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Book 157 Page 198

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR PEGASUS FARMS

This declaration of covenants and restrictions for Pegasus Farms ("Declaration") is made this 22nd day of April, 1998, by Margaret J. Mershon, Sole Trustee, or her successors in Trust, under the Margaret J. Mershon Living Trust, dated January 5, 1995 and any amendments thereto (hereinafter referred to as "Developer").

The following restrictions, covenants, provisions, and conditions shall apply to this plat for the mutual benefit of all parcel owners, and the same are hereby dedicated to be covenants which shall run with the land and shall be enforced by any one or more of the parcel owners of the real property set out in this plat:

WITNESSETH THAT:

WHEREAS, Developer is the owner of certain real estate located in Morgan County, Indiana, more particularly described in the attached Exhibit "A" (Real Estate") and

WHEREAS, Developer is developing the Real Estate for residential building sites, which shall be known as "Pegasus Farms"

WHEREAS, Developer desires to subject the Real Estate to certain covenants and restrictions ("Covenants") in order to further ensure that the development and use of the various lots on the Real Estate is harmonious and does not adversely affect the value of other Lots on the Real Estate; and

WHEREAS, Developer desires to provide for maintenance of the lake areas, and other improvements located or to be located in Pegasus Farms, which are of common benefit of the owners of various lots within said area, and to that end desires to establish certain obligations on said Owners and a system of assessments and charges upon said Owners for certain maintenance and other costs in connection with the common roadways in Pegasus Farms.

NOW, THEREFORE, Developer 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 Developer and every one of the Developer's successors in title to the Real Estate or any part 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 buildings and other attractive improvements at appropriate locations of the Real Estate, to prevent haphazard development thereof which may be inharmonious with other improvements on the Real Estate, to preserve and provide adequate maintenance of the Real Estate as to ensure a high quality of appearance and condition of the Real Estate, all for the purpose of preserving the values of all Lots within Pegasus Farms and to ensure desired high standards of maintenance of the Real Estate, to the benefit of all Owners within Pegasus Farms.

ARTICLE II.

DEFINITIONS FOR ALL PURPOSES OF THIS DECLARATION

The following terms, whenever used in this Declaration, shall have the meanings assigned to them by this Article II:

Section 1. Pegasus Farms

The term "Pegasus Farms" means and includes all Real Estate described in Exhibit "A".

Section 2. Developer

"Developer" means Margaret J. Mershon, Sole Trustee, or her successors in Trust, under the Margaret J. Mershon Living Trust, dated January 5, 1995, and any amendments thereto, or any other person, firm, corporation or partnership which succeeds to the interest of such person's developer of Pegasus Farms.

Section 3. Easements

"Easements" refer to those areas reserved as easements herein for the common benefit of all owners of Lots in Pegasus Farms as defined in Sections 7 and 8 of this Article II.

Section 4. Lot

"Lot" means any five (5) acre tract conveyed in Pegasus Farms.

Section 5. Mortgagee

The term "Mortgagee" means any holder, insurer, or guarantor of the first mortgage on any lot.

Section 6. Owner

"Owner" means any person or persons who acquire or have acquired from Developer legal and/or equitable title to any Lot; provided, however, that "Owner" shall not include any holder of any mortgage of all or any part of any Lot, so long as such holder does not hold both legal and equitable title thereto.

Section 7. Common Roadways

"Common Roadways" means the roads shown on the attached Exhibit "A" which is attached hereto and made a part hereof.

Section 8. Utilities/Drainage

All tracts are subject to easements in favor of public utilities (or mutual easements for drainage) as set out on the individual survey of tracts. Public utility easements shall be within 25 feet of the front property line, also the center line of the road as indicated by survey or plat. All drainage easements are as indicated by survey or plat.

Section 9. Perpetual

All easements shall be deemed perpetual and survive the covenants and restrictions. Nothing herein shall be construed to permit the abrogation of easement rights to the various tracts as covenants running with the lands described.

Section 10. Use

All tracts shall be exclusively residential with one building site for on single family dwelling, with accessory buildings per tract, and no tract shall be subsequently divided into small parcels or subdivided into platted lots so as to create another building site without approval of Developer. No commercial activities, including "home occupations" or professional offices, are permitted. No commercial agriculture is permitted.

ARTICLE III.

Section I. Maintenance of Premises

No lot shall be used for any purposes other than single family residential.

Section 2. Improvements

No improvements shall be erected, placed or altered on any Lot until the builder, construction plans, specifications and plan showing the location of the structure or system have been approved by the Developer as to acceptability and quality of workmanship, harmony of external design with the structures, and as to location with respect to topography and finish grade elevation.

Section 3. Lakefront Property

The shoreline of any lake is expected to be protected and to remain in its original condition during the building of any approved structure. Debris, dirt, brush, or trees are not to be pushed into a lake under any circumstances.

Section 4. Accessory Buildings

No member shall undertake the construction of a garage or accessory building on his lot or lots until he has undertaken construction of an approved dwelling house thereon. Variation from this section could be done with the approval of the Developer.

Section 5. Vehicles

At no time shall any unlicensed, inoperative automobiles or trucks be permitted on any lot.

Section 6. Nuisances

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become any annoyance or nuisance to the neighborhood.

Section 7. Structures

No structure of a temporary character shall be permitted on any lot at any time. Nor shall a partially completed dwelling be permitted. No outbuildings shall be permitted except those which are architecturally compatible with the main structure and are approved by the Developer. All dwellings shall be completed on the exterior within six (6) months from the commencement of construction and the site shall be graded, seeded or sodded or landscaped within one (1) year from the date of the initiation of the construction; however, the Developer shall have the rights to grant an extension of time in writing at his discretion.

Section 8. Authority

The Developer shall have the authority to promulgate rules and regulations reasonably necessary to allow harmonious development and compatible development within Pegasus Farms.

Section 9. Approval of Requests

The Developer shall approve or disapprove all requests in writing within twenty (20) days of the written request. In the event the Developer fails to approve or disapprove within twenty (20) days from a written request after all required plans and specifications have been submitted to him, or in any event, if no suit to enjoin the construction has been commenced within sixty (60) days after submission of all plans and specifications, then approval will not be required and the related plans or requests shall be deemed to have been fully complied with.

Section 10. Water and Sewage

No individual water supply or sewage disposal system shall be permitted on any lot unless such system is approved by Morgan County and is located and constructed in accordance with requirements, standards and recommendations of the Indiana State Board of Health and has the approval of the Developer on a waterfront lot, the house will normally be between the lake and the absorption field. In those instances where the topography is such that this is not feasible other arrangements will be considered on an individual basis by the Developer. In those instances where the absorption field is between the lake and the house, a distance of fifty (50) feet from the closest point of the lake and any part of the field is required (as measured on the horizontal projection).

Section 11. Signage

No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, or sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder or developer to advertise the property during the construction and sales period.

Section 12. Refuse

No lot shall be used or maintained as dumping ground for rubbish, trash, or garbage. Other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 13. Drainage

Any field tile or underground drain 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 and all amendments.

Section 14. Construction

Construction shall be completed within one (1) year of commencement.

The dwelling shall contain a minimum of two thousand five hundred (2500) square feet of living area exclusive of porches, decks, patios, and unfinished basements. The exterior of the dwelling shall be constructed of at least seventy (70) per cent natural materials such as brick, stone, or wood.

No more than one (1) dwelling, one (1) detached garage and two (2) accessory buildings may be constructed or maintained on each parcel.

Prefabricated or modular construction of the dwelling is prohibited. Portable or mobile homes are prohibited. Residence in a trailer or garage whether temporary or permanent is prohibited.

All dwellings shall be constructed upon concrete footings with block or cast-in-place foundation walls. Slab-on-grade dwelling construction is prohibited.

The driveway to the dwelling construction site shall be in place (minimum of 6" thickness of crushed stone and ten (10) feet in width) prior to commencing work on the building. All costs associated with construction of driveways shall be at owners expense.

Individual lot owners shall be responsible for erosion and sediment control during construction of the dwelling. Measures including, but not limited to silt fence, straw bales, erosion control matting and proper removal of debris are the responsibility of each owner of the lots.

All parcels shall be maintained and grass and weeds cut in order to present a neat and orderly appearance. No trash, garbage, debris, or the open and unsheltered storage of materials, equipment, junk, or inoperative vehicles shall be permitted. No junk, rubbish, debris, or garbage shall be permitted to accumulate or be dumped upon the premises.

Fuel storage tanks shall be located within a structure or screened so as not to be obvious from the road.

No dwelling or secondary support structure shall be constructed within 25 ft. of the front property line nor 10 ft. from any side or rear property line.

Section 15. Animals

No animals whatsoever, except household pets, shall be permitted, except as permitted by the Developer. The breeding of any animal for commercial purposes, including dog kennels, is prohibited. All Animals shall be confined within the owner's property boundaries. The use of a kennel run is permitted to confine animals.

Section 16. Trees

Nothing herein shall be construed to prohibit personal gardens, arbors or fruit trees.

No trees eight (8) inches or greater in diameter at sixty (60) inches above ground may be cut down or removed unless by the Director's approval except in case of emergency for the safety of persons or property.

