet to a point; thence South 16 degrees West upon the center line of said road 350 feet to a point; thence East and parallel with the North line of said Quarter Section 826 feet to a point in the West right-of-way line of the Indianapolis Southern Railroad; thence in a Northwesterly direction upon and along the West right-of-way of said Railroad 1390.60 feet to the place of beginning.

Parcel IV:

Part of the Southwest Quarter of Section 15, Township 14 North, Range 3 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of the said Southwest Quarter Section and running thence South on and along the East line thereof a distance of 267.3 feet to a point in the centerline of State Road #37 as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees 15 minutes on and along the said centerline a distance of 709.4 feet to the place of beginning of this description; thence continuing Southwesterly on and along the said centerline a distance of 897.0 feet to a point; thence running North and parallel to the said East line a distance of 694.9 feet to a point; thence running East and parallel to the North line of the said Southwest Quarter Section a distance of 541.8 feet to the place of beginning.

Parcel V:

Part of the Southeast Quarter of Section 10, Township 14 North, Range 3 East of the Second Principal Meridian in Marion County, Indiana, more particularly described as follows, to-wit:

Beginning at the Southwest corner of said Quarter Section; thence North on and along the West line of said Quarter Section 1033.35 feet to a point; thence North 67 degrees 11 minutes East 176.70 feet; thence North 84 degrees 37 minutes East 273.20 feet; thence North 83 degrees 22 minutes East 447 feet; thence South 0 degrees 46 minutes West 137 feet; thence North 86 degrees 33 minutes East 821.42 feet; thence South 27 degrees 40 minutes East 38.20 feet; thence South 70 degrees 55 minutes East 25 feet to a point in the center line of the Bluff Road as now located; thence in a Southwesterly direction on and along the center line of said Bluff Road as now located 1075.86 feet to the South line of said Quarter Section; thence West on and along the South line of said Quarter Section 1384.66 feet to the place of beginning.

Parcel II:

Part of the Northeast Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Southwest corner of said Quarter Section; running thence North upon and along the West Line of said Quarter Section 2665.12 feet to the Northwest corner of said Quarter Section; thence East upon and along the North Line of said Quarter Section 1384.66 feet to a point in the center line of the Bluff Road; thence South 15 degrees 45 minutes West upon the center line of said Road 1089 feet to a point; thence South 16 degrees West upon the center line of said Road 350 feet to a point; thence South 20 degrees 19 minutes West upon the center line of said Road 103.93 feet to a point; thence South 21 degrees 19 minutes West upon the center line of said Road 198 feet to a point; thence South 27 degrees 1 minute West upon the center line of said Road 99 feet to a point; thence South 33 degrees 45 minutes West upon the center line of said Road 330 feet to a point; thence South 38 degrees 16 minutes West upon the center line of said Road 819.72 feet to a point in the South line of said Quarter Section; thence West upon and along the South line of said Quarter Section 207.35 feet to the place of beginning.

Also, a part of the Southeast Quarter of Section 15, Township 14 North, Range 3 East, more particularly described as follows, to-wit:

Beginning at the Northwest corner of said Quarter Section; running thence East upon and along the North line of said Quarter Section 175.9 feet to a point in the West line of the Bluff Road; thence in a Southwesterly direction upon and along the West line of the Bluff Road 287.10 feet to a point in the West line of said Quarter Section; thence North upon and along the West line of said Quarter Section 223.65 feet to the place of beginning.

