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**MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SOUTH LAKE
A RESIDENTIAL DEVELOPMENT
IN GREENWOOD, INDIANA**



Inst **2005-034016**

The undersigned BAINBRIDGE SOUTH LAKE LLC, an Indiana limited liability company (hereinafter referred to as "Developer"), as owner and developer of real property described in Exhibit A attached hereto and known as the South Lake Subdivision (the "Subdivision") initially including The Trails at South Lake Section One ("The Trails") comprising Lots 1 to 53 and The Preserve at South Lake Section Two ("The Preserve") comprising Lots 54 to 101, imposes the following plat restrictions and covenants on the Subdivision for the benefit of all present and future Owners (as hereinafter defined) of any Lot in the Subdivision.

DECLARATIONS

All Lots within the Subdivision, shall be subject to the following development standards, restrictions, covenants, conditions and assessments, which are for the benefit of all Owners (as hereinafter defined) and occupants within the Subdivision and which shall run with the property and shall be binding on all Owners and all persons claiming under them for a period of ten (10) years from the date these covenants are recorded, at which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless at any time after the turnover of the Master Association to the Owners a majority of the then Owners in the Subdivision agree to change or terminate said covenants in whole or in part and on the condition that an instrument to that effect signed by the Owners voting in favor of such change has been recorded; provided, however, that no change or termination of said covenants shall affect any easement hereby created or granted unless all persons entitled to the beneficial use of such easement shall consent thereto.

Article 1. Use Restrictions

1.01 Each Lot within the Subdivision shall be used for single family residential purposes only. "Residence" shall mean a single family detached residence located on a Lot. However, the Developer, its agents or assigns, may use the Lot for construction and sales purposes during any building and sales period. An "Owner" shall mean and refer to the record title Owner of a Lot in the Subdivision, and shall be all Owners, jointly and severally, if there is more than one Owner of record.

1.02 No residence, building, shed, fence, flagpole, mailbox, light pole or fixture, swimming pool, tennis court, pavement, driveway, awning, wall or structure of any kind shall be erected, placed or altered on any Lot without first obtaining the written consent of the Architectural Control Committee subsequently described herein. All requests for approvals from the Architectural Control Committee shall be in writing, shall be dated, shall specifically request approval of the contemplated improvement(s) and shall be accompanied by detailed plans and specifications for the proposed improvements showing, where applicable, the size, location, type, architectural design,

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spacing, quality, use, construction materials, color scheme, grading plan and finished grade elevation for said improvements.

1.03 Residences within the Subdivision shall have the following minimum square footage, exclusive of basements, open porches, garages and other unheated areas. Each Residence shall have an attached garage with space for not less than two (2) automobiles.

	<u>1 Story</u>	<u>2 Story</u>
The Preserve	1,400	1,800
The Trails	1,200	1,600

1.04 All structures or improvements commenced by an Owner within the Subdivision must be completed within nine (9) months from the date of commencement.

1.05 Two carriage lights on the garage or a front yard light providing dusk to dawn lighting are to be installed on each Residence at the time of construction. The Owner shall maintain the lights in operating condition at all times.

1.06 No detached storage buildings shall be permitted on any Lot.

1.07 No towers of any description or satellite dish antennas greater than thirty-nine (39) inches in diameter will be permitted on any Lot without the written approval of the Architectural Control Committee. Said Committee may deny any such request in its sole and absolute discretion or may attach such conditions as it deems necessary or appropriate. Any satellite dish antenna less than thirty-nine (39) inches in diameter shall require Architecture Control Committee approval as to location, color and other aesthetic conditions.

1.08 No Residence shall have a sump pump which discharges directly into the street through a curb.

1.09 No building shall be located nearer to any street than the building setback line shown on the recorded plat of the Subdivision. The setback areas designated on the recorded plat shall be for lawn purposes only. This covenant shall not be construed to prevent the use of the setback areas for walks, drives, trees, shrubbery, flowers, or ornamental plants used for the purpose of beautification.

1.10 No structures or materials shall be placed or permitted within the utility or drainage easement areas as designated on the recorded plat of the Subdivision. Plantings within said utility or drainage easement areas are at the Owner's sole risk of loss if such plantings, as determined solely by the applicable utility authority or the Architectural Control Committee, would damage or interfere with the installation or maintenance of utilities or would change or retard the flow of surface water from its proper course. Each Owner shall maintain such portion of any utility or drainage easement area as is located upon such Owner's Lot.

1.11 No business activities of any kind shall be conducted on any Lot or open space in the Subdivision without the approval of the Master Association; provided, however, that the foregoing

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shall not apply to the business activities of Developer or the construction, sale or maintenance of Lots by authorized builders or by Developer, its agents or assigns, during the construction and sales period.