Section 17. Water and Sewer

All wells or water systems and septic or sewage systems shall be operable and meet the health requirements of Morgan County and the State of Indiana. At such time that public water and/or a gravity sanitary sewer system becomes available on an owners parcel that owner shall connect to the public water and/or gravity sanitary sewer system at the owner's expense.

Section 18. Fences

No chain link fence shall be erected except as authorized by the Developer. Privacy fence will be permitted provided that the fence does not obstruct other property owner's of their view of lakes or scenery.

ARTICLE IV

LOT OWNERS' ASSOCIATION

Section 1. Roads

The common roadways, as set out in the attached Exhibit "A", all of which are located on the property of certain owners in Pegasus Farms shall be designated as common roadways with easements to be granted in favor of the other lot owners of Pegasus Farms shall be designated as common roadways with easements to be granted in favor of the other lot owners of Pegasus Farms for their common use and enjoyment subject to maintenance, repair and development and set out in this article. Each lot owner that has a portion of the road on his respective lot grants an easement to the other lot owners of Pegasus Farms for the use of said roadway along with their respective guests for ingress and egress on the common roadways. The roadway easements are specifically described in the attached exhibit and also are shown on the plat of Pegasus Farms which is attached hereto. The owners together with guests shall have the exclusive rights to the use and enjoyment of the common roadways.

Section 2. Road Maintenance

It shall be the responsibility of the lot owners, their successors and assigns, to provide for all maintenance, repair and upkeep of said Lake areas and Common Roadways. The costs of such maintenance, repairs and upkeep shall be divided equally among the owners of the respective lots with each lot owner being responsible for his respective portion of the maintenance. The Board of Managers and voting members shall set all levies or assessments sufficient to maintain and repair the private roads as good, all-weather roads free of ruts and chuckholes. Other fees or levies shall be assessed as the membership deems appropriate for the mutual benefit and good of all members of the Association. The road maintenance fee and other levies/assessments shall be assessed equally according to the number of parcels (memberships) held in Pegasus.

Section 3. Board of Managers

Upon conveyance of lots, the owners of the respective lots shall form an association in which each lot owner shall have one vote in the selection of a Board of Managers which shall consist of three members. Thereafter, on the first Saturday in May of each calendar year, the voting members shall elect the Board of Managers for the ensuing year with term commencing June 1st and expiring May 31st.

Section 4. Responsibilities of Board of Managers

The Board of Managers shall thereafter be responsible for establishing rules and regulations pertaining to maintenance, upkeep and repair of the common roadways. Such budget shall be established annually on or before the 1st day of January each year for the ensuing twelve(12) month period.

Section 5. Assessments

Assessments shall be equally paid by each voting member thirty days from the date of billing, and there shall be a late charge of two percent(2%) per month on all delinquent payments. Attorney fees and collection costs can be recovered in collecting any and all assessments and late charges.

Section 6. Liens

Assessments for maintenance shall be liened upon the property subordinate only to the lien of a first mortgage, which lien can be enforced by the Developer, the Board of Managers, or any co-owner subject to these Covenants. By the acceptance of the deed of title to these properties, the grantee consents to the lien of assessment and its enforcement provisions together with the costs of collection including reasonable attorney's fees.

Section 7. Disputes

After formation of the Association, in the event of a dispute arising from the maintenance, repair and upkeep of common roadways, any voting member upon giving notice in writing designating a time and place not less than seven (7) days from date of notice, which time may be shortened in case of dire emergency, a meeting of the owners shall be held, at which meeting by a majority vote, such dispute shall be resolved.

Section 8. Personal Liability

The Developer and the Board of Managers shall not be held personally liable in the discharge of their duties except for willful and wanton misconduct, and there may be included in the maintenance budget a sufficient sum to provide insurance from liability in favor of the Developer or Board of Managers as well as public liability and property damage insurance covering all voting members for liabilities incurred by reason of Common Roadways usage.

Section 9. Term

The Association shall commence upon recordation of the instrument and continue in force for a term of ten (10) years, which shall automatically extend for additional ten (10) year terms until termination by a vote of seventy (70) percent of the members in writing and recorded in the records of the Recorder of Morgan County with a cross reference to recordation of this document.

Section 10. Amendments

An affirmative vote, in writing, of seventy (70) percent of the members of the Association is required to modify, amend, or revise these covenants and restrictions. If a member does not respond to a notice, properly served, to amend these covenants and restrictions, then the Developer shall act as proxy for the nonresponsive member. When voting as proxy the Developer shall state in writing the name of the member for whom the proxy vote is cast. If any modifications, amendments, or revocations of these covenants and restrictions is approved by the members the written vote with amendments shall be recorded in the records of the Recorder of Morgan County with a cross reference to recordation of this document.

ARTICLE V

GENERAL PROVISIONS

Section 1. Covenants Run with the Land

The covenants created by this Declaration shall attach to and run with the Real Estate and shall be binding upon every person who may hereafter come into ownership, occupancy or possession of any portion of the Real Estate.

Section 2. Scope of Covenants

Developer and each owner of any lot by acceptance of a deed therefor, whether or not it shall be expressed in such deed, are deemed to have agreed to each and every one of the various terms covenants, and conditions contained in this Declaration, and the same shall be of mutual and reciprocal benefit to Developer and each owner of each lot. Developer and each owner shall be entitled to enforce this Declaration against any owner to the full extent permitted herein and under applicable law and shall have all rights and remedies for such enforcement at law or in equity. Each owner shall be liable for any failure to fully comply with all of the terms, Covenants, and conditions contained in this Declaration only so long as each such owner shall have any interest in any lot; provided, however, that the relinquishing of all of such interest shall not operate to release any owner from liability for a failure to comply with the Declaration which occurred while said owner had such interest.

Section 3. Attorney's Fees

As to any legal or equitable proceedings for the enforcement of, or to restrain the violation of this Declaration or any provision thereof, if the party bringing such action is successful in obtaining any remedy against any defaulting owner, such defaulting owner shall pay the reasonable attorneys' fees of such successful party, in such amount as may be fixed by the Court in such proceedings, or the parties, by agreement may fix the payment of appropriate attorney fees should any issue be litigated or settled by agreement without court proceedings.

Section 4. Failure to Enforce Not a Waiver of Rights

The failure of Developer, the Association, or any owner to enforce any term Covenant, or conditions, herein contained shall in no event be deemed to be a waiver of the right to do so thereafter, nor of the right to enforce any other such term, Covenant, or condition.

Section 5. Rights of Mortgagees

Except to the extent otherwise provided in Article IV, no breach of this Declaration shall defeat or render invalid the lien of any mortgage now or hereafter executed upon any portion of the Real Estate; provided, however, that if all or any portion of said purchaser at such sale and his successors and assigns shall hold any and all land so purchased subject to this Declaration. The provisions hereinafter notwithstanding, the owners shall have no right to make any amendments to this Declaration which materially impairs the rights of any Mortgagee holding, insuring or guaranteeing any mortgage on all or any portion of the Real Estate at the time of such amendment.

Section 6. Effect of Invalidation

If any provision of this Declaration is held to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.

Section 7. Section Headings

Section heading used herein are used for convenience only and are not intended to be a part of this Declaration or in any way to define, limit, or describe the scope and intent of the particular sections to which they refer.

Section 8. Notices

All notices in connection with this Declaration shall be made in writing and shall be deemed delivered (a) upon personal delivery to the individual person, if any, designated in writing as the owner; or (b) seventy-two (72) hours after the deposit thereof on any United States main or branch post office, first class postage prepaid, properly

addressed to the addressee thereof at the address listed in the latest tax records of the Treasurer of Morgan County, Indiana.

Section 9. Provisions Against Merger

Developer hereby intends that the Real Estate shall be subject to this Declaration, that the Covenants contained herein shall not be merged into the title of the Developer regardless of whether Developer is the fee title owner of all or any part of the Real Estate at the time this Declaration is executed or recorded.

Section 10. Warranties of Developer

Developer does not warrant the condition of the roads or the lakes.

Section 11. Enforcement

The right to enforce these covenants by injunction or to seek damages for violation or other remedy is dedicated to the owners of the lots herein, the developer. The covenants and restrictions shall remain in full force and unchanged in perpetuity unless otherwise agreed by a two-thirds vote of lot owners, one vote for each lot owned, and with the approval of the Developer. Violation of a covenant or restriction shall not cause forfeiture or reversion of title.

IN WITNESS WHEREOF, the developer has caused this Declaration to be executed on the date and year first above written.

