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DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR OAKLEAF MANOR, SECTION 1



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DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR OAKLEAF MANOR, SECTION I

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OAKLEAF MANOR, SECTION I ("Declaration"), made this 28<sup>th</sup> day of December, 1995, by Oakleaf Development, Inc., an Indiana Corporation (hereinafter referred to as ("Declarant"),

WITNESSETH THAT:

WHEREAS, Declarant Oakleaf Development, Inc. is the owner of certain real estate located in Johnson County, Indiana, more particularly described herein ("Real Estate"); and

WHEREAS, Declarant intends to sell and convey the residential facilities and Lots with Oakleaf Manor and desires to subject the Real Estate to certain covenants, conditions, and restrictions ("Covenants") in order to ensure that the development and use of the various Lots on the Real estate are harmonious and do not adversely affect the value of surrounding Lots on the Real Estate; and

NOW, THEREFORE, Declarant hereby declares that all of the Real Estate as it is now held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, is subject to the following Covenants. All of the covenants shall run with the Real Estate and shall be binding upon the Declarant and upon the parties having or acquiring any right, title, or interest, legal or equitable, in and to the Real Estate or any part or parts thereof and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to the Real Estate or any part or parts thereof.

ARTICLE I.

General Purpose of This Declaration

The Real Estate is hereby subjected to the Covenants herein declared to preserve the value of the Real Estate, to ensure proper use and appropriate improvement of the Real Estate, to encourage the construction of attractive structures and other attractive improvements at appropriate locations on the Real Estate, to prevent haphazard development thereof which may be inharmonious with other improvements on the Real Estate to preserve and maintain proper setbacks from streets and adequate free space between structures, to provide for adequate and proper maintenance of the Real Estate so as to ensure a high quality appearance and condition of the Real Estate and so as to meet the requirements of certain governmental agencies, all for the purpose of preserving the values of all Lots within Oakleaf Manor, Section I and to ensure desired high standards of maintenance of the Real Estate, to the benefit of all Owners with Oakleaf Manor, Section I.

ARTICLE II.

General Restrictions

Section 1. Field Tile. Any field tile or underground drainage which is encountered in construction or any improvement within this subdivision shall be perpetuated, and all owners of lots in this subdivision and their successors shall comply with the Indiana Drainage Code of 1965.

Section 2. Drainage Swales. Drainage swales (ditches) along dedicated roadways and within the right-of-way, or on dedicated easements, are not to be altered, dug out, filled in, tilled or otherwise changed without the written permission of the Franklin Board of Public Works and Safety. Property owners must maintain these swales as sodded grassways, or other non-eroding surfaces. Water from roofs or parking areas must be contained on the property long enough so that said drainage swales or ditches will not be damaged by such water. Driveways may be constructed over these swales or ditches only when appropriate sized culverts or other approved structures have been permitted by the Board of Public Works and Safety.

Section 3. Maintaining Drainage Swales. Any property owner altering, changing, damaging, or failing to maintain these drainage swales or ditches will be held responsible for such action and will be given ten (10) days notice by certified mail to repair said damage, after which time if no action is taken, the Board of Public Works and Safety will cause said repairs to be accomplished and the bill for said repairs will be sent to the affected property owner for immediate payment. Failure to pay will result in a lien against the property. The maintenance of the storm drainage system for this subdivision by the Homeowners Association shall, to the extent not maintained by Johnson County Drainage Board, include but shall not be limited to, the maintenance of all inlet pipes, open ditches, pipes and swales. The costs and expenses of such maintenance which is not provided by the Johnson County Drainage Board of the storm drainage system shall be assessed as part of the general assessment against the owners of all lots in this subdivision as provided in the Declaration and shall be secured by a lien against all lots in this subdivision. Sump pumps, gravity drains and other drains serving individual residences on lots shall outfall only into drainage swales or storm structures included in the storm drainage system for the subdivision.

Section 4. Drainage and Utility Easement. Areas designated as utility easements on this plat are dedicated as easements for the installation and maintenance of public utilities reasonably and conveniently required. Such as lines, ducts, gas or water mains or sewer mains and laterals, electric lines, telephone lines and cable television lines, not including transportation and transmission company lines. No structures shall be erected on or

maintained within such areas. Maintenance of the easement area is the responsibility of the owner.

Section 5. Maintenance of Premises. In order to maintain the standards of the property, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. All lot owners, for the good of the community, will maintain their lots in good condition to the curb line of the street.

Section 6. Residential Purpose. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted on any Lot other than a dwelling not to exceed two (2) stories in height. A dwelling shall have an attached garage of a size to accommodate at least two (2) cars.

Section 7. Exterior. The exterior facing of dwellings placed on lots in Oakleaf Manor shall be comprised of twenty-five percent (25%) masonry. Only comparable wood or horizontal vinyl will be permitted in conjunction with masonry for the exterior face of any building.

Section 8. Inoperative Parked Vehicles. At no time shall any unlicensed, inoperative vehicle be permitted on any Lot, Common Area, street or easement unless kept entirely within a garage.

Section 9. Trucks, Boats, Recreational Vehicles. No semi-truck, trailer, boat or trailer, mobile home, or recreational vehicle, or any similar equipment shall be permitted to be kept on any Lot unless kept entirely within a garage.

Section 10. Nuisances. No noxious, obnoxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. This provision may be construed to prohibit extremely audible music or activities.

Section 11. Outdoor Storage. No large machinery or equipment shall be permitted to be kept or stored on any lot except with the dwelling.

Section 12. Signs. No sign of any kind shall be displayed to the public view on any lot, except one (1) professionally manufactured sign of not more than five square feet advertising the property for sale or rent.

Section 13. Mining Operations. No oil drilling, oil development operation, oil refining quarrying, or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use

in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 14. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept provided that they are not bred, kept or maintained for any commercial use and are housed within the dwelling.

Section 15. Rubbish, Trash and Garbage. Rubbish, trash, garbage or any other waste shall not be allowed to be compiled, accumulated or dumped on any Lot. Garbage and trash shall be kept in appropriate containers which are not visible from the street, except on collection day.

Section 16. Corner Lot. No fence, wall, hedge, tree or shrub planting or other similar item which obstructs sight lines at elevation between two and one-half (2 1/2) and twelve (12) feet above the street, shall be permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting points 25 feet from the intersection of said street lines (25 feet for minor streets and 50 feet for arterial streets), or in the case of a rounded property corner, from the intersection of the street right-of-way lines extended.

The same sightline limitations shall apply to any lot within 10 feet from the intersection of a street right-of-way line with the edge of a driveway pavement or alley line. No driveway shall be located within 40 feet of the intersection of two street centerlines or within 70 feet for corner lots.

Section 17. Minimum Living Space. The minimum footage of living space of dwellings within Oakleaf Manor, Section I, exclusive of porches, garages or basements shall be no less than:

- (a) 1,200 square feet for single story dwellings; and
- (b) 900 square feet for the ground floor of two-story dwellings

Section 18. Outbuildings. No outbuildings of any kind, detached garages, sheds, shacks or tents shall be maintained on any Lot, except an 8' X 10' storage building. The style, type and location shall be determined by the Architectural Control Committee (ACC). The appearance of the building shall be compatible with the dominant structure.

Section 19. Driveways and Carports. All driveways must be paved with concrete or asphalt. No carports are permitted.

Section 20. Communication Devices. Satellite dishes, free standing antennas, or any other such visible communication receiving or transmitting devices are prohibited, excepting antennas attached to the dwelling which do not rise above the peak of the roof. An RCA 18" disc or equivalent is permitted. This disc must be mounted on the dwelling. All power and telephone lines are to be underground.

Section 21. Mail Boxes. All mailboxes in Oakleaf Manor, Section I shall be uniform in appearance. The style, type and location shall be determined by the Architectural Control Committee (ACC).

Section 22. Landscaping. One (1) two-inch (2") caliper tree will be planted for every forty (40') feet of street frontage per the Tree Ordinance List of the City of Franklin, Indiana. At least four (4) shrubs will be planted at the front of the house from the approved list of shrubs.

Section 23. Sidewalks. Builder must construct a four foot (4') concrete sidewalk on each lot as per the approved construction plan of Oakleaf Manor, Section I.

Section 24. Repairs. All owners and their builder and/or contractors shall be responsible for and repair or restore any damage during construction whether or not inadvertent or unavoidable including but not limited to curbs, sidewalks, gutters, street, storm drainage area, utilities or other improvement.

Section 25. Wells and Septic Tanks. No water wells shall be drilled on any Lot. Septic tanks shall be prohibited.

Section 26. Swimming Pools. Above-ground pools are prohibited.