Parcel III-Tract One:

Beginning at the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section 15, Township 14 North, Range 3 East and running thence North with the West line of said Quarter Section 510.15 feet; thence East parallel to the North line of the South Half of said Section 893.20 feet to a point in the centerline of Bluff Road as it is now located and established; thence Northeasterly along and with the center line of said Bluff Road 1054 feet, more or less, to a point in the North line of the Southeast Quarter of said Section 15, 207.50 feet East of the Northwest corner thereof; thence East along and with the said North line 1123.25 feet to the East line of the West Half of the said Southeast Quarter Section; thence South with said East line 2652 feet to the South line of said Section; thence West with the South line of said Section 2533 feet to a point 132 feet East of the Southwest corner of the Southeast Quarter of the Southwest Quarter of said Section; thence North parallel to the West line of the Southeast Quarter of said Southwest Quarter of said Section; thence North parallel to the West line of the Southeast Quarter of said Southwest Quarter 1322.3 feet; thence West parallel with the South line of said Section 132 feet to the place of beginning, except:

Commencing at the Northeast corner of the said Southwest Quarter Section and running thence South on and along the East line thereof a distance of 267.3 feet to a point in the center line of State Road #37 as it is now located and established; thence deflecting to the right on a forward deflection angle of 37 degrees 15 minutes on and along the said centerline a distance of 709.4 feet to the place of beginning of this description; thence continuing Southwesterly on and along the said centerline a distance of 897.0 feet to a point; thence running North and parallel to the said East line a distance of 694.9 feet to a point; thence running East and parallel to the North line of the said Southwest Quarter Section a distance of 541.8 feet to the place of beginning.

Also except that part conveyed to Maynard Louis Houston and Peggy Lois Houston by deed recorded February 19, 1976 as Instrument #76-8590 in the Office of the Recorder of Marion County, Indiana, to-wit:

MURPHY'S LANDING



Parcel 'D' Site Data: →

Parcel 'C' Site Data: ↓

Parcel 'B' Site Data: ↘

Parcel 'E' Site Data: ↗

Parcel 'F' Site Data: ↖

Parcel 'A' Site Data: ←

KILLARNEY HILLS

ESPLANADE

EMERALD HIGHLANDS

SHANNON LAKES

HARDING ST.
Harding Street

BLUFF RD.
Bluff Road

STOD 11 RD

SOUTHPO
Southport Road

WOODS COMMONS

100 PERMITS AREA

PERMITS AREA

30 PERMITS AREA

PERMITS LOCATION

STOD 11 ROAD

LEGEND

22 December 1982



MURPHY'S LANDING

Conceptual Site Plan



EMERALD HIGHLANDS AT

MURPHY'S LANDING

ARCHITECTURAL STANDARDS

All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwellings exteriors shall have One Hundred percent masonry construction on the first floor, except front porches, bay window, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story homes. Period Houses may be submitted for Architectural Approval.
2. There shall be no vinyl or aluminum siding on any dwelling, except soffits.
3. No lot shall be used or maintained as a dumping ground for rubbish trash, or garbage. Antennas, masts, towers or satellite dishes of any kind will not be permitted on any lot or outside any dwelling, unless first approved by the Approved Builder. No trash or building materials may be burned or buried on any lot within the development and all lots shall be kept clean at all times during construction. Dumpsters shall be used and located on each lot during any construction with all trash and excess materials stored therein.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Approved Builder for approval.
5. Chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 2000 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2400 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area), provided, however, that the Architectural Control Committee as hereinafter defined and comprised may, in its sole discretion, permit a single story ground floor living area of less than 2,000 square feet, but in no event less than 1,800 square feet where the elevations and floor plan proposed by the lot owner are determined by the Architectural Control Committee to be particularly suited to the lot and compatible with the theme of the development and

the adjacent dwellings. All conditions are subject to the zoning covenants in force for lots that perimeter the existing homesites of Timber Hills.

7. All dwellings shall have at least a two (2) car finished attached garage.
8. No dwellings shall be constructed on a "slab" floor. All dwellings shall have crawl-spaces or have basements where practical.
9. Above ground pools are not permitted.
10. The minimum roof pitch shall be 8/12.
11. Total sideyards are 12 feet with a minimum of 6 feet on each side.
12. Any party other than the developer who secures title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. (Exception: All lots in Emerald Highlands will be titled to the Approved Builder, and this condition does not apply.)
13. Mailboxes shall be standardized according to specifications supplied by the Approved Builder.
14. All plans must be reviewed, stamped and signed by the Approved Builder. The Approved Builder will submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Approved Builder.
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least three trees selected from a list to be supplied by the developer.
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchasers premises.