DEVELOPER:

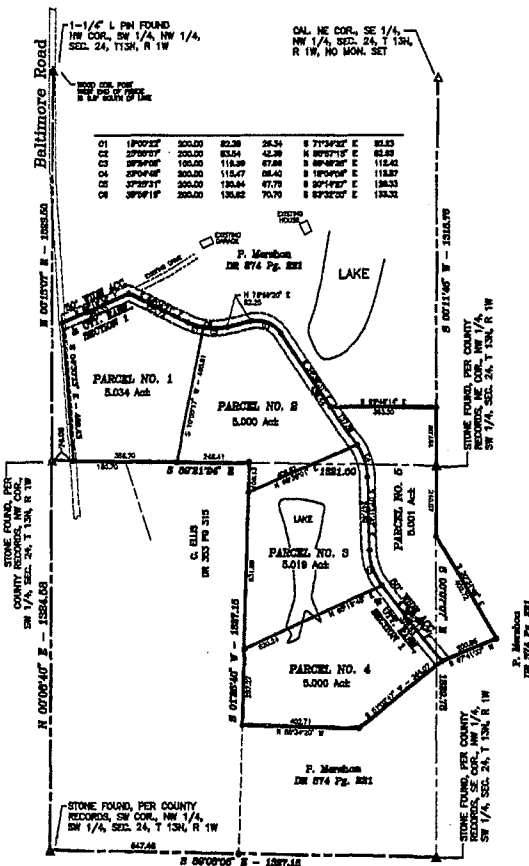

MARGARET J. MERKSHON, DEVELOPER

PEGASUS FARMS

(AN UNPLATTED SUBDIVISION OF LAND)

PART OF THE NORTHWEST QUARTER AND PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 13 NORTH,
RANGE 1 WEST, MORGAN COUNTY, INDIANA.

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DESCRIPTION OF PARCEL NO. 1 PEGASUS FARMS

A part of the Northwest Quarter of Section 24, Township 13 North, Range 1 West, Morgan County, Indiana, described as follows:

Commencing at a stone, found in place, which marks the southeast corner of the above captioned Northwest Quarter, thence South 89 degrees 21 minutes 24 seconds East (assumed bearing), with the south line of the Southwest Quarter of the Northwest Quarter, 74.06 feet to a survey stake in the main center of Baltimore Road and the POINT OF BEGINNING of the parcel herein described, thence North 04 degrees 30 minutes 25 seconds West, in said road, 450.43 feet to a survey stake which marks the beginning of the centerline of a fifty foot wide access and utility easement, thence with the centerline of said access and utility easement, (3) courses: (1) North 66 degrees 18 minutes 38 seconds East 220.32 feet to an iron pin, (2) South 64 degrees 42 minutes 21 seconds East 221.72 feet to an iron pin, (3) along a curve concave northerly, having a radius of 200 feet, a central angle of 15 degrees 10 minutes 40 seconds, to an iron pin, (4) North 34 minutes 32 seconds East 82.33 feet, on an arc distance of 82.33 feet, to an iron pin, (5) South 64 degrees 42 minutes 21 seconds West 462.51 feet, to an iron pin on the south line of the Southwest Quarter of the Northwest Quarter, thence with said south line, North 89 degrees 21 minutes 24 seconds West 266.70 feet to the Point of Beginning.

Containing 5.034 acres, more or less, and subject to the access and utility easement on the west side of the parcel, and to any other easements, rights-of-way, or restrictions of record or otherwise.

DESCRIPTION OF PARCEL NO. 4 PEGASUS FARMS

A part of the Southwest Quarter of Section 24, Township 13 North, Range 1 West, Morgan County, Indiana, described as follows:

Commencing at a stone, found in place, which marks the northwest corner of the above captioned Southwest Quarter, thence South 89 degrees 21 minutes 24 seconds East (assumed bearing), with the north line of the Northwest Quarter of the Southwest Quarter, 87.717 feet to an iron pin, thence South 01 degree 25 minutes 40 seconds East 821.24 feet to an iron pin on the centerline of a fifty foot wide access and utility easement; thence, with the centerline of said access and utility easement, (3) courses: (1) North 66 degrees 18 minutes 38 seconds East 220.33 feet to an iron pin, (2) South 64 degrees 42 minutes 21 seconds East 221.72 feet to an iron pin, (3) along a curve concave northerly, having a radius of 200 feet, a central angle of 15 degrees 10 minutes 40 seconds, to an iron pin, (4) North 34 minutes 32 seconds East 82.33 feet, on an arc distance of 82.33 feet, to an iron pin, (5) South 64 degrees 42 minutes 21 seconds West 462.51 feet, to an iron pin on the south line of the Southwest Quarter of the Northwest Quarter, thence with said south line, North 89 degrees 21 minutes 24 seconds West 266.70 feet to the Point of Beginning.

Containing 5.000 acres, more or less, and subject to the access and utility easement on the east side of the parcel and to any other easements, rights-of-way, or restrictions of record or otherwise.

DESCRIPTION OF PARCEL NO. 2 PEGASUS FARMS

A part of the Northwest Quarter and a part of the Southwest Quarter of Section 24, Township 13 North, Range 1 West, Morgan County, Indiana, described as follows:

Commencing at a stone, found in place, which marks the southeast corner of the above captioned Northwest Quarter, thence South 89 degrees 21 minutes 24 seconds East (assumed bearing), with the south line of the Southwest Quarter of the Northwest Quarter, 430.78 feet to an iron pin and the POINT OF BEGINNING of the parcel herein described, thence North 10 degrees 25 minutes 17 seconds East 450.11 feet to an iron pin on the centerline of a fifty foot wide access and utility easement, thence with the centerline of said access and utility easement, (1) along a curve concave northerly, having a radius of 200 feet, a central angle of 23 degrees 58 minutes 57 seconds, a chord bearing North 86 degrees 07 minutes 58 seconds East 112.62 feet, on an arc distance of 112.62 feet, to an iron pin, (2) North 75 degrees 59 minutes 20 seconds East 82.29 feet, on an arc distance of 82.29 feet, to an iron pin, (3) South 64 degrees 42 minutes 21 seconds West 462.51 feet, to an iron pin on the south line of the Southwest Quarter of the Northwest Quarter, thence with said south line, North 89 degrees 21 minutes 24 seconds West 266.70 feet to the Point of Beginning.

Containing 5.000 acres, more or less, and subject to the access and utility easement on the north and east side of the parcel and to any other easements, rights-of-way, or restrictions of record or otherwise.

DESCRIPTION OF PARCEL NO. 3 PEGASUS FARMS

A part of the Northwest Quarter and a part of the Southwest Quarter of Section 24, Township 13 North, Range 1 West, Morgan County, Indiana, described as follows:

Commencing at a stone, found in place, which marks the southeast corner of the above captioned Northwest Quarter, thence South 89 degrees 21 minutes 24 seconds East (assumed bearing), with the south line of the Southwest Quarter of the Northwest Quarter, 430.78 feet to an iron pin and the POINT OF BEGINNING of the parcel herein described, thence North 10 degrees 25 minutes 17 seconds East 450.11 feet to an iron pin on the centerline of a fifty foot wide access and utility easement, thence with the centerline of said access and utility easement, (1) along a curve concave northerly, having a radius of 200 feet, a central angle of 23 degrees 58 minutes 57 seconds, a chord bearing North 86 degrees 07 minutes 58 seconds East 112.62 feet, on an arc distance of 112.62 feet, to an iron pin, (2) North 75 degrees 59 minutes 20 seconds East 82.29 feet, on an arc distance of 82.29 feet, to an iron pin, (3) South 64 degrees 42 minutes 21 seconds West 462.51 feet, to an iron pin on the south line of the Southwest Quarter of the Northwest Quarter, thence with said south line, North 89 degrees 21 minutes 24 seconds West 266.70 feet to the Point of Beginning.

Containing 5.000 acres, more or less, and subject to the access and utility easement on the west side of the parcel and to any other easements, rights-of-way, or restrictions of record or otherwise.

DESCRIPTION OF PARCEL NO. 5 PEGASUS FARMS

A part of the Northwest Quarter and a part of the Southwest Quarter of Section 24, Township 13 North, Range 1 West, Morgan County, Indiana, described as follows:

Commencing at a stone, found in place, which marks the southeast corner of the above captioned Northwest Quarter, thence South 89 degrees 21 minutes 24 seconds East (assumed bearing), with the south line of the Southwest Quarter of the Northwest Quarter, 430.78 feet to an iron pin and the POINT OF BEGINNING of the parcel herein described, thence North 10 degrees 25 minutes 17 seconds East 450.11 feet to an iron pin on the centerline of a fifty foot wide access and utility easement, thence with the centerline of said access and utility easement, (1) along a curve concave northerly, having a radius of 200 feet, a central angle of 23 degrees 58 minutes 57 seconds, a chord bearing North 86 degrees 07 minutes 58 seconds East 112.62 feet, on an arc distance of 112.62 feet, to an iron pin, (2) North 75 degrees 59 minutes 20 seconds East 82.29 feet, on an arc distance of 82.29 feet, to an iron pin, (3) South 64 degrees 42 minutes 21 seconds West 462.51 feet, to an iron pin on the south line of the Southwest Quarter of the Northwest Quarter, thence with said south line, North 89 degrees 21 minutes 24 seconds West 266.70 feet to the Point of Beginning.

Containing 5.001 acres, more or less, and subject to the access and utility easement on the west side of the parcel and to any other easements, rights-of-way, or restrictions of record or otherwise.

RECEIVED FOR RECORD
April 28 1998
1:02 P.
at
Dickie Kivett
MORGAN COUNTY RECORDER

EXHIBIT "A"

RECORD SECTION CORNER	SHOW MEASUREMENT FOUND
LOCAL CORNER	SHOW PER 1/4, 1/2, 3/4
NO CERTIFICATE REPORT	PARCEL NUMBER
P.L. FILE WITH RELIANCE	NO SURVEY
NO BOUNDARY SET	NO DISTANCE
NO RECORD DISTANCE	NO DISTANCE
NO RECORD DISTANCE	NO DISTANCE

LAND SURVEY CERTIFICATION

I, Ross G. Holloway, as Deanna Registered Land Surveyor, hereby certify that, to the best of my Education, Knowledge and belief, this plat represents a land survey performed in compliance with Title 36S, Article 14, Chapter 12, of the Indiana Administrative Code, and was completed under my direct supervision on June 5, 1997.