Section 27. Construction, Earth-Moving, Excavation. No construction, significant earth-moving, or excavation work of any nature may be conducted on any lot. No construction shacks or outhouses shall be erected or situated on any lot herein. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall be permitted to remain on any lot or used on any lot at any time as a residence, either temporarily or permanently. All job sites must remain neat and clean during construction. If the Developer is not satisfied with the appearance of a construction site, after ten (10) days notice thereof to the owner of the respective Lot, the Developer may cause the site to be cleaned and may assess such charges specifically against the owner thereof.

Section 28. Fences, Walls, Barriers. All fences, walls, barriers or like structures must be approved in writing by the Architectural Control Committee prior to their construction. No

such structures shall exceed six feet (6') in height. No such structure shall be placed closer to the front Lot line than the front building setback line. No fences of any kind will be allowed in certain areas of Oakleaf Manor, Section I.

Section 29. Prosecution of Violations. It shall be lawful for the Homeowners Association, the Committee (as to matters for which it has responsibility) or any other person owning any real property situated in this subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any covenant, conditions, provisions, or restrictions contained herein either to prevent such person or persons from doing so, or to recover damages or other dues for such violation, or to require the removal of structures erected in violation hereof. All costs of litigation and attorneys' fees resulting from violation of these covenants and restrictions shall be the financial responsibility of the lot owner or owners found to be in violation.

Section 30. Completion of Construction. All construction commenced on any lot within the development shall be completed within one hundred eighty (180) days, unless circumstances beyond the reasonable control of the builder and/or owner prevent completion. The undersigned and/or Homeowners Association shall have standing authority to seek an injunction or order for the removal of any materials and partially completed structures in violation of this covenant.

#### ARTICLE III

##### Common Areas

There are portions of ground marked "Common Areas" on the within plat which, upon final construction or provision therefor, shall be conveyed by the Developer to the Homeowners Association. All Common Areas, including additional Common Areas at the Developer's option, shall be subject to the applicable covenants and restrictions contained in the Declaration.

#### ARTICLE IV

##### Oakleaf Manor, Section I Architectural Control Committee

Section 1. Appointment of Architectural Control Committee. Declarant shall appoint an Architectural Control Committee to be composed of two (2) members at the discretion of the developer.

Section 2. Construction Approvals. No construction of any building or structure of any kind, including additions, alterations, fences, screens and walls shall begin within Oakleaf



Manor, Section I until the plans and specifications, locations and plot plan thereof, in detail and to scale have been submitted to and approved by the Architectural Control Committee. The plans and specifications of and location of all construction shall be in compliance with all applicable regulatory codes, including those relating to building, plumbing, and electrical requirements, and shall also comply to all zoning covenants and restrictions which are applicable to the Real Estate. Refusal of approval of plans and specifications, location and plot plan by Declarant may be based on any reason, including purely aesthetic grounds, in the sole and absolute discretion of the Architectural Control Committee. Declarant shall not be responsible for any defects in such plans or specifications, or in any building or structure erected according to such plans and specifications.

The plans and specifications submitted to Declarant shall contain a plot plan to scale with adequate provision for landscaping, including the planting of trees and shrubs. The determination of whether adequate provision has been made for landscaping shall be at the sole discretion of the Architectural Control Committee. The required landscaping and driveways shall be completed at the time of completion of the building, or as soon as weather and season permit.

Section 3. Duties of Committee. The Committee shall approve or disapprove proposed improvements within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons.

Section 4. Liability of Committee. Neither the Committee nor any agent thereof, nor Declarant, shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

Section 5. Inspection. The Committee or its agent may inspect work being performed to assure compliance with the approved plans and this Declaration.


Section 6. Covenants Run With the Land. The right to enforce these provisions by injunction, together with the right to cause the removal by due process of law of any structure or part thereof, is hereby dedicated to the public and reserved to the several owners of the several lots in this subdivision and to their heirs and assigns.

The foregoing covenants and restrictions are to run with the land and shall be binding on all parties and persons claiming them until January 1, 2020, at which time said covenants and

restrictions shall be automatically extended for successive ten year periods, unless by a majority vote of the then current owners of the Lots, it is agreed to change such covenants and restrictions in whole or in part.

Invalidation of any one of these covenants or restrictions by judgment on a Court Order shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

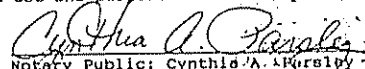
In Witness Whereof, Amarjeet S. Luthra has caused the execution of the foregoing covenants on this 5th day of December, 1995.

  
Amarjeet S. Luthra, President  
Oakleaf Development, Inc.

STATE OF INDIANA )  
COUNTY OF JOHNSON )

Personally appeared before me, the undersigned, a notary public in and for said county and state, Amarjeet S. Luthra who acknowledged the execution of the above and foregoing certificate as his voluntary act and deed for the use and purposes therein expressed.

My Commission Expires:  
4/13/97

  
Notary Public: Cynthia A. Porely  
Resident of County of:  
Marion

PREPARED BY:  
AMARJEET S LUTHRA

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BY - LAWS  
OF  
OAKLEAF MANOR  
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I  
IDENTIFICATION AND APPLICABILITY

SECTION 1.01. Identification and Adoption. These By-Laws are adopted to govern the administration of Oakleaf Manor Homeowners Association, Inc., a Home Owners Association created to govern the use of common areas, and partly to govern the use of lots, in a residential subdivision located in the City of Franklin, Indiana, known as the Oakleaf Manor residential subdivision.

The Articles of Incorporation of the Association are incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The Provisions of these By-Laws shall apply to the administration and conduct of the affairs of the Association.

SECTION 1.02. Individual Application. All of the Lot Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, and any other person who may use or occupy a lot or any common areas in the subdivision, shall be subject to the terms and conditions of all documents affecting such lot and the common areas, as well as by the Articles of Incorporation of the Association, these By-Laws, and any Rules and Regulations adopted by the Association.

ARTICLE II  
Meeting of Association

SECTION 2.01. Meetings. At least annually and at such other times as may be necessary, a meeting of the Lot Owners shall be held for the purpose of electing the Board of Directors, approving the Annual Budget, and for such other purposes as may be appropriate or required.

SECTION 2.02. Annual Meetings. The Annual Meeting of the Lot Owners shall be held on the first Monday on or after March 15 in each calendar year or as soon thereafter as is practicable. The Board of Directors may change the date for the Annual Meeting, but it shall give written notice to Owners of any change in the date of the Annual Meeting. At the Annual Meeting the Lot Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-laws, shall consider the Annual Budget, and shall transact such other business as may properly come before the meeting.

SECTION 2.03. Special Meetings. A Special Meeting of the Lot Owners may be called by the President, by request of two (2) Directors, or upon a written request of not less than fifteen percent (15%) of the Lot Owners. The request shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Lot Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Lot Owners are present.

SECTION 2.04. Notice of Place of Meetings. Any meetings of the Lot Owners may be held at any suitable place, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting, and in the case of a Special Meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner. The notice shall be mailed or delivered to the Lot Owners at their address as it appears upon the records of the Association and to any Mortgagee who requests the same in writing at its address as appears on the records of the Association. Attendance at any meeting by a Lot Owner or their authorized representative, in person or by proxy, shall constitute waiver of notice of such meeting.

SECTION 2.05. Voting.

(a) Number of Votes. To facilitate the orderly conduct of

the meeting, each Lot Owner other than the Developer shall be a Class A Member of the Association, and shall be entitled to cast one vote on each matter coming before the meeting. The Developer shall be the sole Class B member and shall be entitled to three (3) votes for each Lot owned subject to the terms and conditions of the By-laws and the Restrictions.

The Class B membership shall cease and terminate upon the applicable date, whichever shall be the first to occur;

1. At least eighty-five percent (85%) of the homes in Oakleaf Manor including all phases has been built and occupied. At that time the Developer and all Successors and Assigns of Declarant will turn over the management to the Homeowners Association, or;

2. At the Developer's sole discretion

(b) Multiple Owner. Where the Owner of a Lot constitutes more than one (1) person, or is a partnership, there shall be only one (1) voting representative entitled to cast the vote allocable to that Lot.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Lot Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of a corporation who is duly empowered to vote shall cast any votes to which the corporation is entitled.

(d) Proxy. A Lot Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Lot Owner shall duly designate his attorney-in-fact in writing, and such written designation shall be delivered to the Association prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in these By-laws, one-third (1/3) of the Lot Owners shall constitute a quorum at all meetings.

(f) Conduct of Annual Meeting. The President of the Association shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be conducted normally in the following manner:

(1) Reading of the Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

(2) Treasurer's Report. The Treasurer shall report to the Lot Owners concerning the financial condition of the Association, and answer relevant questions of the Lot Owners concerning the Common Expenses and financial report for the prior year and the proposed Annual Budget for the current year.