17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchase's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the Approved Builder.
20. Participation in the Murphy's Landing Homeowner's Association is mandatory. The assessed dues will be determined by the Association.
21. The formation of an Emerald Highlands Homeowners Association, in addition to the Murphy's Landing Homeowner's Association, will be established when ninety (90%) of the lots have been deeded from the Approved Builder. Terms and Conditions of the Association will be established at the time the Emerald Highland's Homeowners Association is formed. These terms and conditions must be in accordance with the terms and conditions of the Murphy's Landing Homeowner's Association.
22. Sidewalks are required on each homesite in the community. It is the purchaser's responsibility for the cost and installation.
23. Driveways shall be constructed of concrete, asphalt, and/or masonry.
24. Panelized construction shall not be permitted.
25. Windows shall be constructed of wood, or clad wood. No aluminum windows shall be permitted.
26. All chimney flues must be of similar masonry material of the house.
27. No signage of any type will be permitted in the yard except for a "For Sale" sign with specifications to be supplied by the Approved Builder. Violation of this sign restriction will result in Fifty Dollars (\$50.00) per day; liquidated damages shall be payable to the Approved Builder until such time as the Homeowners Association

owns and is responsible for the maintenance of the common areas, at which time such liquidated damages shall be payable to the said Association. The exception will be the Approved Builder may use signs while in the community with homes under construction.

28. Each lot shall be kept in a neat and pleasing manner, with the grass mowed when necessary to maintain a growth of six (6) inches or less at all times. Campers, recreational vehicles or boats of any kind may not be stored or parked on any lot outside the main dwelling or garage. Any motor vehicle which is inoperative or unlicensed and not being used for normal transportation shall not be permitted to remain on any lot. All basketball backboards and any other fixed games and play structures shall be located behind the front foundation line of the main structure and within lot setback lines, and must be approved by the Architectural Control Committee prior to location on the premises. It is the intention of this restriction to assure that lots and surroundings present a park-like appearance.
29. All costs of litigation and attorney's fees resulting from violation of these Covenants and Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
30. The Developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.



KILLARNEY HILL AT MURPHY'S LANDING

ARCHITECTURAL STANDARDS

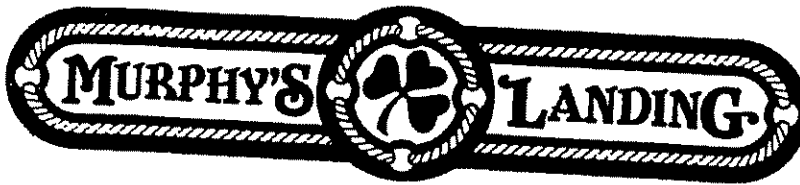
All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwelling exteriors shall have One Hundred (100) percent masonry construction, except front porches, bay windows, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story homes.
2. There shall be no vinyl or aluminum siding on any dwelling, except for soffits.
3. No satellite dishes larger than 24" are permitted. Landscaping plans addressing satellite dishes less than 24" must be submitted to the Architectural Committee for approval prior to the installation of the dish.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Architectural Committee for approval.
5. Galvanized chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 1,700 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2,000 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area).
7. All dwellings shall have at least a two (2) car attached garage.
8. No dwelling shall be constructed on a "slab" floor. All dwellings shall have crawlspaces or have basements where practical.
9. Above ground pools are not permitted.
10. The minimum roof pitch shall be 8/12.

(PAGE ONE OF THREE)

11. Total sideyards are 12 feet with a minimum of 6 feet on each side.
12. Any party other than the developer who secures title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. Failure to honor this condition shall establish an option by the developer to repurchase said homesite for cash at the original selling price. The developer shall give written notice within ninety (90) days of the expiration of the aforesaid one (1) year period to the purchasers of said homesite.
13. Mailboxes shall be standardized according to specifications supplied by the developer.
14. Purchaser must submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Purchaser.
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least one tree selected from a list to be supplied by the developer.
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.
17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the developer.
20. Participation in the Homeowner's Association is mandatory. The assessed dues will be determined by the Association.