Ross G. Holloway
Deanna Registered
Surveyor No. 8055
Delet. Exp. 5, 1997

Owner of Record: Margaret J. Marshon
There are no improvements on the parcels.

REFERENCE BOUNDARY SURVEY, FILE NO. 514-06

PEGASUS FARMS

Survey/Block Title: **Margaret J. Marshon**

Surveyor: **HOLLOWAY ASSOCIATES, P.C.**
Land Surveying & Civil Engineering
Newportville, Indiana 46186
(317) 231-7910 or (800) 831-7918

DRAWN BY: _____

CHECKED BY: _____

DATE: **JUNE 5, 1997**

REVISION: _____

FILE NO.: **806-07**

SHEET: _____ OF _____



MORGAN COUNTY RECORDER
 KAREN BRUMMETT
 CSD Date 06/04/2003 Time 14:36:00 16P
 RECORDING: 40.00
 I 200311202 Page 1 of 16

FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PEGASUS FARMS

This document is an amendment to the Declaration of Covenants and Restrictions for Pegasus Farms recorded April 28, 1998 at Book 152, page 198 in the office of the Recorder of Morgan County. Said covenants were put in place by the developer, Margaret J. Mershon, Sole Trustee, or her successors in Trust, under the Margaret J. Mershon Living Trust, dated January 5, 1995.

Article II. Section 1. Pegasus Farms shall be amended to read as follows:

"The term 'Pegasus Farms' means and includes all real estate described in Exhibit 'A', as well as other parcels in Pegasus Farms, which have been developed or will be developed in Pegasus Farms, by this Developer, and for which the deeds will incorporate by reference these covenants."

Article II. Section 7. Common Roadways shall be amended as follows:

"Common Roadways' means the roads shown on the attached Exhibit 'A' as well as all other 'Common Roadways' which have been developed or will be developed in Pegasus Farms."

Article II. Section 10. Use shall be amended to read as follows:

"All tracts shall be exclusively residential with one building site for one single family dwelling, with no more than three accessory buildings per tract, and no tracts shall be subsequently divided into small parcels or subdivided into platted lots so as to create another building site without approval of Developer."

Parr Mershon

Article IV. Section 2. Road Maintenance shall be amended as follows:

"It shall be the responsibility of the lot owners, their successors and assigns, to provide for all maintenance, repairs and upkeep of said Lake areas and Common Roadways and Common areas. (Balance of paragraph unchanged.)

The Declaration shall also be amended by adding the following provisions:

"Addendum to Covenants with regard to use of the airstrip."

I. Purpose of development:

Pegasus Farms is a planned development that includes an airstrip for private civil aircraft in a residential community with aircraft related activities. The purpose of these covenants, conditions, and restrictions is to enhance and protect the value, attractiveness and desirability of the property.

II. Ownership:

Ownership of the airstrip shall be maintained in the name of the Margaret J. Mershon living trust, Margaret J. Mershon, trustee, known as the "Developer" in these covenants until such time as the Pegasus Farms Homeowners Association is formed at which time the "Trust" will turn ownership over to the Association as common area. Any taxiways and roads associated with this development will be part of the common areas:

III. Additional Restrictions:

1. All electrical lines and telephone lines shall be run underground.
2. No tourist courts, overnight cabins or rental units shall be constructed.
3. No buildings, tie downs, parked vehicles or fences shall constructed within 100 feet of the centerline of the runway.
4. All planes based at Pegasus Farms will be stored under cover or hangared. However, if two or more aircraft are owned by a lot owner, one additional aircraft, not stored in a hangar, may be secured with tie-downs conforming to development guidelines.
5. All recreational vehicles, including motor homes, trailers, and boats, etc. will be parked under cover or against permanent walls.
6. Personally owned animals must be fenced in and kept off the runway.
7. All outdoor clothes drying shall be shielded from the street and neighboring lots by shrubbery or other screening previously approved by the Developer.

IV. Aircraft Operations:

1. Pegasus Farms will be private, restricted and closed to student and solo student traffic. All aircraft based at Pegasus Farms shall be registered to the parcel owners or a corporation, a portion of the stock which is owned by a parcel owner. Guests of property owners who are pilots with proper ratings shall comply with all the provisions of this declaration with respect to aircraft and otherwise. Visiting aircraft

- pilots who tie down their aircraft in the Common Area are limited to two weeks tie down privilege in any six month period.
2. All dismantled aircraft and parts will be hangared.
 3. The landing surface of the runway will not be used for motor vehicular traffic. Horses are not to be ridden on said landing surface.
 4. Night landings will be limited to fair weather (VFR) conditions and only if landing light system is operational.
 5. Unicom frequency is to be used on takeoff and landing and proper traffic pattern procedures will be followed at all times.
 6. There will be a clear zone 100 feet from the center of the runway upon which no buildings, landscaping, fences or obstacles of any sort which might, in any way, be detrimental to the operation of aircraft.
 7. No trade, business, or any type of commercial activity shall be carried on upon any lot or in any dwelling unit, hangar, or garage; however, notwithstanding this restriction, the Developer and its assigns may operate sales models and/or a sales office on the lots within guidelines of local zoning laws.
 8. Tiedowns for aircraft not inside a hangar must be in concrete and designed to withstand local wind loads. Hangar designs and construction materials must be approved by the Developer.

V. Insurance:

Every owner or user of a licensed aircraft which is based on the property shall provide the Association with a current Certificate of Insurance for aircraft liability. Failure to provide the Certificate of Insurance and to maintain such insurance shall result in the automatic suspension of the owner or user's right to use the Common Area.

VI. Limitations:

As this is an aviation community, homesite owners understand, and agree, that lot owners, their heirs, or assigns relinquish any right to complain, object or take legal remedies to stop aviation related activities in the Development. Aircraft owners will have the perpetual right to operate their aircraft any hour of the day or night, to taxi to and from the runway, take off, land, and practice flying skills. Engine runups and testing of engines within the residential area shall be limited to the hours of 7:00 a.m. to 10:00 p.m. local time. Hangars shall be detached from the living area with a minimum of five feet between the buildings including overhanging construction, unless approved fireproofing of the hangar removes risk of house damage from a fire within the hangar lasting for one hour or less. Aircraft mechanical work, painting, maintenance, building, repairing or alteration work may be performed in and on the owner's property."

In all other respects, the Covenants are not changed by this amendment and remain in full force and effect.

This First Amendment is approved and subscribed to by the following owners of tracts in Pegasus Farms.

6

PARCEL 1 - Pegasus Farms
PARCEL 2 - Pegasus Farms

Margaret J. Mershon
Margaret J. Mershon, as Trustee
under the Margaret J. Mershon Living
Trust dated January 5, 1995

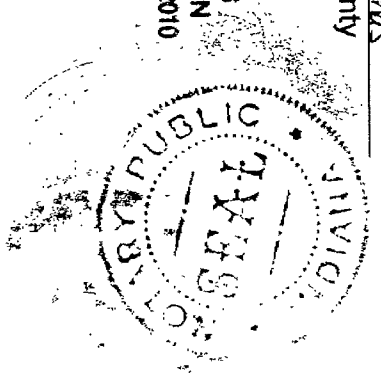
STATE OF INDIANA)
)SS:
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally appear Margaret J. Mershon, as Trustee under the Margaret J. Mershon Living Trust dated January 5, 1995 who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 31st day of May, 2003.

(Signature) Patricia Mary Thomas
(Printed) Patricia Mary Thomas
Residing in Morgan County

PATRICIA MARY THOMAS
Notary Public, Morgan County, IN
My Commission Expires: October 16, 2010



My Commission Expires:
October 16, 2010

PARCEL 12 - Pegasus Farms

Margaret J. Mershon
Margaret J. Mershon, as Trustee
under the Margaret J. Mershon Living Trust
dated January 5, 1995

STATE OF INDIANA)
) SS:
COUNTY OF MORGAN)

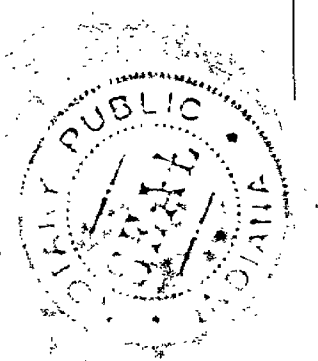
Before me, a notary public, in and for said county and state did personally appear Margaret J. Mershon, as Trustee under the Margaret J. Mershon Living Trust dated January 5, 1995, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 2nd day of June, 2003.

(Signature) *Patricia Mary Thomas*
(Printed) Patricia Mary Thomas
Residing in Morgan County

PATRICIA MARY THOMAS
Notary Public, Morgan County, IN
My Commission Expires: October 16, 2010

My Commission Expires:
October 16, 2010



\$

PARCEL 5 - Pegasus Farms

Margaret J. Mershon
Margaret J. Mershon, as Trustee
under the Margaret J. Mershon Living Trust
dated January 5, 1995

STATE OF INDIANA)
) SS:
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally appear Margaret J. Mershon, as Trustee under the Margaret J. Mershon Living Trust dated January 5, 1995 who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 2nd day of June, 2003.