1.12 No clothesline shall be located on any Lot except one removable, folding, umbrella-like clothesline. Folding umbrella-like clothesline shall be permitted in the rear patio area only. No laundry articles shall be left outdoors overnight or any time on Saturdays or Sundays.

1.13 No automobile, bus, camper, motor home, trailer, boat, other watercraft, snowmobile, motorcycle or other similar vehicle shall be stored on any Lot unless housed within a garage building. For purposes of this section a vehicle shall be considered "stored" if inoperable, put up on blocks or covered with a tarpaulin and it remains in such condition for a period of seven (7) consecutive days.

1.14 No Lot shall be used as a dumping ground or storage area for rubbish, machinery, scrap, paper, glass or other such materials. Garbage or other waste shall be kept in trash containers. All containers used for the storage or disposal of trash or recyclable materials shall be kept in a clean and sanitary condition and screened from public view. Building materials to be used in the construction of approved structures may be stored on or within a Lot, provided such building materials are incorporated into the approved improvement within ninety (90) days after their delivery to such Lot.

1.15 No sod, dirt or gravel, other than incidental to the construction of an approved structure or the normal maintenance of lawn areas, shall be removed from any Lot without the written approval of the Architectural Control Committee.

1.16 No weeds, underbrush or unsightly growths or objects of any kind shall be permitted to remain on any Lot. All lawn areas shall be maintained in a neat and orderly manner and shall be mowed on a regular basis. The Master Association may regulate and control the maintenance of lawn areas by publishing rules and regulations as it deems necessary from time to time.

1.17 No geothermal or solar heating system shall be installed on any Lot or on any Residence thereon without the prior approval of all applicable agencies and the Architectural Control Committee.

1.18 No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other usual household pets may be kept on a Lot, so long as such pets are not kept, bred or maintained for any commercial purpose. No animal shall be permitted to run loose or become a nuisance to any Owner. The Master Association may regulate and control the maintenance of such household pets by publishing such rules and regulations as it deems necessary from time to time.

1.19 No sign or billboard shall be erected or displayed on any Lot except (a) one (1) sign of no more than five (5) square feet advertising the property for sale; (b) signs used by Developer, its successors and/or assigns, to advertise a Lot, or Residence for sale during the construction and sales period; and (c) signs approved by the Architectural Control Committee.

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1.20 All tanks for the storage of propane gas, fuel or oil shall be located beneath ground level, except that propane tanks for service to the entire Subdivision or, on a temporary basis, for construction of an approved structure may be located above ground.

1.21 No well for the production of gas, water or oil, whether intended for temporary or permanent purposes, shall be drilled or maintained on any Lot without the written consent of the Architectural Control Committee.

1.22 No chain link fence will be permitted on any Lot.

1.23 No above ground swimming pools in place for more than forty-eight (48) consecutive hours will be permitted on any Lot.

1.24 Nothing shall be done, placed or stored on any Lot which may endanger the health or unreasonably disturb the occupants of neighboring Residence.

1.25 Each Owner within the Subdivision, upon acquisition of title to a Lot, shall automatically become a member of the Master Association created in accordance with Article 3.01 hereof. Such membership shall be an appurtenance to and shall not be separated from ownership of the Lot and such membership shall terminate upon the sale or other disposition by such member of such Lot ownership.

1.26 Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any other provision hereof, all of which shall remain in full force and effect.

1.27 Except as otherwise approved by the Developer in connection with a builder's model home sales center, all outside lighting contained in or with respect to the Subdivision shall be of an ornamental nature compatible with the architecture of the project and shall provide for projection of light so as to not create a glare, distraction or nuisance to the other Owners.

1.28 No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and nine (9) feet above the street shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting points twenty-five (25) feet from the intersection of the street lines extended or in the case of a rounded property corner, from the intersection of the street lines extended. The same sight line limitations shall apply to any Lot within ten (10) feet from the intersection of a street line with the edge of a driveway or alley line. No tree shall be permitted to remain within such distances of such areas unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

1.29 South Lake will be developed into two separate sub areas (hereinafter described as an "Area" or specifically as The Preserve at South Lake ("The Preserve"), and The Trails at South Lake ("The Trails"). Each Area may have supplemental use restrictions, covenants and assessment levels in addition to those provided for in this Declaration. Each Area may establish its own sub declaration ("Area Declaration") or homeowners association ("Area Association") to provide for additional covenants, conditions, restrictions or assessments specific to its Area. In the event of any conflict between Area Declarations and this document, this document shall prevail.