21. Sidewalks are required on each homesite in the community. It is the purchaser's responsibility for the cost and installation.
22. Driveways shall be constructed of concrete and/or masonry.
23. Panelized construction shall not be permitted.
24. Windows shall be constructed of vinyl or wood. No aluminum windows shall be permitted.
25. All costs of litigation and attorney's fees resulting from violation these Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
26. The Developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.



SHANNON LAKES AT MURPHY'S LANDING

ARCHITECTURAL STANDARDS

All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwelling exteriors shall have One Hundred (100) percent masonry construction, except front porches, bay windows, breezeways, and gables. Wood siding is allowable on the upper walls of multi-story homes.
2. There shall be no vinyl or aluminum siding on any dwelling, except for soffits.
3. No satellite dishes larger than 24" are permitted. Landscaping plans addressing satellite dishes less than 24" must be submitted to the Architectural Committee for approval prior to the installation of the dish.
4. Outside storage buildings are not permitted. Gazebos, pool houses, etc. may be submitted to the Architectural Committee for approval.
5. Galvanized chain link and wood fences/privacy panels are not permitted.
6. The ground floor living area of all single story dwellings shall contain not less than 1,500 square feet and no two (2) story dwelling shall contain less than 1,200 square feet of living area on the ground floor, provided the total living area shall not be less than 2,000 square feet total (exclusive of open porches, basements, garages, and other areas not considered living area).
7. All dwellings shall have at least a two (2) car attached garage.
8. No dwelling shall be constructed on a "slab" floor. All dwellings shall have crawlspaces or have basements where practical.
9. Above ground pools are not permitted.
10. The minimum roof pitch shall be 8/12.

(PAGE ONE OF THREE)

11. Total sideyards are 12 feet with a minimum of 6 feet on each side.
12. Any party other than the developer who secures title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. Failure to honor this condition shall establish an option by the developer to repurchase said homesite for cash at the original selling price. The developer shall give written notice within ninety (90) days of the expiration of the aforesaid one (1) year period to the purchasers of said homesite.
13. Mailboxes shall be standardized according to specifications supplied by the developer.
14. Purchaser must submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Purchaser.
15. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least one tree selected from a list to be supplied by the developer.
16. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.
17. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
18. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
19. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the developer.
20. Participation in the Homeowner's Association is mandatory. The assessed dues will be determined by the Association.

(PAGE TWO OF THREE)



WATERFORD CROSSING AT MURPHY'S LANDING

(SHANNON LAKES - SECTIONS III AND IV)

ARCHITECTURAL STANDARDS

All dwellings constructed upon any homesite in this development shall conform to the following restrictions:

1. All dwelling exteriors shall have fifty (50) percent of the total facade as brick or stone, (exclusive of doors and windows). Wood and vinyl siding are allowable on the remaining area.
2. There shall be no aluminum siding on any dwelling, except for soffits.
3. Satellite dishes larger than 24" are not permitted. Landscaping plans addressing satellite dishes less than 24" must be submitted to the Architectural Committee for approval prior to the installation of the dish.
4. Outside storage buildings are not permitted. Gazebos, pool houses, and etc. may be submitted to the Architectural Committee for approval.
5. Galvanized chain link and wood fences/privacy panels are not permitted.
6. Residences on each homesite are to have a minimum living area of 1,400 square feet exclusive of attached garages, porches, basements, and other areas not considered living area.
7. All dwellings shall have at least a two (2) car attached garage.
8. Foundations shall be either a slab or on a crawlspace.
9. Above ground pools are not permitted.
10. Total sideyards are 12 feet with a minimum of 6 feet on each side.