(Signature) Patricia Mary Thomas
(Printed) Patricia Mary Thomas
Residing in Morgan County

My Commission Expires: October 16, 2010

PATRICIA MARY THOMAS
Notary Public, Morgan County, IN
My Commission Expires: October 16, 2010



PARCEL 8 - Pegasus Farms

Margaret J. Mershon

Margaret J. Mershon, as Trustee
under the Margaret J. Mershon Living
Trust, dated January 5, 1995

STATE OF INDIANA)
) SS.
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally
appear Margaret J. Mershon, as Trustee under the Margaret J. Mershon Living
Trust, dated January 5, 1995, who acknowledged the execution of the foregoing
document, and who, having been duly sworn, stated that any representations
contained therein are true.

WITNESS, my hand and Notarial Seal this 2nd day of June,
2003.

(Signature) *Patricia Mary Thomas*
(Printed) Patricia Mary Thomas
Residing in Morgan County

My Commission Expires:
October 16, 2010

PATRICIA MARY THOMAS
Notary Public, Morgan County, IN
My Commission Expires: October 16, 2010



PARCEL 3 - Pegasus Farms

Connie L. Coutellier

Connie Coutellier aka Connie L. Coutellier

STATE OF INDIANA)
) SS:
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally appear Connie Coutellier, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 29 day of May, 2003.

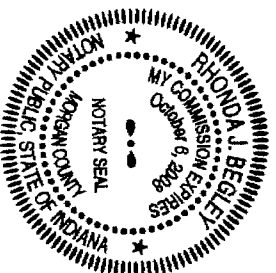
(Signature) *Rhonda J. Begley*

(Printed) Rhonda J Begley

My Commission Expires:

10-6-2008

Residing in Morgan County



PARCEL 6 - Pegasus Farms

Bradley J. Belcher

Bradley J. Belcher

Kelly A. Belcher
Kelly A. Belcher

STATE OF INDIANA)
)SS:
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally appear Bradley J. Belcher and Kelly A. Belcher, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

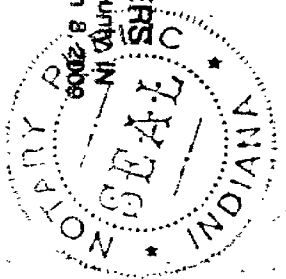
WITNESS, my hand and Notarial Seal this 29th day of May 2003.

(Signature) Terril J. Summers
(Printed) Terril Summers
Residing in Morgan County

My Commission Expires: Jan 8 2009

*Foregoing document: First Amendment To
Declaration of Covenants and Restrictions
for Pegasus Farms*

TERRIL SUMMERS
Notary Public, Morgan County, IN
My Commission Expires: Jan 8, 2009



PARCEL 13

Pegasus Farms

Timothy J. LeBaron
 Timothy J. LeBaron
Erika L. LeBaron
 Erika L. LeBaron

STATE OF INDIANA)
) SS: Marion
 COUNTY OF ~~MORGAN~~)

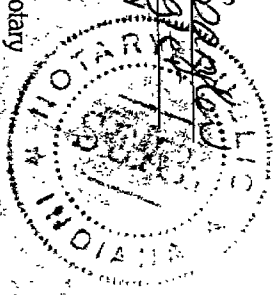
Before me, a notary public, in and for said county and state did personally appear Timothy J. LeBaron and Erika L. LeBaron, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 28th day of May, 2003.

My Commission Expires: 06-20-2008

(Signature) Kathy A. Spangler
 (Printed) Kathy A. Spangler
 Residing in Marion Marion County

Kathy A. Spangler, Notary
 My Commission Expires 6/20/2008
 Resident of Marion County



PARCEL 4 - Pegasus Farms

Kevin Powers

Michael A. Laurenzano

Kevin Powers

Livia Laurenzano

STATE OF INDIANA)
) SS:
COUNTY OF MORGAN)

Before me, a notary public, in and for said county and state did personally appear Michael A. Laurenzano and Livia Laurenzano, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 23 day of May, 2003.

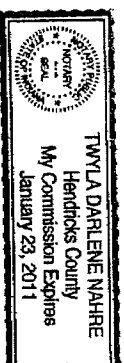
(Signature) *Twyla Darlene Nahre*

(Printed) Twyla Darlene Nahre

Residing in Morgan County

My Commission Expires:

January 23, 2011



PARCEL 10

Pegasus Farms

William Grohovsky
William Grohovsky

Sherri Grohovsky
Sherri Grohovsky

STATE OF INDIANA)
)SS:
COUNTY OF MORGAN)

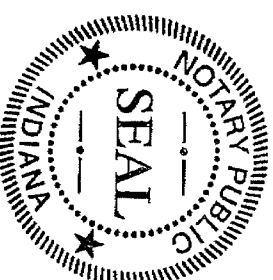
Before me, a notary public, in and for said county and state did personally appear William Grohovsky and Sherri Grohovsky, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 19th day of May, 2003.

(Signature) DiAnne Roberts

(Printed) DIANNE ROBERTS
Residing in Morgan County

My Commission Expires: 2-18-05

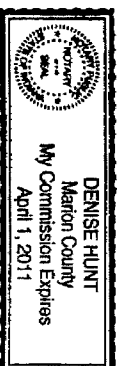


PARCEL 14 - Pegasus Farms

Marlene M. Yaw

Marlene M. Yaw, Revocable
Living Trust Agreement,
Marlene M. Yaw, Trustee, U/T
dated July 27, 2001

STATE OF INDIANA)
) SS:
COUNTY OF ~~MORGAN~~)
 MARION)



Before me, a notary public, in and for said county and state did personally appear Marlene M. Yaw, Revocable Living Trust Agreement, Marlene M. Yaw, Trustee, U/T dated July 27, 2001, who acknowledged the execution of the foregoing document, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS, my hand and Notarial Seal this 21st day of May, 2003.

(Signature) *Denise Hunt*
(Printed) Denise Hunt
Residing in ~~Morgan~~ *Marion* County

My Commission Expires:
4-1-2011

This instrument prepared by:

Mark Peden, FOLEY FOLEY & PEDEN

9-1-10
10

10

MORGAN COUNTY RECORDER
KAREN BRUMMETT
CSD Date 11/13/2003 Time 14:42:53
RECORDING: 10.00
I 200322888 Page 1 of 1

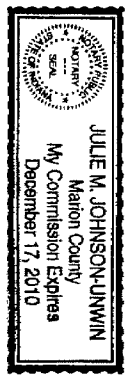
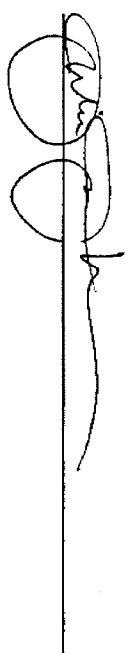
NOTICE
Of Michael A. Laurenzano To Owners and Purchasers Of Property In The
Hickory Springs Subdivision Located IN Gregg Township, Morgan County,
Indiana

Let it be known by all owners and prospective owners of any Lot in the Subdivision in Gregg Township, Morgan County, Indiana, known as **Hickory Springs Subdivision**; that immediately to the North of said subdivision, there is located, in **Pegasus Farms Subdivision**, a private North/South 3,000 foot grass airstrip (private runway).

This active airstrip is an area that is used by the residents and guests of those owners of lots located in **Pegasus Farms**, in compliance with those restrictions of activities imposed by the **Pegasus Farms Covenants and Restrictions**. As this airstrip has been platted, developed and legally filed in Morgan County Records office on **April 28, 1998**, and used for the purpose of aircraft taking off and landing, and that these legal activities may be considered objectionable to residents in **Hickory Springs**, please consider the effects on any land purchase and/or use of properties located in **Hickory Springs Subdivision**.

All prospective purchasers of **Hickory Springs Subdivision** lots should thoroughly investigate the effects of these airstrip activities on the use of their property. For those current owners of lots in **Hickory Springs Subdivision**, please be advised that the intended use of the airstrip in **Pegasus Farms** was duly noted, and filed in the Morgan County Records on **April 28, 1998**. Any objection to such use should be considered in light of the legal recording of **Pegasus Farms Covenants and Restrictions** that pre-date the legal recording of the **Hickory Springs Subdivision**. Consequently, any inquiries should be directed to the developer of the **Hickory Springs Subdivision**, and/or individual legal counsel received, and/or any information provided by any agents involved in the purchase of the **Hickory Springs Subdivision** lot.