(3) Budget. The proposed Annual Budget for the current fiscal year shall be presented to the Lot Owners for approval or amendment. If the Lot Owners do not approve the Annual Assessments for the current fiscal year at the time they approve the Annual Budget, then the Board of Directors shall set the Annual Assessments for the year at such amount as will raise the funds required to comply with the Annual Budget, including reserve requirements.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by any Lot Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least three (3) days prior to the date of the Annual Meeting. Voting for the Board of Directors will be by paper ballot unless a majority of the Lot Owners present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Lot Owner may cast one vote for as many nominees as are to be elected. No Lot Owner may cast more than one vote for any nominee. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three (3) days prior to the date of the meeting.

(6) Adjournment.

ARTICLE III  
BOARD OF DIRECTORS

SECTION 3.01. Number and Duties. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors": and individually called "Director"). The Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he is a Lot Owner or unless he is appointed by the Developer. Also, any Lot Owner who is thirty (30) days or more in arrears in his Annual or Special Assessments, will not be eligible to serve or to continue to serve as a Director.

SECTION 3.02. Initial Board of Directors. The initial Board of Directors shall be as provided in the Articles of the Incorporation of the Association, all of who shall be appointed by Developer. Notwithstanding any other provisions in the By-Laws, the initial Board of Directors shall hold office until the first Annual Meeting of the Lot Owners which shall be held on the first Monday on or after March 15 in each year.

SECTION 3.03. Additional Qualification. 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 Lot Owner, or an officer or trustee, shall be eligible to serve on the Board of Directors. No Lot Owner other than the Developer may be represented on the Board of Directors by more than one person at a time.

SECTION 3.04. Term of Office and Vacancy. The Board of Directors shall be elected at each annual meeting of the Association. At the first annual meeting of the Board, one Director shall be elected for one (1) year, one Director for two (2) years and one Director for three (3) years. At each subsequent annual meeting one Director shall be elected for a term of three (3) years (since the term of one of the Directors will be expiring), and any other vacancies in the Board of Directors shall be filled by electing a Director to serve for the remainder of the term of the Director who did not serve for his whole term of

office.

Any vacancy or vacancies occurring in the Board of Directors shall be filled until the annual meeting of the members by a vote of a majority of the remaining Directors or by vote of the Lot Owners if a Director is removed in accordance with Section 3.05 of this Article III.

SECTION 3.05. Removal of Director. A Director or Directors, except the initial Directors, may be removed with or without cause by majority vote of the Lot Owners at a meeting duly called and constituted. In such case, a successor Director shall be elected at the same meeting from eligible Lot Owners. A Director so elected shall serve until the next Annual Meeting of the Lot Owners or until his successor is duly elected and qualified. An initial Director may be removed and replaced at the discretion of the Developer.

SECTION 3.06. Duties of the Board of Directors. The Board of Directors shall provide for the management, administration, operation, maintenance, repair, upkeep and replacement of the common areas in Oakleaf Manor, and the collection and disbursement of the common expenses. These duties include, but are not limited to:

(a) management, maintenance, repair and replacements of the common areas, and particularly maintaining the lake and keeping it clear;

(b) procuring of utilities used in connection with the common facilities, removal of garbage and waste, and snow removal from the common areas;

(c) landscaping, painting, decorating, and furnishing of the common areas;

(d) assessment and collection from the Owners of their pro rata share of the common expenses;

(e) preparation of annual budget;

(f) 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 as soon as



possible after the end of each fiscal year:

(g) keeping a current, accurate and detailed record of receipts and expenditures affecting the property, specifying and itemizing the common expenses. All records and vouchers shall be available for examination by an owner upon reasonable notice during normal business hours; and

(h) to procure fire and extended coverage insurance covering any improvements on or to the common areas to the full replacement value thereof and to procure public liability and property damage insurance and workmen's compensation insurance, if necessary, for the benefit of the Lot Owners and the Association.

SECTION 3.07. Powers of the Board of Directors. The Board of Directors shall have all powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to:

(a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) to purchase for the benefit of the Association such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;

(c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;

(d) to include the costs of all of the above and foregoing as a common expense;

(e) to open and maintain one or more bank accounts in the name of the Association;

(f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of common areas and for approving the payment of vouchers, invoices and the like;

(g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy,

operation, and enjoyment of the common areas and facilities;

(h) to grant easements and other rights over the common areas;

(i) to impose non-discriminatory fines upon any Lot Owner or Lot Owners if they, or any members of their family, guests, or invitees, shall violate any rules or regulations adopted by the Association and such fine shall be collectible by the Association in the same manner as payment of the annual assessment is collectible, and shall be secured by a lien on the Owner's Lot and subject to late charges and interest to the same extent as a late payment of the annual assessment; and

(j) to do such other acts and things as are in the best interest of a majority of Lot Owners and which are not contrary to law.

SECTION 3.08. Limitation on Board Action. The authority of The Board of Directors to enter into contract shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of the Lot Owners at a meeting thereof, except in the following cases:

(a) contracts for replacing or restoring portions of the common areas damaged or destroyed by fire or other casualty unless all the buildings are totally destroyed;

(b) proposed contracts and proposed expenditures expressly set forth as provided for in the annual budget as approved by the Lot Owners at the annual meeting, which shall include but not be limited to the compensation of the managing agent, ongoing contracts of all kinds, maintenance contracts, contracts for improvements which have been approved by the Lot Owners and contributions to reserve accounts.

Items within the budget need not be approved separately. The Board may also reallocate items in the budget, if the total budget will not be increased.

SECTION 3.09. Compensation. No Director shall receive any compensation for his services unless a majority of the Lot Owners shall approve paying such compensation. Each Director shall be

reimbursed for his reasonable costs and expenses incurred for the benefit of the Association.

SECTION 3.10. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the President. The Secretary shall give notice of the regular meetings of the Board to each Director personally or mailed by United States Mail at least three (3) days prior to the date of such meeting.

Special meetings of the Board of Directors may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called.

SECTION 3.11. Waiver of Notice. Any Director may, in writing, waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at the meeting of the Board, or if those not present shall waive notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

SECTION 3.12. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

SECTION 3.13. Non-Liability of Directors. The Directors shall not be liable to the Lot Owners or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Director, except for their own individual willful misconduct, bad faith or gross negligence. The Association may indemnify and hold harmless each of the Directors against any

and all liabilities to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of law. The Association shall if reasonably available carry liability insurance for the Board of Directors. The cost of such insurance shall be included as part of the common expenses. It is intended that the Directors shall have no personal liability with respect to any contract made by them in good faith on behalf of the Association. The Lot Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Directors. Every Contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

SECTION 3.14. Additional Indemnity of Directors and Officers. The Association may indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or an Officer of the Association, against the reasonable expenses, including attorney fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal thereon, 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 person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Director or Officer of the Association the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Lot Owners that such Director or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit, or proceeding against a Director or an Officer, no Director or Officer shall be considered or deemed to be guilty of or liable for negligence or willful misconduct in the performance of his duties where, acting in good faith, such Director or Officer relied on the books and records of

the Association or statements or advice made by or prepared by the Managing Agent or any Officer or employee thereof, or any Accountant, Attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director or Officer be deemed guilty of or liable for negligence or willful misconduct solely by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

SECTION 3.15. Bond. The Board of Directors shall give bond and shall require the Treasurer and such other Officers as the Board deems necessary to give bond, indemnifying the Association 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 determined to be proper by the Board of Directors, or by the Lot Owners at a duly constituted meeting thereof, and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a common expense.

SECTION 3.16. Books and Records. The Board of Directors shall itself, or through the Managing Agent, make available to Lot Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Plat Covenants, the Declaration of Additional Covenants, Conditions and Restrictions, these By-laws, any rules and regulations concerning Oakleaf Manor, and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

#### ARTICLES IV OFFICERS

SECTION 4.01. Officers of the Association. The principal Officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the

Board. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

SECTION 4.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any Officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any Special Meeting of the Board called for such purpose.

SECTION 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. He shall preside as Chairman at all meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of President or Chief Executive Officer of an Association or a Stock Corporation organized under the laws of Indiana, including, but not limited to the power to appoint committees from the Lot Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

SECTION 4.04. The Vice President. A Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. In the absence of the President the Vice President shall preside at all meetings of the Lot Owners and of the Board of Directors. The Vice President shall also perform such other duties as these By-laws may prescribe or as shall, from time to time, be delegated to him by the Board or by the President.

SECTION 4.05. The Secretary. The Secretary need not be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meeting, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may

be prescribed by the Board. The Secretary shall specifically see that all notices of the Association of the Board are duly given, mailed or delivered, in accordance with the provisions of these By-laws.