(PAGE ONE OF THREE)

11. Any party other than the developer who secures title to a homesite in this community agrees to begin construction of the residence on or before one (1) year from the date title is transferred. Failure to honor this condition shall establish an option by the developer to repurchase said homesite for cash at the original selling price. The developer shall give written notice within ninety (90) days of the expiration of the aforesaid one (1) year period to the purchasers of said homesite. (Exception: All lots in Waterford Crossing, titled to Greenland Homes, Inc., will not apply.)
12. Mailboxes shall be standardized according to specifications supplied by the developer.
13. Purchaser must submit a complete set of construction plans to the Architectural Committee which will review the plans before construction shall commence. After being reviewed and approved, the plans will be stamped and signed by one member of the committee. The plans will be returned to the Purchaser.
14. Front yards are to be seeded and/or sodded; the purchaser, at his expense, agrees to plant in the front yard at least one tree selected from a list to be supplied by the developer.
15. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any homesite, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. Any animal so kept shall not be permitted to roam at large within the community and shall be confined to the purchaser's premises.
16. No trade shall be permitted upon any homesite in the community, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood.
17. No refuse shall be maintained on any homesite. Garbage and trash shall be kept in approved containers which are not visible from the street, except on collection day.
18. At the purchaser's expense, a standardized front yard light shall be erected on the homesite. Specifications will be provided by the developer.
19. Participation in the Homeowner's Association is mandatory. The assessed dues will be determined by the Association.

(PAGE TWO OF THREE)

20. Sidewalks are required on each homesite in the community. It is the purchaser's responsibility for the cost and installation.
21. Driveways shall be constructed of concrete and/or masonry.
22. Panelized construction shall be permitted.
23. Dumpsters or trash cages shall be located and used by the builder on each lot at the commencement of any construction. All trash and excess materials are to be stored within the container.
24. All costs of litigation and attorney's fees resulting from violation of these Architectural Standards shall be the financial responsibility of the lot owner or owners found to be in violation.
25. No residences with identical exteriors are to be located on adjacent homesites.
26. The developer reserves the right to amend the Architectural Standards, to be effective when received by an involved lot owner or when recorded, whichever occurs first.

In witness whereof, the undersigned has caused this supplemental Architectural Standard for Waterford Crossing to be executed this 27th day of February, 1996.

YEAGER REALTY, LLC

Robert K. Yeager
Robert K. Yeager, Member

THIS INSTRUMENT PREPARED BY:

Robert K. Yeager
YEAGER REALTY, LLC
1676 Shannon Lakes Drive
Indianapolis, IN 46217

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the said County and State, personally appeared Robert K. Yeager, Member of Yeager Realty, LLC who acknowledged the execution of the supplemental Architectural Standards for Waterford Crossing.

Witness my hand and official seal this 27th day of February, 1996.

My Commission Expires:
January 8, 1999

Signature: Marilyn J. Duran
Printed: Marilyn J. Duran
Resident of Johnson County, Indiana