Any question about this notice will be addressed by the name, at the address, of the owner of Lot #4, **Pegasus Farms**, Gregg Township, Morgan County, IN, filer of this notice: **Michael A. Laurenzano, 7970 Oak Hill Drive, Plainfield, IN 4616**
Prepared By **Michael A. Laurenzano** *Michael Laurenzano* 11-13-03
Sworn before me, this 17 day of November, 2003 *Michael Laurenzano*



232/15
232/15

SECOND AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PEGASUS FARMS

This Second Amendment to Declaration of Covenants and Restrictions for Pegasus Farms (the "Second Amendment") is entered into this 4 day of May, 2013, by the Pegasus Farms Homeowners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Margaret J. Mershon, Sole Trustee, or her successors in Trust, under the Margaret J. Mershon Living Trust, dated January 5, 1995 (the "Developer") executed that certain Declaration of Covenants and Restrictions for Pegasus Farms dated April 22, 1998 and recorded in the office of the Recorder of Morgan County, Indiana in Book 152, Page 198, as Instrument No. 9806451, as amended by First Amendment to Declaration of Covenants and Restrictions for Pegasus Farms, dated May 31, 2003 and recorded in the office of the Recorder of Morgan County, Indiana as Instrument No. 200311202 (collectively, the "Declaration"); and

WHEREAS, the Pegasus Farms Homeowners Association, Inc., was formed on December 13, 2006; and

WHEREAS, the Developer conveyed the airstrip at Pegasus Farms to the Association; and

WHEREAS, pursuant to Article IV, Section 10 of the Declaration, the Declaration may be amended by the affirmative vote of seventy percent (70%) of the members of the Association; and

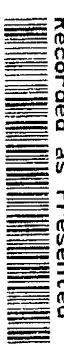
WHEREAS, written notice of this Second Amendment was sent to every member of the Association as required by the Declaration, and this Second Amendment was approved by seventy percent (70%) of the members of the Association, as evidenced by a Resolution adopted by the members at a Special Meeting of the members duly held for such purpose.

NOW THEREFORE, the Association does hereby amend the Declaration as follows:

1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.
2. Definitions. Unless otherwise provided herein, all capitalized terms used in this Second Amendment will have the same meaning as given them in the Declaration or the Bylaws of the Association.
3. Amendment of Article II, Section 4. Lot. Section 4 of Article II of the Declaration is hereby deleted and the following substituted in lieu thereof:

Section 4. Lot
'Lot' (including references to 'lot', 'tract' and 'parcel') means any five (5) or more acre tract


 201305275 COV \$35.00
 05/10/2013 10:06:42A 11 PGS
 Pamela Kivett
 Morgan County Recorder IN
 Recorded as Presented



platted and conveyed in Pegasus Farms. If more than one platted tract in Pegasus Farm is owned by a single Owner or by the same group of Owners (such as a husband and wife) such multiple platted tracts shall be deemed to be one (1) Lot hereunder for purposes of determining voting rights and shares of dues and assessments levied by the Association.”

4. Amendment of Article II: Section 6. Owner. Section 6 of Article II of the Declaration is hereby deleted and the following substituted in lieu thereof:

“Section 6. Owner

‘Owner’ (including references to ‘owner’, ‘lot owner’, ‘parcel owner’ and ‘property owner’) means any person or persons or legal entity who acquires or has acquired from the Developer or from a previous Owner, legal and/or equitable title to any Lot; provided however, that ‘Owner’ shall not include any holder of a mortgage or other lien or security interest encumbering all or any portion of any Lot until such holder acquires both legal and equitable title thereto.”

5. Amendment of Article II. Section 10. Use. Section 10 of Article II of the Declaration is hereby deleted and the following substituted in lieu thereof:

“Section 10. Use

No Lot shall be used for any purpose other than a single family residence, and except for Lot (Parcel) #15, no Lot shall have an accessory building, garage, etc., used to house other than the legal resident owner of the property.

All Lots shall be exclusively residential with one (1) building site for one (1) single family dwelling, with no more than three (3) accessory buildings per Lot (as provided in Article III, Section 14) and no Lot shall be subsequently divided into small parcels or subdivided into platted Lots so as to create another building site without the written approval of the Association.

No Lot or property currently not platted in Pegasus Farms may be consolidated, joined or annexed with an existing Lot platted in Pegasus Farms without the written approval of the Association accomplished by amendment to this Declaration and to the Pegasus Farms Plat.

Notwithstanding the foregoing, an Owner may rent out a room in the residence on such Owner’s Lot; provided that the Owner retains responsibility for the behavior and/or any infraction of these Covenants and/or damage caused by the renter.

No commercial enterprise activities with a storefront, or the equivalent of a storefront, shall be permitted, provided however, this restriction does not prohibit a home office that is not open to the public regardless of whether or not the property in question is the main place of business for the enterprise.

No equipment for commercial use shall be stored on a Lot which exceeds a gross weight limit of 23,000 pounds.”

6. Amendment of Article II. Article II of the Declaration is hereby amended to add the following new Sections:

“Section 11. Member

‘Member’ (including references to “member”) means a member of the Association. Each Owner of a Lot automatically upon becoming an Owner, shall be and become a Member of the Association and shall remain a Member of the Association so long as he or she owns a Lot. If an Owner is a Trust, the Trustee of the Trust shall be the Member, and if an Owner is a corporation, limited liability company, limited partnership or other legal entity, such entity shall designate an authorized representative to be the Member, and a copy of the Resolution designating such authorized representative as the Member shall be delivered to the Association.

Each Lot shall be entitled to one (1) Member’s vote. If the spouse of an Owner is not a legal or equitable title holder of the Lot but resides with the Owner, or if more than one person or entity constitutes the Owner of a Lot, all such persons or entities shall be Members of the Association, but the single vote in respect of such Lot shall be exercised as the spouses or persons or entities holding an interest in such Lot determine among themselves. In no event shall more than one person exercise a Lot’s vote and no Lot’s vote shall be split.

Section 12. Member in Good Standing

A Member shall be a ‘Member in Good Standing’ if the dues, assessments and other payments assessed or levied against the Member and/or its Lot (“Assessments”) are current and paid in full, unless the non-paying Member has submitted to the Secretary of the Board of Managers of the Association a written affidavit contending a good-faith dispute as to the nature and/or amount of the unpaid Assessments.

Section 13. Eligible Voter

‘Eligible Voter’ means the Member entitled to cast the vote for his, her or its Lot, provided such Member is a Member in Good Standing.

Section 14. Association

‘Association’ means the Pegasus Farms Homeowners Association, Inc., and may be referred to as the Association or as ‘PFHOA, Inc.’

Section 15. Guest

‘Guest’ means any person or persons invited by an Owner or Member to visit the Owner or

Member at Pegasus Farms or to provide security for any Owner or Member at Pegasus Farms.

Section 16. Common Areas

'Common Areas' means the Common Roadways and any other areas designed, accessible and available for the use and benefit of all Owners and Members, including without limitation the airstrip and platted taxiways at Pegasus Farms."

7. Amendment of Article III. Section 8. Authority. Section 8 of Article III of the Declaration is hereby deleted and the following substituted in lieu thereof:

Section 8. Authority

The Association shall have the authority to promulgate rules and regulations reasonably necessary to allow harmonious development and compatible development within Pegasus Farms."

8. Amendment of Article III. Section 9. Approval of Requests. Section 9 of Article III of the Declaration is hereby deleted and the following substituted in lieu thereof:

Section 9. Approval of Requests

The Association shall have the authority to grant or deny approvals, consents, applications, variances, extensions and other requests required or permitted under the Declaration (collectively, "Requests"). All references in the Declaration which give the Developer authority to approve Requests is now transferred to and retained by, the Association. Accordingly, any reference to "Developer" in such regard shall mean and refer to the Association.

All Requests must be made in writing to the Association and must include all supporting documentation and information for the Request, including without limitation, plans and specifications for any improvements.

The Association shall approve or disapprove all Requests in writing within twenty (20) days after receiving a Request and all supporting documentation and information for the Request, including without limitation, plans and specifications for any improvements. If the Association fails to approve the Request within such 20 day period and fails to deliver notice of intent to file suit to enjoin the action which is the subject of the Request within thirty (30) days after submission of the Request, then approval of the Request shall be deemed to have been granted.

The Board of Managers shall be entitled to create an Architectural Control Committee (the "ACC") to review and approve all Requests relating to construction of improvements in Pegasus Farms. The ACC will consist of at least one member of the Board of Managers

who is a Member in Good Standing. The ACC's determination will be deemed to be the determination of the Association.

Notwithstanding anything to the contrary contained herein, no Requests or other variances or changes to the Declaration shall be permitted that would compromise the integrity of the airstrip or the safety of flight operations at Federal Airport ID 61N6.”

9. Amendment of Article III. Section 15. Animals. Section 15 of Article III of the Declaration is hereby deleted and the following substituted in lieu thereof:

“Section 15. Animals

Except as permitted by the Association, no animals whatsoever, except household pets, shall be permitted to be kept. Animals shall not be allowed to run free uncontrollably at any time. Owners are responsible for picking up after their animals. The breeding of any animal for commercial purposes, including dog kennels, is prohibited. Owners will be responsible for any damages caused by their animals.”

10. Amendment of Article III. Section 16. Trees. Section 16 of Article III of the Declaration is hereby deleted in its entirety.

11. Amendment of Article IV. Section 2. Road Maintenance. Section 2 of Article IV of the Declaration is hereby deleted and the following substituted in lieu thereof:

“Section 2. Common Area Maintenance

It shall be the responsibility of each Owner, and its and their successors and assigns, to provide for all maintenance, repairs and upkeep of the Common Areas so as to maintain the Common Areas in good order, condition and repair, including without limitation, maintaining the Common Roadways as good, all-weather roads, free of ruts and chuckholes and maintaining the Lake areas and the airstrip (Federal Airport ID 61N6) for their intended purposes.