SECTION 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of the Treasurer. He shall be the Legal Custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association. The Treasurer need not be a Lot Owner.

SECTION 4.07. Additional Officers. The Board of Directors may, from time to time, designate and elect additional Officers, including but not limited to Vice Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such offices. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the Officer whom they are elected to assist shall delegate to them, and such other powers and duties as these By-laws or the Board of Directors may prescribe.

SECTION 4.08. Delegation to Management Agent. The duties of the Secretary and/or Treasurer may be delegated to a Managing Agent if one is then serving.

#### ARTICLE V

##### ACCOUNTING, BUDGETS, AND ASSESSMENTS

SECTION 5.01. Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared and furnished to each Lot Owner a financial statement prepared by an independent Public Accountant, which statement shall show all receipts and expenses received incurred and paid during the preceding calendar year. The Association shall

furnish such financial statement for the preceding fiscal year free of charge to any holder, insurer or guarantor of a first mortgage who shall so request in writing.

SECTION 5.02. Proposed Budget. Annually, on or before the date of the Annual Meeting of the Association, the Board of Directors shall cause to be prepared a proposed Annual Budget for the ensuing or current fiscal year estimating the total amount of the common expenses for such fiscal year. The Board of Directors shall furnish a copy of such proposed Annual Budget to each Lot Owner prior to or at the Annual Meeting of the Association for adoption, and, if so adopted, shall be the basis for the Annual Assessment for the following fiscal year. At the Annual Meeting of the Lot 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 those persons voting in person or by proxy; provided, however, that the Board of Directors may adopt a tentative Annual Budget for each year until an Annual Budget is approved by the Lot Owners.

SECTION 5.03. Annual and Special Assessments. Common expenses shall be assessed to the Lot Owners, either as an Annual Assessment, or as a Special Assessment, equally with respect to each Lot which is subject to assessment, all as set forth below:

(a) An annual assessment shall be made for each fiscal year of the Association for all anticipated ongoing operating expenses of the Association, including reserves. The annual assessment shall be paid in one (1) annual installment which shall be due and payable in advance on the first day of the month of February. The amount of the aggregate annual assessment shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items. Annual assessment shall be due and payable automatically on the 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 statement to the Lot Owners for the same.

(b) Special assessments may be made for any unusual and/or extraordinary items, including capital expenditures, and any



unanticipated items. Special assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special assessments.

(c) The annual assessment and all special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a continuing lien on the lot upon which each such assessment is made as each instalment thereof becomes payable. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment was payable.

(d) Annual assessment prior to the applicable date. Payment of the annual assessment prior to the applicable date with respect to each lot (that is not owned by Declarant) shall commence on the date of conveyance by Declarant to such new owner. Any lot conveyed by Declarant after June 30 to a new owner, the assessment amount will be half of the annual assessment. Thereafter, payment of the annual assessment shall be due and payable in advance on the first day of the month of February.

The portion of the annual assessment collected by Declarant prior to the applicable date will be used toward the expenses limited to maintaining the common areas, such as grass mowing, irrigation, lighting and landscaping.

SECTION 5.04. Fiscal Year. The Fiscal Year of the Association shall commence on January 1 and end on December 31, but the Board of Directors may change such Fiscal Year. If the fiscal year is so changed, the annual assessment for the prior fiscal year shall continue to be assessed during any short fiscal year, unless the Board of Directors shall submit an interim or modified Budget and annual assessment for such period to the Lot Owners.

SECTION 5.05. Limitation on Assessments. During the Fiscal Years ending on or prior to December 31, 1996, the maximum annual assessments shall be \$65.00 per lot per year payable in advance on

the first day of the month of February of each year. The Assessment shall be prorated for part of a quarter where applicable.

So long as the Developer is developing the property in the Subdivision, the Annual assessment shall not be increased more than a cumulative average of eight percent (8%) per year unless such larger increase is approved by a vote of more than fifty percent (50%) of the Lot Owners other than the Developer who vote in person or by proxy at a meeting duly held after the Lot Owners have been notified that such meeting would consider the Annual Budget for the following year and that an increase averaging more than eight percent (8%) per year may be necessary. Such maximum percentage increase shall be computed by compounding the annual assessment for the fiscal year ending December 31, 1990, at the rate of eight percent (8%) per year until the then current fiscal year.

(a) Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the common areas and the retention ponds shall be furnished by the Homeowners Association of Oakleaf Manor.

(b) Lake Lots. Homeowners of lake lots will be responsible to maintain the lake areas which include grass mowing and landscaping. In the event of major repairs to the lakes in Oakleaf Manor, the lake lot owners will be responsible for up to \$250.00 of repair work to the lake. Any repair work in excess of \$250.00 will be the responsibility of the Homeowners Association.

(c) Lakes. Two lakes on the remaining fifteen acre tract located on the Northeast side of Oakleaf Manor Subdivision will be owned and maintained by the owner/owners of the fifteen acre tract. In the event of any major repair work to either of these two lakes the Homeowners Association of Oakleaf Manor will be responsible for eighty percent (80%) of the cost of repair work for these lakes.

SECTION 5.06. Vote for Special Assessments. No Special Assessment shall be adopted unless voted by sixty-six and two thirds percent (66 2/3%) of the members of the Association who are voting in person or by proxy at a meeting called for this purpose.

However, Special Assessments required because of an insufficiency of insurance shall not be subject to any vote by the Lot Owners.

SECTION 5.07. Notice of Meeting for Assessments. Written notice of any meeting other than the Annual Meeting which is called for the purpose of approving the Annual Budget and Annual Assessment or a Special Assessment, shall be given or sent to all members and such notice shall state that the Annual Budget and/or a Special Assessment will be considered at such meeting.

SECTION 5.08. Commencement of Assessments. The Annual Assessments provided for herein shall be made for each fiscal year of the Association, and shall be payable in an annual installment as provided above. The Annual Assessment shall be set for each fiscal year of the Association. If the Annual Assessment has not been set by the first day of the fiscal year, then the payments due on the Annual Assessment shall be based upon a Tentative Annual Budget set by the Board of Directors, and if none is set, then the Assessments shall be based on the prior years Assessments until the Annual Budget and Annual Assessment for such fiscal year is approved. The first payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low.

SECTION 5.09. Delinquent Assessment. Any payment of any Assessment which is not paid within fourteen (14) days of the date due shall automatically be subject to a late charge of \$25.00. The Board of Directors shall have the right to change the amount of the late charge, the time period before such charge is imposed, and to make other provisions for late charges and/or for imposing interest on late payments. The Association may bring an action of law against the Lot Owner personally obligated to pay the same; it may foreclose its lien against the Owner's lot; or it may assert both rights and/or any other remedy available to it in law or in equity.

SECTION 5.10. Lien of Assessments. All sums assessed by the Association, but unpaid, including installments of the Annual Assessment and Special Assessments, and any fines duly imposed by the Association, together with late charges, interest, attorneys' fees

fees and the costs of collection thereof, shall constitute a lien on the Owner's Lot prior to all other liens, except only:

(a) Tax liens on the lot in favor of any assessing unit or special district; and

(b) All sums unpaid on a first mortgage of record.

The sale or transfer of any Lot by foreclosure or by deed in lieu of foreclosure (but not any other transfer), shall extinguish the Assessment lien for payments which become due prior to the date of such sale or transfer, but shall not extinguish the personal liability of the Lot Owner for such assessments. No such sale or transfer shall relieve the Lot Owner from the lien thereof. The lien for sums assessed may be foreclosed by a suit by the Association or the Managing Agent on its behalf in like manner as a mortgage of such property. In any such foreclosure the Lot Owner shall be required to pay a reasonable rental for the use and occupancy of the Lot. The Association, upon the affirmative vote of 90% of all the Lot Owners (so authorizing and setting up a special assessment to pay for the same), shall have the power to bid on the Lot at any foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

SECTION 5.11 Liability of Grantee. In a voluntary conveyance of a Lot other than a deed in lieu of a foreclosure, the grantee of the Lot shall be jointly and severally liable the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses or for special assessments up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Upon the request of any Lot Owner, purchaser or Mortgagee, the Secretary or other authorized Officer of the Association or the Managing Agent shall provide within seven (7) days of the request, against a particular Lot. The Association may charge a reasonable charge for such statement if permitted by law and it may require the Lot Owner to confirm that the person requesting the statement is a Mortgagee or purchaser of or from the Lot Owner. Once having been furnished with such a statement, such

person (other than the delinquent Lot Owner) shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

#### ARTICLE VI

##### ARCHITECTURAL CONTROL COMMITTEE

SECTION 6.1. Creation. There shall be, and hereby is, created and established an Architectural Control Committee to perform the functions provided for herein. The Committee shall consist of Amarjeet Iuthra and two (2) other members appointed, from time to time, by developer and who shall be subject to removal by developer at any time with or without cause, until homes have been started on all the Lots. After such time, the committee shall be a standing Committee of the Association, consisting of three (3) persons appointed, from time to time, by the Board of Directors of the Association.