SHANNON LAKES - SECTIONS 3 & 4
OVERALL LEGAL DESCRIPTION

A PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 15, TOWNSHIP 14 NORTH, RANGE 3 EAST OF THE SECOND PRINCIPAL MERIDIAN IN PERRY TOWNSHIP, MARION COUNTY, INDIANA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF HALF QUARTER SECTION; THENCE NORTH 88 DEGREES 35 MINUTES 14 SECONDS EAST, 525.00 FEET ALONG THE SOUTH LINE OF SAID HALF QUARTER SECTION TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 88 DEGREES 35 MINUTES 14 SECONDS EAST, 813.02 FEET ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID HALF QUARTER SECTION; THENCE NORTH 00 DEGREES 05 MINUTES 49 SECONDS EAST, 2855.85 FEET ALONG THE EAST LINE OF THE WEST HALF OF SAID QUARTER SECTION TO THE NORTHEAST CORNER OF SAID HALF QUARTER SECTION; THENCE SOUTH 88 DEGREES 38 MINUTES 59 SECONDS WEST, 1042.45 FEET ALONG THE NORTH LINE OF SAID HALF QUARTER SECTION; THENCE SOUTH 37 DEGREES 43 MINUTES 13 SECONDS WEST, 142.05 FEET; THENCE SOUTH 52 DEGREES 09 MINUTES 00 SECONDS EAST, 250.24 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A CENTRAL ANGLE OF 09 DEGREES 54 MINUTES 07 SECONDS, THE RADIUS POINT OF SAID CURVE BEARS NORTH 37 DEGREES 51 MINUTES 00 SECONDS EAST, 203.53 FEET; THENCE ALONG SAID CURVE 35.17 FEET TO A NON-TANGENT POINT, THE RADIUS POINT OF SAID CURVE BEARS NORTH 27 DEGREES 56 MINUTES 53 SECONDS EAST, 203.53 FEET; THENCE SOUTH 37 DEGREES 51 MINUTES 00 SECONDS WEST, 75.34 FEET TO A NON-TANGENT POINT ON A CURVE HAVING A CENTRAL ANGLE OF 46 DEGREES 49 MINUTES 03 SECONDS, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 43 DEGREES 16 MINUTES 46 SECONDS WEST, 515.00 FEET; THENCE ALONG SAID CURVE 420.82 FEET TO THE POINT OF TANGENCY, THE RADIUS POINT OF SAID CURVE BEARS NORTH 89 DEGREES 05 MINUTES 11 SECONDS WEST, 515.00 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 49 SECONDS WEST, 103.57 FEET; THENCE SOUTH 03 DEGREES 59 MINUTES 34 SECONDS EAST, 101.38 FEET; THENCE SOUTH 19 DEGREES 30 MINUTES 40 SECONDS EAST, 39.95 FEET; THENCE SOUTH 68 DEGREES 28 MINUTES 45 SECONDS WEST, 239.89 FEET TO A NON-TANGENT POINT ON A CURVE HAVING A CENTRAL ANGLE OF 27 DEGREES 44 MINUTES 47 SECONDS, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 70 DEGREES 11 MINUTES 43 SECONDS WEST, 1035.00 FEET; THENCE ALONG SAID CURVE 501.22 FEET TO A NON-TANGENT POINT ON SAID CURVE, THE RADIUS POINT OF SAID CURVE BEARS NORTH 82 DEGREES 03 MINUTES 43 SECONDS WEST, 1035.00 FEET; THENCE NORTH 88 DEGREES 43 MINUTES 01 SECONDS EAST, 122.51 FEET; THENCE NORTH 83 DEGREES 00 MINUTES 13 SECONDS EAST, 100.45 FEET; THENCE NORTH 88 DEGREES 43 MINUTES 01 SECONDS EAST, 22.88 FEET; THENCE SOUTH 42 DEGREES 45 MINUTES 07 SECONDS EAST, 181.46 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A CENTRAL ANGLE OF 54 DEGREES 34 MINUTES 03 SECONDS, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 47 DEGREES 14 MINUTES 53 SECONDS WEST, 290.00 FEET; THENCE ALONG SAID CURVE 276.39 FEET TO A NON-TANGENT POINT, THE RADIUS POINT OF SAID CURVE BEARS NORTH 78 DEGREES 11 MINUTES 04 SECONDS WEST, 290.00 FEET; THENCE SOUTH 83 DEGREES 11 MINUTES 36 SECONDS WEST, 448.01 FEET; THENCE SOUTH 19 DEGREES 25 MINUTES 43 SECONDS EAST, 289.27 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A CENTRAL ANGLE OF 18 DEGREES 08 MINUTES 44 SECONDS, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 70 DEGREES 34 MINUTES 17 SECONDS WEST, 725.00 FEET; THENCE ALONG SAID CURVE 229.61 FEET TO THE POINT OF TANGENCY, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 88 DEGREES 43 MINUTES 01 SECONDS WEST, 725.00 FEET; THENCE SOUTH 01 DEGREES 16 MINUTES 59 SECONDS EAST, 184.68 FEET TO THE BEGINNING POINT OF THIS DESCRIPTION, CONTAINING 50.504 ACRES, MORE OR LESS

SUBJECT TO ALL LEGAL EASEMENTS, RIGHTS OF WAYS AND RESTRICTIONS OF RECORD.