The costs of such maintenance, repairs and upkeep shall be divided equally among the Lots, and each Owner or Owners of a Lot shall be responsible for the share allocated to the Lot owned by such Owner(s). For purposes of clarification, if a Lot is owned by more than one Owner (for example, husband and wife), the share allocated to that Lot will be owed, jointly and severally, by the Owners (husband and wife) of that Lot, and as described in Article II, Section 4 above, if an Owner [or the same Owners (for example, husband and wife)] owns more than one (1) platted tract in Pegasus Farms, the multiple tracts shall be deemed one (1) Lot for purposes of allocating costs.

Nothing contained herein, however, shall waive, release or diminish an Owner's responsibility to repair any damage caused by such Owner or its Guest, which is not covered by the insurance maintained by the Association and reimbursed to the Association under such

insurance.

The Association, by its Board of Managers, shall propose all levies, assessments and dues sufficient to pay the costs of maintenance, repair and upkeep of the Common Areas, provide appropriate insurance, and pay the administrative costs of the Association (the "Annual Assessment"). The Board of Managers shall present the Annual Assessment for approval by the Members at the Annual Meeting of the Members. Adoption of the Annual Assessment shall be by simple majority vote of the Eligible Voters.

The Board of Managers shall be entitled to propose special assessments for approval by the Members, by simple majority vote of the Eligible Voters, from time to time as may be appropriate for the mutual benefit and good of all Members of the Association."

12. Amendment of Article IV. Section 3. Board of Managers. Section 3 of Article IV of the Declaration is hereby amended to add the following paragraph:

"At the first Annual Meeting of the Members following the date of this Second Amendment, the Eligible Voters shall elect three (3) Members to constitute the Board of Managers and to serve the terms hereafter described. The Member who receives the most votes shall serve on the Board of Managers for a period of three (3) years beginning the following June 1st. The Member who receives the second most votes shall serve on the Board of Managers for a period of two (2) years beginning the following June 1st. The Member who receives the third most votes shall serve on the Board of Managers for a period of one (1) year beginning the following June 1st. At each Annual Meeting thereafter, the Eligible Voters shall elect one (1) Member to the Board of Managers to succeed to the position of the Member whose term is expiring, to serve for a period of three (3) years."

13. Amendment of Article IV. Section 4. Responsibilities of the Board of Managers. Section 4 of Article IV of the Declaration is hereby deleted and the following substituted in lieu thereof:

"Section 4. Responsibilities of the Board of Managers

The Board of Managers shall be responsible for establishing rules and regulations pertaining to the use, maintenance, upkeep and repair of the Common Areas and for establishing a budget for such purpose. Such budget may also include insurance and administrative costs of the Association. The budget shall be established annually on or before the date of the Annual Meeting of the Members, for each fiscal year from June 1 through May 31, and shall be presented to the Members at the Annual Meeting of the Members."

14. Amendment of Article IV. Section 9. Term. Section 9 of Article IV of the Declaration is hereby deleted and the following substituted in lieu thereof:

"Section 9. Term

Unless modified, amended, revised, terminated or extended by amendment to this

Declaration as provided in Article IV, Section 10 below, this Declaration including the easements granted herein shall remain in full force and effect and unchanged in perpetuity, except that, the Covenants shall remain in full force and effect and unchanged through and including April 21, 2088.

15. Amendment of Article IV. Section 10. Amendments. Section 10 of Article IV of the Declaration is hereby deleted and the following substituted in lieu thereof:

Section 10. Amendments

An affirmative vote, in writing, of seventy percent (70%) of the Eligible Voters is required to modify, amend, revise or terminate this Declaration or to extend the term of the Covenants. Notice of any proposed modification, amendment, revision, termination or extension (a "Proposed Amendment"), together with a copy of the Proposed Amendment, shall be provided to all Members. The Proposed Amendment may be presented for adoption at the Annual Meeting of Members, at a Special Meeting called for that purpose, or by a written consent in lieu of a Special Meeting. If the notice of a Proposed Amendment calls for adoption by written consent in lieu of a Special Meeting, the Board of Managers may require responses to the Proposed Amendment to be delivered to the Board of Managers not less than ten (10) nor more than thirty (30) days after delivery of the notice. All Proposed Amendments that are adopted by the Eligible Voters shall be recorded in the office of the Recorder of Morgan County, Indiana with a cross reference to the recordation of this Declaration and any prior amendments thereto."

16. Amendment of Article V. Section 8. Notices. Section 8 of Article V of the Declaration is hereby deleted and the following substituted in lieu thereof:

Section 8. Notices

All notices in connection with this Declaration shall be made in writing and shall be deemed delivered (a) upon personal delivery to the individual person, if any, designated in writing as the Owner; or (b) seventy-two (72) hours after the deposit thereof of any United States main or branch post office, first class postage prepaid, properly addressed to the addressee thereof at the address listed in the latest tax records of the Treasurer of Morgan County or as provided to the Secretary of the Association, provided however, any notice of a Proposed Amendment shall be delivered (a) upon personal delivery to the individual person, if any, designated in writing as the Owner; or (b) seventy-two (72) hours after the deposit thereof of any United States main or branch post office, certified or registered mail, return receipt requested, postage prepaid, properly addressed to the addressee thereof at the address listed in the latest tax records of the Treasurer of Morgan County or as provided to the Secretary of the Association."

17. Amendment of Article V. Section 11. Enforcement. Section 11 of Article V of the Declaration is hereby deleted and the following substituted in lieu thereof:

“Section II. Enforcement

The right to enforce this Declaration, including the Covenants, by injunction or to seek damages for violation or other remedy is dedicated to the Owners and the Association.

Violation of this Declaration, including the Covenants, shall not cause a forfeiture or reversion of title.”

18. Amendment of Addendum to Covenants with regard to use of the airstrip. Section II. Ownership. Section II of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

“II. Ownership:

Ownership of the airstrip shall be maintained in the name of the Pegasus Farms Homeowners Association, Inc. pursuant to the conditions specified in the “Trustee’s Warranty Deed” recorded in the office of the Recorder of Morgan County, Indiana on November 28, 2006. Any taxiways (as platted and recorded) and roads associated with the airstrip will be part of the Common Areas. The Association will keep in force a liability insurance policy for the airstrip.”

19. Amendment of Addendum to Covenants with regard to use of the airstrip. Section III. Additional Restrictions. Section III, Paragraph 6 of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

“6. It is the responsibility of animal owners to keep their animals/pets from entering the confines of the airstrip and under control at all times when aircraft operations are in effect.”

20. Amendment of Addendum to Covenants with regard to use of the airstrip. Section IV.

Aircraft Operations. Section IV, Paragraph 1 of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

“IV. Aircraft Operations:

1. The airstrip (6IN6) is a privately owned airstrip for private use only and is closed to Student Pilot training and solo Student Pilot traffic. All aircraft based at 6IN6 shall be registered to Members or a corporation, a portion of the stock of which is owned by a Member, or in which the Member has a financial interest if not a registered owner of stock of such corporation. If an aircraft is jointly owned/operated by Member and a non-Member, under no conditions will the non-Member be permitted to operate the aircraft without the Member on board, except to deliver the aircraft to or pick-up the aircraft from the Member. Attempts to operate an aircraft by a non-Member on a basis with the same privileges and frequency as the Member falls outside the intent of the exception based on



joint ownership. Members' Guests who are pilots with proper ratings shall comply with all the provisions of the Declaration as amended with respect to aircraft operations at 61N6."

21. Amendment of Addendum to Covenants with regard to use of the airstrip. Section IV. Aircraft Operations. Section IV, Paragraph 7 of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

"7. Except as specified in Article II, Section 10 above, no trade, business, or any type of commercial activity shall be carried on upon any Lot or in any dwelling unit, hangar or garage; no trade, business, or any type of commercial activity shall be carried on which requires or allows access to any Lot for the purpose of that activity; and no commercial retail activities shall be carried on upon any Lot."

22. Amendment of Addendum to Covenants with regard to use of the airstrip. Section V. Insurance. Section V of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

"V. Insurance:
Every Member or user of a registered aircraft which is based at Pegasus Farms, or any lots adjacent to Pegasus Farms, shall provide the Association with a certificate of insurance evidencing current and valid insurance against risks associated with aircraft liability. Failure to provide such certificate of insurance and to maintain such insurance in force shall result in the automatic suspension of the Member or user to use the airstrip or taxiways at 61N6."

23. Amendment of Addendum to Covenants with regard to use of the airstrip. Section VI. Limitations. Section VI of the Addendum to Covenants with regard to use of the airstrip is hereby deleted and the following substituted in lieu thereof:

"VI. Limitations:
Aircraft owners entitled to use the airstrip under this Declaration shall have the perpetual, non-exclusive right to operate their aircraft to taxi to and from the airstrip (either on the platted taxiways or roadways), take off, land and practice flying skills. Aircraft shall have the right of way. Engine run-up's and testing of engines within the residential area of Pegasus Farms shall be limited to the hours of 7:00 am to 10:00 p.m. local time. Hangars shall be detached from the residential dwelling on a Lot with a minimum of five feet (5) between the buildings, including overhanging construction, unless approved fireproofing of the hangar removes the risk of the house being damaged from a fire within the hangar lasting up to one hour. Aircraft mechanical work, painting, maintenance, building, repairing or alteration work may be performed in and on the aircraft owner's Lot. Night takeoff and landing operations are prohibited."