SECTION 6.2. Purposes and powers of committee. The committee shall regulate the external design, appearance and location of residences, buildings, structures or other improvements placed on any Lot, and the installation and removal of landscaping on any Lot, in such manner as to preserve and enhance the value and desirability of the real estate for the benefit of each owner and to maintain a harmonious relationship among structures and the natural vegetation and topography.

(1) In general. No residence, building, structure or improvement of any type or kind shall be repainted, constructed or placed on any lot without the prior written approval of the committee. Such approval shall be obtained only after written application has been made to the committee by the owner of the Lot requesting authorization from the committee. Such written application shall be in the manner and form prescribed from time to time by the committee and, in case of construction or placement of any improvement, shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction or

improvement. Such plans shall include plot plan showing the location of all improvements existing upon the Lot and the location of the improvement proposed to be constructed or placed upon the Lot, each properly and clearly designated. Such plans and specification shall set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information which the committee may require. All plans and drawings submitted to the committee shall be drawn to a scale of 1" equals 10'; or one quarter or one-eighth inch equals one foot; or to such other scale as the committee may require. When required by the committee, plot plans shall be prepared by either a registered Land Surveyor, Engineer or Architect. Plot plans submitted for the improvement location permit shall bear the stamp or signature of the committee acknowledging the approval thereof.

(ii) Power of disapproval. The committee may refuse to grant permission to repaint, construct, place or make the requested improvement, when:

(a) The plans, specification, drawings or other material submitted are inadequate or incomplete, or show the proposed improvement to be in violation of any restrictions in this declaration or any subdivision plat of the real estate recorded in the Office of the Recorder in Johnson County, Indiana;

(b) The design or color scheme of a proposed repainting or improvement is not in harmony with the general surroundings of the lot or with adjacent buildings or structures; or

(c) The proposed repainting or improvement, or any part thereof, would, in the opinion of the committee, be contrary to the interests, welfare or rights of any other owner.

(iii) Rules and Regulations. The committee may, from time to time, make, amend and modify such additional rules and regulations as it may deem necessary or desirable to guide owners as to the requirements of the committee for the submission and approval of items to it. Such rules and regulations may set forth additional requirements to those set forth in these By-laws. the

subdivision plat of the real estate recorded in the Office of the Recorder of Johnson County, Indiana, and in the Declaration of Architectural Covenants, Conditions and Restriction, as long as the same are not inconsistent with said documents.

SECTION 6.3. Duties of Committee. The committee shall approve or disapprove proposed repainting, construction or improvements within fifteen (15) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the committee for its permanent files. All notification to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such disapproval.

SECTION 6.4. Liability of Committee. Neither the committee, developer, and the Association nor any agent of any of the foregoing shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

SECTION 6.5. Inspection. The committee may inspect work being performed to assure compliance with this declaration and the materials submitted to it pursuant to the Article VI.

SECTION 6.6. Nonapplication to Developer. Notwithstanding the provisions of this Article VI or any other provision of the covenants of the subdivision plat, or the Declaration of additional Covenants, Conditions and Restrictions, requiring the approval of the committee, the developer, or any entity related to developer, shall not be required to apply for or secure the approval of the committee in connection with any construction, installation, painting or repainting by developer, or any entity related to developer, of any residence, building, structure, or other improvement on the real estate or the installation or removal of any trees, shrubs or other landscaping on the real estate.

#### ARTICLE VII

##### AMENDMENT TO BY-LAWS

SECTION 7.01. These By-laws may be amended by a vote of not less than sixty-six and two-thirds (66 2/3%) of the Lot Owners

voting in person or by proxy at a duly constituted meeting called for such purpose, or at an Annual Meeting.

ARTICLE VIII  
NOTICES

SECTION 8.01. Notice to Mortgagees. Any Lot Owner who places a first mortgage lien upon his lot must, notify the Secretary or the Association or the Managing Agent and provide the name and address of the Mortgagee, or the Mortgagee may do so, with a statement as to whether notices are to be sent to the Mortgagee. A record of such Mortgagee and its name and address shall be maintained by the Secretary or the Managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary or the Managing Agent, either by the owner or the Mortgager, no notice to the Mortgagee as may otherwise be required by these By-Laws shall be required.

SECTION 8.02. Notice to Lot Owners. Each Lot Owner shall have the duty to notify the Association of his address for notice purposes and all notices duly mailed or delivered to that address shall be proper notice hereunder. The Association shall have no duty to send notice to any Lot Owner, to any other address or to whom the Association has no address.

ARTICLE IX  
DEFINITIONS

SECTION 9.01. All terms used herein shall have the same meaning as defined in the covenants in the Oakleaf Manor Subdivision Plat and the Declaration of Additional Covenants, Conditions and Restrictions governing the Subdivision which was filed as Instrument 951,24176 in the Office of the Recorder of Johnson County (the "Restrictions"). A "Director" as used herein is any member of the Board of Directors, and the term "Board" refers to the Board of Directors. The term "Annual Budget"



shall mean the Budget adopted, or in context proposed for adoption, pursuant to Article V of these By-Laws. The masculine pronoun shall be construed to include and/or mean the feminine and neuter gender as the case may be and the singular shall where applicable include the plural. The term "Member" means a Lot Owner in his capacity as a member of the Association, and sometimes the term Lot Owner is used to describe such person in his capacity as a member of the Association. The term "Developer" means Oakleaf Development, Inc. and its successors and assigns who succeed as the Developer of Oakleaf Manor or any part thereof but shall not include persons who merely build homes on any of the Lots. The term "Subdivision" means Oakleaf Manor.

BOARD OF DIRECTORS:  
Amarjeet S. Luthra  
Susan W. Luthra  
Cynthia A. Parsloy

PREPARED BY:  
AMARJEET S LUTHRA.

Plat shall be called:

Oakleaf Manor Section One

FILED: Instrument No. \_\_\_\_\_

Cabinet (C) Slide (745A4B)

FEE \$ 23.00

LEGAL being platted:

P+SE4 SW4 & TSW4 SE4

~~10-12-4~~ 10-12-4 28.3815

DATE/TIME of recording:

RECEIVED FOR RECORD  
JOHNSON COUNTY RECORDER  
PLATTING DIV.

Date of Plat:

December 18, 1995 95024178

95 DEC 20 AM 11:11

Tax Area

Franklin

Owner (s)

Oakleaf Development, Inc

Legacy, Inc

Century Homes, Inc

Charles M. Stenderwald

Approval: Municipal  County

Assessor's Signature

Auditor's Signature  (Signifying transfer)

Notary's Signature  Seal  County of Residence  Date of Expiration

ALL SIGNATURES MUST HAVE NAME TYPED OR PRINTED BENEATH THEM.

Engineer's Signature  Seal

FIXED LINE HYLAR WILL BE SUPPLIED BY:  
If other than above Engineer, whose  
company or name appears on plat.

RECORDING PROCESSED BY:

On door of cabinet \_\_\_\_\_

Indexed into Computer \_\_\_\_\_

Subdivision Code \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number ( ) \_\_\_\_\_

FIXED LINE RECEIVED: 1 / 1

form 9/21/94 Johnson County Recorder

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RECEIVED FROM THE COUNTY  
JOHNSON COUNTY RECORDER  
JEAN HARTMAN

95024177

95 DEC 23 AM 11:13

BY - LAWS  
OF  
OAKLEAF MANOR  
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I  
IDENTIFICATION AND APPLICABILITY

SECTION 1.01. Identification and Adoption. These By-Laws are adopted to govern the administration of Oakleaf Manor Homeowners Association, Inc., a Home Owners Association created to govern the use of common areas, and partly to govern the use of lots, in a residential subdivision located in the City of Franklin Indiana, known as the Oakleaf Manor residential subdivision.

The Articles of Incorporation of the Association are incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-laws. The Provisions of these By-Laws shall apply to the administration and conduct of the affairs of the Association.

SECTION 1.02. Individual Application. All of the Lot Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, and any other person who may use or occupy a Lot or any common areas in the subdivision, shall be subject to the terms and conditions of all documents affecting such Lot and the common areas, as well as by the Articles of Incorporation of the Association, these By-Laws, and any Rules and Regulations adopted by the Association.

ARTICLE II  
Meeting of Association

SECTION 2.01. Meetings. At least annually and at such other times as may be necessary, a meeting of the Lot Owners shall be held for the purpose of electing the Board of Directors, approving the Annual Budget, and for such other purposes as may be appropriate or required.

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SECTION 2.02. Annual Meetings. The Annual Meeting of the Lot Owners shall be held on the first Monday on or after March 15 in each calendar year or as soon thereafter as is practicable. The Board of Directors may change the date for the Annual Meeting, but it shall give written notice to Owners of any change in the date of the Annual Meeting. At the Annual Meeting the Lot Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-laws, shall consider the Annual Budget, and shall transact such other business as may properly come before the meeting.

SECTION 2.03. Special Meetings. A Special Meeting of the Lot Owners may be called by the President, at request of two (2) Directors, or upon a written request of not less than fifteen percent (15%) of the Lot Owners. The request shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Lot Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Lot Owners are present.

SECTION 2.04. Notice of Place of Meetings. Any meetings of the Lot Owners may be held at any suitable place, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting, and in the case of a Special Meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner. The notice shall be mailed or delivered to the Lot Owners at their address as it appears upon the records of the Association and to any Mortgagee who requests the same in writing at its address as appears on the records of the Association. Attendance at any meeting by a Lot Owner or their authorized representative, in person or by proxy, shall constitute waiver of notice of such meeting.

SECTION 2.05. Voting.

(a) Number of Votes. To facilitate the orderly conduct of

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the meeting, each Lot Owner other than the Developer shall be a Class A Member of the Association, and shall be entitled to cast on vote on each matter coming before the meeting. The Developer shall be the sole Class B member and shall be entitled to three (3) votes for each Lot owned subject to the terms and conditions of the By-Laws and the Restrictions.

The Class B membership shall cease and terminate upon the applicable date, whichever shall be the first to occur;

1. At least eighty-five percent (85%) of the homes in Oakleaf Manor including all phases has been built and occupied. At that time the Developer and all Successors and Assigns of Declarant will turn over the management to the Homeowners Association, or;

2. At the Developer's sole discretion

(b) Multiple Owner. Where the Owner of a Lot constitutes more than one (1) person, or is a partnership, there shall be only one (1) voting representative entitled to cast the vote allocable to that Lot.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Lot Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of a corporation who is duly empowered to vote shall cast any votes to which the corporation is entitled.

(d) Proxy. A Lot Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Lot Owner shall duly designate his attorney-in-fact in writing, and such written designation shall be delivered to the Association prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in these By-Laws, one-third (1/3) of the Lot Owners shall constitute a quorum at all meetings.

(f) Conduct of Annual Meeting. The President of the Association shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be conducted normally in the following manner:

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(1) Reading of the Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

(2) Treasurer's Report. The Treasurer shall report to the Lot Owners concerning the financial condition of the Association, and answer relevant questions of the Lot Owners concerning the Common Expenses and financial report for the prior year and the proposed Annual Budget for the current year.

(3) Budget. The proposed Annual Budget for the current fiscal year shall be presented to the Lot Owners for approval or amendment. If the Lot Owners do not approve the Annual Assessments for the current fiscal year at the time they approve the Annual Budget, then the Board of Directors shall set the Annual Assessments for the year at such amount as will raise the funds required to comply with the Annual Budget, including reserve requirements.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by any Lot Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least three (3) days prior to the date of the Annual Meeting. Voting for the Board of Directors will be by paper ballot unless a majority of the Lot Owners present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Lot Owner may cast one vote for as many nominees as are to be elected. No Lot Owner may cast more than one vote for any nominee. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three (3) days prior to the date of the meeting.

(6) Adjournment.

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ARTICLE III  
BOARD OF DIRECTORS

SECTION 3.01. Number and Duties. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors"; and individually called "Director"). The Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he is a Lot Owner or unless he is appointed by the Developer. Also, any Lot Owner who is thirty (30) days or more in arrears in his Annual or Special Assessments, will not be eligible to serve or to continue to serve as a Director.

SECTION 3.02. Initial Board of Directors. The initial Board of Directors shall be as provided in the Articles of the Incorporation of the Association, all of who shall be appointed by Developer. Notwithstanding any other provisions in the By-laws, the initial Board of Directors shall hold office until the first Annual Meeting of the Lot Owners which shall be held on the first Monday on or after March 15 in each year.

SECTION 3.03. Additional Qualification. 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 Lot Owner, or an office or trustee, shall be eligible to serve on the Board of Directors. No Lot Owner other than the Developer may be represented on the Board of Directors by more than one person at a time.

SECTION 3.04. Term of Office and Vacancy. The Board of Directors shall be elected at each annual meeting of the Association. At the first annual meeting of the Board, one Director shall be elected for one (1) year, one Director for two (2) years and one Director for three (3) years. At each subsequent annual meeting one Director shall be elected for a term of three (3) years (since the term of one of the Directors will be expiring), and any other vacancies in the Board of Directors shall be filled by electing a Director to serve for the remainder of the term of the Director who did not serve for his whole term of

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office.

Any vacancy or vacancies occurring in the Board of Directors shall be filled until the annual meeting of the members by a vote of a majority of the remaining Directors or by vote of the Lot Owners if a Director is removed in accordance with Section 3.05 of this Article III.

SECTION 3.05. Removal of Director. A Director or Directors, except the initial Directors, may be removed with or without cause by majority vote of the Lot Owners at a meeting duly called and constituted. In such case, a successor Director shall be elected at the same meeting from eligible Lot Owners. A Director so elected shall serve until the next Annual Meeting of the Lot Owners or until his successor is duly elected and qualified. An initial Director may be removed and replaced at the discretion of the Developer.

SECTION 3.06. Duties of the Board of Directors. The Board of Directors shall provide for the management, administration, operation, maintenance, repair, upkeep and replacement of the common areas in Oakleaf Manor, and the collection and disbursement of the common expenses. These duties include, but are not limited to:

- (a) management, maintenance, repair and replacements of the common areas, and particularly maintaining the lake and keeping it clear;
- (b) procuring of utilities used in connection with the common facilities, removal of garbage and waste, and snow removal from the common areas;
- (c) landscaping, painting, decorating, and furnishing of the common areas;
- (d) assessment and collection from the Owners of their pro rata share of the common expenses;
- (e) preparation of annual budget;
- (f) 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 as soon as



possible after the end of each fiscal year;

(g) keeping a current, accurate and detailed record of receipts and expenditures affecting the property, specifying and itemizing the common expenses. All records and vouchers shall be available for examination by an owner upon reasonable notice during normal business hours; and

(h) to procure fire and extended coverage insurance covering any improvements on or to the common areas to the full replacement value thereof and to procure public liability and property damage insurance and workmen's compensation insurance, if necessary, for the benefit of the Lot Owners and the Association.

SECTION 3.07. Powers of the Board of Directors. The Board of Directors shall have all powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to:

(a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) to purchase for the benefit of the Association such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;

(c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;

(d) to include the costs of all of the above and foregoing as a common expense;

(e) to open and maintain one or more bank accounts in the name of the Association;

(f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of common areas and for approving the payment of vouchers, invoices and the like;

(g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy,

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operation, and enjoyment of the common areas and facilities;

(h) to grant easements and other rights over the common areas;

(i) to impose non-discriminatory fines upon any Lot Owner or Lot Owners if they, or any members of their family, guests, or invitees, shall violate any rules or regulations adopted by the Association and such fine shall be collectible by the Association in the same manner as payment of the annual assessment is collectible, and shall be secured by a lien on the Owner's Lot and subject to late charges and interest to the same extent as a late payment of the annual assessment; and

(j) to do such other acts and things as are in the best interest of a majority of Lot Owners and which are not contrary to law.

SECTION 3.08. Limitation on Board Action. The authority of The Board of Directors to enter into contract shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of the Lot Owners at a meeting thereof, except in the following cases:

(a) contracts for replacing or restoring portions of the common areas damaged or destroyed by fire or other casualty unless all the buildings are totally destroyed;

(b) proposed contracts and proposed expenditures expressly set forth as provided for in the annual budget as approved by the Lot Owners at the annual meeting, which shall include but not be limited to the compensation of the managing agent, ongoing contracts of all kinds, maintenance contracts, contracts for improvements which have been approved by the Lot Owners and contributions to reserve accounts.

Items within the budget need not be approved separately. The Board may also reallocate items in the budget, if the total budget will not be increased.

SECTION 3.09. Compensation. No Director shall receive any compensation for his services unless a majority of the Lot Owners shall approve paying such compensation. Each Director shall be

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reimbursed for his reasonable costs and expenses incurred for the benefit of the Association.