24. Except as expressly set forth herein, the Declaration shall remain in full force and effect in accordance with its terms as amended. Where the terms and conditions of this Second Amendment conflict with the terms and conditions of the Declaration, the terms and conditions of this Second Amendment shall govern.
25. The officer of the Association signing this Second Amendment has been duly authorized to do so by appropriate corporate action.

IN WITNESS WHEREOF, the Association through its duly authorized representative has executed this Second Amendment this 4 day of MAY, 2013.

Pegasus Farms Home Owners Association, Inc.

[Signature] Yes lot 2 By: [Signature]
Michael F. Fetsch, President

[Signature] Yes
[Signature] YES LOT 21

[Signature] YES
[Signature] YES Lot #3

Michael Lawrence - LOT 4
Nucle Seaview - NO

[Signature] #7 YES
Brad Bolcher #6 YES

[Signature] #14 YES
Shari Shumanberg #10 YES
Conni Fetsch lot 22 YES
100

[Signature] 8 YES

10

STATE OF INDIANA)
)SS:
COUNTY OF _____)

Before me, a Notary Public, in and for the State of Indiana, personally appeared Michael F. Fetsch, the President of Pegasus Farms Home Owners Association, Inc., an Indiana non-profit corporation, who, having been duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of said corporation.

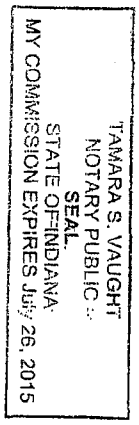
Witness my hand and Notarial Seal this 9 day of May, 2013.

Tamara Vaught
Notary Public

Printed: Tamara Vaught

My Commission Expires: _____ My County of Residence is: _____

7/26/2015 = Hendricks



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law.
Elizabeth T. Young, Esq.

This instrument prepared by and after recording return to: Elizabeth T. Young, Esq., Robinson Wolenty & Young, LLP, 8415 Allison Pointe Blvd., Suite 210, Indianapolis, Indiana 46250, (317) 587-7820.

May 11, 2015

(5)

Ch. 91
2/2/12

TO: Board of Managers (BOM), PFHOA, Inc.
SUBJECTS: Board of Managers (BOM) & PFHOA Directors/Officers Qualifications & Rescheduling of
PFHOA Annual Membership Meeting

This letter is being mailed Certified Mail-Return Receipt to:

Mr. Glen Rowland
2861 Aurora Court
Monrovia, IN 46157



201504749 AFF \$21.00
05/11/2015 03:26:43P 5 PGS
Pamela Kivett
Morgan County Recorder IN
Recorded as Presented



Dear Glen and Anne Marie,

The two issues that I raise below are not the result of any personal feelings, but strictly the result of the Pegasus Farms BOM and PFHOA Officers' failure to comply with Indiana law, Pegasus Farms Covenant & Restrictions and PFHOA ByLaws. My presumption is that all property owners and PFHOA association members and officers would not knowingly want to operate outside Indiana corporation statutes and its own "Pegasus Farms Covenant & Restrictions and ByLaws

ISSUE #1

Peter Yaw's sitting as an acting director of the PFHOA is not in compliance with Indiana Code (IC) 23-17-12-2 which requires all directors of the corporation to be an "individual" as defined in IC 23-17-2-15 [natural person]. Since Peter is not recorded as an "individual" owner of the lot which Peter is using as the basis for a director's office, and the property in question is owned in trust (in which Peter is not a party), Peter does not meet the qualifications, not only to hold office, but may not vote unless he holds a proxy.

This issue was already addressed subsequent to Peter Yaw's being elected as the Treasurer in the May 2010 Annual General Membership Meeting, but discovered to be ineligible to hold any position as a member of the BOM or office of the PFHOA. A legal explanation and opinion was previously rendered by PFHOA Attorney Stephen Ulirich. This error was corrected by the reexamination of the votes and resulted in the proper awarding of the director's position to Angelo Poulos who had the next largest number of votes. Until the May 2014 the PFHOA maintained compliance with the cited Indiana Code.

1

May 11, 2015

TO: Board of Managers (BOM), PFHOA, Inc.

SUBJECTS: Board of Managers (BOM) & PFHOA Directors/Officers Qualifications & Rescheduling of
PFHOA Annual Membership Meeting

I am now officially addressing my objection to the PFHOA BOM and have recorded this objection on the land records for Pegasus Farms which are maintained by the Morgan County, Indiana Recorder. The purpose of this objection is to establish a record of the failure of the PFHOA BOM to comply with Indiana law. This objection should not be misconstrued as a question of Peter's competence to perform as a BOM manager and PFHOA officer, but only a question of his qualification to hold the office in that he does not meet the requirements as dictated by Indiana corporation statutes.

ISSUE 2-The Pegasus Farms Covenants and Restrictions, Article IV, Section 3 which clearly designates that the first Saturday of May be the day for the Annual General Membership Meeting. This has been discussed several times (once at the May 2010 Annual Meeting) and it was made very clear to the membership by the Vice President of the PFHOA in May 2010, that irrespective of individual desires and convenience that this date was not movable except as provided for good reason and with a minimum notice as required by Indiana corporation statutes and the PFHOA ByLaws.

On April 26, 2015 at 4:16 PM I received an E-Mail from Peter Yaw informing all members that the Annual General Membership meeting (which according to the C/Rs was scheduled for Saturday, May 2, 2015) was being postponed until Saturday June 6, 2015 due to potential necessary road repairs. While I applaud the BOM for wanting to have the road repaired and expending much effort to research and arrange for the repairs, it is the lack of coordination that is my objection based on the following:

1. The notification of the postponement of the required Annual Meeting was sent out only six (6) days before the scheduled meeting day of May 2, 2015.
2. Indiana Code 23-17-10-5 requires a minimum of ten (10) days notice to move annual meeting date.
3. Since I had not received any notification of a postponement of the Annual Meeting, prior to that 10 day period, I committed to a non-cancellable vacation from May 27th-June 9th, 2015. The result is I will now not be able to attend the annual meeting which is now postponed until June 6, 2015.



May 11, 2015

TO: Board of Managers (BOM), PFHOA, Inc
SUBJECTS: Board of Managers (BOM) & PFHOA Directors/Officers Qualifications & Rescheduling of
PFHOA Annual Membership Meeting

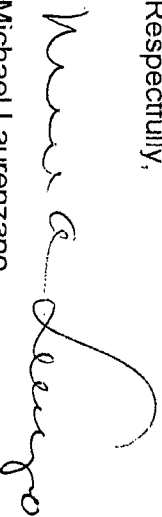
Further, the BOM has scheduled the meeting place as "Wilcox's barn". While I have no issue with Steve Wilcox, there has been established since the 2011, 2012 and 2013 meetings, that the Monrovia Library is the official PFHOA Annual Meetings location. This policy was changed in 2014 at which time I went on the record as objecting to this change.

REQUESTS:

1. Since the last minute change of the meeting date precludes my attending the Annual Meeting on June 6th, 2015, and therefore I will not be able to read this letter into the record at the meeting, I am requesting that this letter be read in its entirety into the minutes of the 2015 annual membership meeting.
2. I have attached a list of questions that I am requesting be answered by the BOM and that the questions and answers be read into the minutes for the June 6, 2015 Annual Meeting.

Enclosed are my membership dues for May 2015.

Respectfully,



Michael Laurenzano
2851 W Aurora Ln
Monrovia, IN 46157

Parcel #4, Pegasus Farms

Prepared By Michael A. Laurenzano *Michael A. Laurenzano* 5-11-2015

I affirm, under the penalties for perjury, that I have
taken reasonable care to redact each Social Security
number in this document, unless required by _____
Law Miss A. Keefe

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State of Indiana
County of Morgan

On this, the 17th day of May, 2015, before me a notary public, the undersigned officer, personally appeared Michael Laurenzano, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.

Debra I Verley

Notary Public, State of Indiana
Resident of Morgan County

My commission expires: 8/17/2020

SEAL



QUESTIONS TO BE ADDRESSED AT OR BEFORE THE JUNE 6, 2015 ANNUAL PFHOA GENERAL
MEMBERSHIP MEETING

Submitted by:
Michael Laurenzano, Lot #4 Pegasus Farms

1. What is the official mailing address for PFHOA?
2. Which of the PFHOA officers is the custodian of the official PFHOA records?
3. Where can I review the official records of the PFHOA to include the original copies of the Covenant and Restrictions (and Amendments), and the ByLaws (and Amendments) for the PFHOA?
4. Will the official PFHOA records be available at the meeting on June 6, 2015?
5. What arrangements/request do I need to make to review the 2015 Budget?
6. Where can I review the official roster of the members of the association?
7. When will Voting List be prepared and available for review?
8. Who is (are) the attorney(s) for the PFHOA?
9. What is the hourly rate for this (these) attorney(s)?

Prepared By Michael A. Laurenzano Vice President 5-11-2015

May11, 2015