SECTION 3.10. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the President. The Secretary shall give notice of the regular meetings of the Board to each Director personally or mailed by United States Mail at least three (3) days prior to the date of such meeting.

Special meetings of the Board of Directors may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called.

SECTION 3.11. Waiver of Notice. Any Director may, in writing, waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at the meeting of the Board, or if those not present shall give notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

SECTION 3.12. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

SECTION 3.13. Non-Liability of Directors. The Directors shall not be liable to the Lot Owners or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Director, except for their own individual willful misconduct, bad faith or gross negligence. The Association may indemnify and hold harmless each of the Directors against any

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and all liabilities to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of law. The Association shall if reasonably available carry liability insurance for the Board of Directors. The cost of such insurance shall be included as part of the common expenses. It is intended that the Directors shall have no personal liability with respect to any contract made by them in good faith on behalf of the Association. The Lot Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Directors. Every Contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

SECTION 3.14. Additional Indemnity of Directors and Officers. The Association may indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or an Officer of the Association, against the reasonable expenses, including attorney fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal thereon, 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 person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Director or Officer of the Association the reasonable costs of settlement or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Lot Owners that such Director or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit, or proceeding against a Director or an Officer, no Director or Officer shall be considered or deemed to be guilty of or liable for negligence or willful misconduct in the performance of his duties where, acting in good faith, such Director or Officer relied on the books and records of

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the Association or statements or advice made by or prepared by the Managing Agent or any Officer or employee thereof, or any Accountant, Attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director or Officer be deemed guilty of or liable for negligence or willful misconduct solely by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

SECTION 3.15. Bond. The Board of Directors shall give bond and shall require the Treasurer and such other Officers as the Board deems necessary to give bond, indemnifying the Association 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 determined to be proper by the Board of Directors, or by the Lot Owners at a duly constituted meeting thereof, and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a common expense.

SECTION 3.16. Books and Records. The Board of Directors shall itself, or through the Managing Agent, make available to Lot Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Plat Covenants, the Declaration of Additional Covenants, Conditions and Restrictions, these By-Laws, any rules and regulations concerning Oakleaf Manor, and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

#### ARTICLES IV OFFICERS

SECTION 4.01. Officers of the Association. The principal Officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the

Board. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

SECTION 4.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any Officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any Special Meeting of the Board called for such purpose.

SECTION 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. He shall preside as Chairman at all meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of President or Chief Executive Officer of an Association or a Stock Corporation organized under the laws of Indiana, including, but not limited to the power to appoint committees from the Lot Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

SECTION 4.04. The Vice President. A Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. In the absence of the President the Vice President shall preside at all meetings of the Lot Owners and of the Board of Directors. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be delegated to him by the Board or by the President.

SECTION 4.05. The Secretary. The Secretary need not be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meeting, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may

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be prescribed by the Board. The Secretary shall specifically see that all notices of the Association of the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

SECTION 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of the Treasurer. He shall be the Legal Custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association. The Treasurer need not be a Lot Owner.

SECTION 4.07. Additional Officers. The Board of Directors may, from time to time, designate and elect additional Officers, including but not limited to Vice Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such offices. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the Officer whom they are elected to assist shall delegate to them, and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

SECTION 4.08. Delegation to Management Agent. The duties of the Secretary and/or Treasurer may be delegated to a Managing Agent if one is then serving.

#### ARTICLE V

##### ACCOUNTING, BUDGETS, AND ASSESSMENTS

SECTION 5.01. Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared and furnished to each Lot Owner a financial statement prepared by an independent Public Accountant, which statement shall show all receipts and expenses received incurred and paid during the preceding calendar year. The Association shall

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furnish such financial statement for the preceding fiscal year free of charge to any holder, insurer or guarantor of a first mortgage who shall so request in writing.

SECTION 5.02. Proposed Budget. Annually, on or before the date of the Annual Meeting of the Association, the Board of Directors shall cause to be prepared a proposed Annual Budget for the ensuing or current fiscal year estimating the total amount of the common expenses for such fiscal year. The Board of Directors shall furnish a copy of such proposed Annual Budget to each Lot Owner prior to or at the Annual Meeting of the Association for adoption, and, if so adopted, shall be the basis for the Annual Assessment for the following fiscal year. At the Annual Meeting of the Lot 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 those persons voting in person or by proxy; provided, however, that the Board of Directors may adopt a tentative Annual Budget for each year until an Annual Budget is approved by the Lot Owners.

SECTION 5.03. Annual and Special Assessments. Common expenses shall be assessed to the Lot Owners, either as an Annual Assessment, or as a Special Assessment, equally with respect to each Lot which is subject to assessment, all as set forth below:

(a) An annual assessment shall be made for each fiscal year of the Association for all anticipated ongoing operating expenses of the Association, including reserves. The annual assessment shall be paid in one (1) annual installment which shall be due and payable in advance on the first day of the month of February. The amount of the aggregate annual assessment shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items. Annual assessment shall be due and payable automatically on the 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 statement to the Lot Owners for the same.

(b) Special assessments may be made for any unusual and/or extraordinary items, including capital expenditures, and any

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unanticipated items. Special assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special assessments.

(c) The annual assessment and all special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a continuing lien on the lot upon which each such assessment is made as each installment thereof becomes payable. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment was payable.

(d) Annual assessment prior to the applicable date. Payment of the annual assessment prior to the applicable date with respect to each lot (that is not owned by Declarant) shall commence on the date of conveyance by Declarant to such new owner. Any lot conveyed by Declarant after June 30 to a new owner, the assessment amount will be half of the annual assessment. Thereafter, payment of the annual assessment shall be due and payable in advance on the first day of the month of February.

The portion of the annual assessment collected by Declarant prior to the applicable date will be used toward the expenses limited to maintaining the common areas, such as grass mowing, irrigation, lighting and landscaping.

SECTION 5.04. Fiscal Year. The Fiscal Year of the Association shall commence on January 1 and end on December 31, but the Board of Directors may change such Fiscal Year. If the fiscal year is so changed, the annual assessment for the prior fiscal year shall continue to be assessed during any short fiscal year, unless the Board of Directors shall submit an interim or modified Budget and annual assessment for such period to the Lot Owners.

SECTION 5.05. Limitation on Assessments. During the Fiscal Years ending on or prior to December 31, 1996, the maximum annual assessments shall be \$65.00 per lot per year payable in advance on

the first day of the month of February of each year. The Assessment shall be prorated for part of a quarter where applicable.

So long as the Developer is developing the property in the Subdivision, the Annual assessment shall not be increased more than a cumulative average of eight percent (8%) per year unless such larger increase is approved by a vote of more than fifty percent (50%) of the Lot Owners other than the Developer who vote in person or by proxy at a meeting duly held after the Lot Owners have been notified that such meeting would consider the Annual Budget for the following year and that an increase averaging more than eight percent (8%) per year may be necessary. Such maximum percentage increase shall be computed by compounding the annual assessment for the fiscal year ending December 31, 1996, at the rate of eight percent (8%) per year until the then current fiscal year.

(a) Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the common areas and the retention ponds shall be furnished by the Homeowners Association of Oakleaf Manor.

(b) Lake Lots. Homeowners of lake lots will be responsible to maintain the lake areas which include grass mowing and landscaping. In the event of major repairs to the lakes in Oakleaf Manor, the lake lot owners will be responsible for up to \$250.00 of repair work to the lake. Any repair work in excess of \$250.00 will be the responsibility of the Homeowners Association.

(c) Lakes. Two lakes on the remaining fifteen acre tract located on the Northeast side of Oakleaf Manor Subdivision will be owned and maintained by the owner/owners of the fifteen acre tract. In the event of any major repair work to either of these two lakes the Homeowners Association of Oakleaf Manor will be responsible for eighty percent (80%) of the cost of repair work for these lakes.

SECTION 5.06. Vote for Special Assessments. No Special Assessment shall be adopted unless voted by sixty-six and two thirds percent (66 2/3%) of the members of the Association who are voting in person or by proxy at a meeting called for this purpose.

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However, Special Assessments required because of an insufficiency of insurance shall not be subject to any vote by the Lot Owners.

SECTION 5.07. Notice of Meeting for Assessments. Written notice of any meeting other than the Annual Meeting which is called for the purpose of approving the Annual Budget and Annual Assessment or a Special Assessment, shall be given or sent to all members and such notice shall state that the Annual Budget and/or a Special Assessment will be considered at such meeting.

SECTION 5.08. Commencement of Assessments. The Annual Assessments provided for herein shall be made for each fiscal year of the Association, and shall be payable in an annual installment as provided above. The Annual Assessment shall be set for each fiscal year of the Association. If the Annual Assessment has not been set by the first day of the fiscal year, then the payments due on the Annual Assessment shall be based upon a Tentative Annual Budget set by the Board of Directors, and if none is set, then the Assessments shall be based on the prior years Assessments until the Annual Budget and Annual Assessment for such fiscal year is approved. The first payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low.

SECTION 5.09. Delinquent Assessment. Any payment of any Assessment which is not paid within fourteen (14) days of the date due shall automatically be subject to a late charge of \$25.00. The Board of Directors shall have the right to change the amount of the late charge, the time period before such charge is imposed, and to make other provisions for late charges and/or for imposing interest on late payments. The Association may bring an action of law against the Lot Owner personally obligated to pay the same; it may foreclose its lien against the Owner's Lot; or it may assert both rights and/or any other remedy available to it in law or in equity.

SECTION 5.10. Lien of Assessments. All sums assessed by the Association, but unpaid, including installments of the Annual Assessment and Special Assessments, and any fines duly imposed by the Association, together with late charges, interest, attorneys's

fees and the costs of collection thereof, shall constitute a lien on the Owner's Lot prior to all other liens, except only:

(a) Tax liens on the lot in favor of any assessing unit or special district; and

(b) All sums unpaid on a first mortgage of record.

The sale or transfer of any Lot by foreclosure or by deed in lieu of foreclosure (but not any other transfer), shall extinguish the Assessment lien for payments which become due prior to the date of such sale or transfer, but shall not extinguish the personal liability of the Lot Owner for such assessments. No such sale or transfer shall relieve the Lot Owner from the lien thereof. The lien for sums assessed may be foreclosed by a suit by the Association or the Managing Agent on its behalf in like manner as a mortgage of such property. In any such foreclosure the Lot Owner shall be required to pay a reasonable rental for the use and occupancy of the Lot. The Association, upon the affirmative vote of 90% of all the Lot Owners (so authorizing and setting up a special assessment to pay for the same), shall have the power to bid on the Lot at any foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

SECTION 5.11 Liability of Grantee. In a voluntary conveyance of a Lot other than a deed in lieu of a foreclosure, the grantee of the Lot shall be jointly and severally liable the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses or for special assessments up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Upon the request of any Lot Owner, purchaser or Mortgagee, the Secretary or other authorized Officer of the Association or the Managing Agent shall provide within seven (7) days of the request, against a particular Lot. The Association may charge a reasonable charge for such statement if permitted by law and it may require the Lot Owner to confirm that the person requesting the statement is a Mortgagee or purchaser of or from the Lot Owner. Once having been furnished with such a statement, such

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person (other than the delinquent Lot Owner) shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

SECTION 6.1. Creation. There shall be, and hereby is, created and established an Architectural Control Committee to perform the functions provided for herein. The Committee shall consist of Amarjeet Luthra and two (2) other members appointed, from time to time, by developer and who shall be subject to removal by developer at any time with or without cause, until homes have been started on all the Lots. After such time, the committee shall be a standing Committee of the Association, consisting of three (3) persons appointed, from time to time, by the Board of Directors of the Association.

SECTION 6.2. Purposes and powers of committee. The committee shall regulate the external design, appearance and location of residences, buildings, structures or other improvements placed on any Lot, and the installation and removal of landscaping on any Lot, in such manner as to preserve and enhance the value and desirability of the real estate for the benefit of each owner and to maintain a harmonious relationship among structures and the natural vegetation and topography.

(1) In general. No residence, building, structure or improvement of any type or kind shall be repainted, constructed or placed on any Lot without the prior written approval of the committee. Such approval shall be obtained only after written application has been made to the committee by the owner of the Lot requesting authorization from the committee. Such written application shall be in the manner and form prescribed from time to time by the committee and, in case of construction or placement of any improvement, shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction or

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improvement. Such plans shall include plot plan showing the location of all improvements existing upon the lot and the location of the improvement proposed to be constructed or placed upon the lot, each properly and clearly designated. Such plans and specification shall set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information which the committee may require. All plans and drawings submitted to the committee shall be drawn to a scale of 1" equals 10'; or one quarter or one-eighth inch equals one foot; or to such other scale as the committee may require. When required by the committee, plot plans shall be prepared by either a registered Land Surveyor, Engineer or Architect. Plot plans submitted for the improvement location permit shall bear the stamp or signature of the committee acknowledging the approval thereof.

(ii) Power of disapproval. The committee may refuse to grant permission to repaint, construct, place or make the requested improvement, when:

(a) The plans, specification, drawings or other material submitted are inadequate or incomplete, or show the proposed improvement to be in violation of any restrictions in this declaration or any subdivision plat of the real estate recorded in the Office of the Recorder in Johnson County, Indiana;

(b) The design or color scheme of a proposed repainting or improvement is not in harmony with the general surroundings of the lot or with adjacent buildings or structures; or

(c) The proposed repainting or improvement, or any part thereof, would, in the opinion of the committee, be contrary to the interests, welfare or rights of any other owner.

(iii) Rules and Regulations. The committee may, from time to time, make, amend and modify such additional rules and regulations as it may deem necessary or desirable to guide owners as to the requirements of the committee for the submission and approval of items to it. Such rules and regulations may set forth additional requirements to those set forth in these By-Laws, the

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subdivision plat of the real estate recorded in the Office of the Recorder of Johnson County, Indiana, and in the Declaration of Architectural Covenants, Conditions and Restriction, as long as the same are not inconsistent with said documents.

SECTION 6.3. Duties of Committee. The committee shall approve or disapprove proposed repainting, construction or improvements within fifteen (15) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the committee for its permanent files. All notification to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such disapproval.

SECTION 6.4. Liability of Committee. Neither the committee, developer, and the Association nor any agent of any of the foregoing shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

SECTION 6.5. Inspection. The committee may inspect work being performed to ensure compliance with this declaration and the materials submitted to it pursuant to the Article VI.

SECTION 6.6. Nonapplication to Developer. Notwithstanding the provisions of this Article VI or any other provision of the covenants of the subdivision plat, or the Declaration of additional Covenants, Conditions and Restrictions, requiring the approval of the committee, the developer, or any entity related to developer, shall not be required to apply for or secure the approval of the committee in connection with any construction, installation, painting or repainting by developer, or any entity related to developer, of any residence, building, structure, or other improvement on the real estate or the installation or removal of any trees, shrubs or other landscaping on the real estate.

ARTICLE VII

AMENDMENT TO BY-LAWS

SECTION 7.01. These By-Laws may be amended by a vote of not less than sixty-six and two-thirds (66 2/3) of the Lot Owners

voting in person or by proxy at a duly constituted meeting called for such purpose, or at an Annual Meeting.

ARTICLE VIII

NOTICES

SECTION 8.01. Notice to Mortgages. Any Lot Owner who places a first mortgage lien upon his lot may notify the Secretary or the Association or the Managing Agent and provide the name and address of the Mortgagee, or the Mortgagee may do so, with a statement as to whether notices are to be sent to the Mortgagee. A record of such Mortgagee and its name and address shall be maintained by the Secretary or the Managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary or the Managing Agent, either by the owner or the Mortgager, no notice to the Mortgagee as may otherwise be required by these By-Laws shall be required.

SECTION 8.02. Notice to Lot Owners. Each Lot Owner shall have the duty to notify the Association of his address for notice purposes and all notices duly mailed or delivered to that address shall be proper notice hereunder. The Association shall have no duty to send notice to any Lot Owner, to any other address or to whom the Association has no address.

ARTICLE IX

DEFINITIONS

SECTION 9.01. All terms used herein shall have the same meaning as defined in the covenants in the Oakleaf Manor Subdivision Plat and the Declaration of Additional Covenants, Conditions and Restrictions governing the Subdivision which was filed as Instrument 950,24176 in the Office of the Recorder of Johnson County (the "Restrictions"). A "Director" as used herein is any member of the Board of Directors, and the term "Board" refers to the Board of Directors. The term "Annual Budget"

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shall mean the Budget adopted, or in context proposed for adoption, pursuant to Article V of these By-laws. The masculine pronoun shall be construed to include and/or mean the feminine and neuter gender as the case may be and the singular shall where applicable include the plural. The term "Member" means a Lot Owner in his capacity as a member of the Association, and sometimes the term Lot Owner is used to describe such person in his capacity as a member of the Association. The term "Developer" means Oakleaf Development, Inc. and its successors and assigns who succeed as the Developer of Oakleaf Manor or any part thereof but shall not include persons who merely build homes on any of the Lots. The term "Subdivision" means Oakleaf Manor.

BOARD OF DIRECTORS:

Amarjeet S. Luthra  
Susan W. Luthra  
Cynthia A. Parsley

PREPARED BY:

AMARJEET S. LUTHRA.

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