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1.30 It shall be lawful for the Developer, City of Greenwood, Johnson County, the Master Association or Owner within the Subdivision to prosecute any proceedings at law or in equity against a person or persons violating or attempting to violate any covenant or restriction contained herein. The proceeding may seek to prevent such person or persons from violating or continuing to violate the restrictions or to recover damages for such violation together with the costs incurred in enforcement of the restrictions.

Article 2. Additional Drainage Easement Restrictions

Drainage easements shown on the recorded plat of the Subdivision may include storm water detention or retention areas designed to direct, detain or retain water. The following covenants and restrictions are for the benefit of all Owners in the Subdivision and are to run with the land and shall be binding on all parties, on all Owners, and all persons claiming under them forever, as follows:

2.01 No Owner shall do or permit to be done any action or activity which would result in (a) the pollution of any retained water, (b) the diversion of water, (c) a change in the elevation of the water level, (d) silting or (e) an adverse effect on water quality, drainage or proper water management, or which would otherwise impact or interfere with the use of such areas for drainage and related purposes for the benefit of all Owners.

2.02 No boating, fishing, swimming, ice skating or other recreational activity shall be conducted in, on or above said drainage easement areas.

2.03 The Master Association shall have the right to establish rules regarding the use of any drainage easement areas, provided such rules are not in conflict with any other provision contained herein, and are reasonably established to protect the safety and welfare of the Owners and their guests, or are established to assure the continued service of the areas for the purposes for which they were designed.

2.04 The Developer, City of Greenwood, Johnson County, the Master Association or any Owners within the Subdivision may prosecute proceedings at law or in equity against any person or persons violating or attempting to violate any of the above covenants and restrictions or seek restraining orders or other mandatory relief for the correction of any interference with or damage to the drainage and detention or retention system, and to recover compensation for any damages incurred by the complaining party together with the costs incurred in enforcement of the restrictions.

Article 3. Homeowners' Association

3.01 After the recording of this Declaration, Developer shall form and incorporate a Homeowners' Association (the "Master Association") to promote the common interest of all Owners, to handle maintenance of certain areas within the Subdivision as set forth below and to promote compliance with the covenants, conditions and use restrictions set forth in this Declaration. The Master Association shall be comprised of all Owners in the Subdivision. Developer reserves the right to expand the membership and duties of the Master Association to include other areas or sections of the Subdivision to be developed in the future on property that is not presently part of the Subdivision. Said areas or sections shall be considered "Expansion Property", the Owners of which may, at the option of Developer, be required to become members of the Master Association. If the

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Developer elects to develop Expansion Property and elects to include the Owners in any portion of the Expansion Property as members in the Master Association and to expand the Master Association's responsibilities to include similar duties for such portion of the Expansion Property, Developer may do so by filing an amendment to this Declaration to include such Expansion Property within ten (10) years from the date hereof, explicitly setting forth that the Owners within such portion of the Expansion Property shall become members of the Master Association and detailing the additional rights and obligations of the Master Association.

Each Area (The Preserve or The Trails) by a majority vote of Owners in said Area or by Developer prior to turnover may establish an Area Association and record an Area Declaration to promote the common interest of said Area to provide for, additional common maintenance, additional use restrictions, additional covenants, additional services and supplemental assessments to fund said maintenance or services, for the benefit of all Owners in said Area.

3.02 (a) "Common Areas" means (i) all portions of the Subdivision (including improvements thereto) shown on any plat of a part of the Subdivision which are not located on Lot and which are not dedicated to the public and (ii) all facilities, structures, buildings, improvements and personal property owned or leased by the Master Association from time to time, Common Areas may be located within a public right-of-way or in an easement area as shown on the Plat.

(b) "Common Expenses" means (i) expenses of and in connection with the maintenance, repair or replacement of the Common Areas and related improvements thereon and the performance of the responsibilities and duties of the Master Association, including, without limitation, expenses for the improvement, operation, maintenance or repair of the improvements, lawn, foliage and landscaping not located on a Lot including reserves for replacement of improvements, furniture, fixtures or equipment, except for lawn maintenance as described herein, (unless located on an easement located on a Lot to the extent the Master Association deems it necessary to maintain such easement) (ii) expenses of and in connection with the maintenance, repair or continuation of the drainage facilities located within and upon the easements, (iii) all judgments, liens and valid claims against the Master Association, (iv) all expenses incurred in the administration of the Master Association and (v) may include if applicable, expenses associated with trash pick-up within the Subdivision.

3.03 The management and control of the affairs of the Master Association shall be vested in its Board of Directors. The Board of Directors shall be composed of between three (3) and nine (9) members. The initial members of the Board of Directors shall be selected by Developer. The three (3) initial members of the Board of Directors shall serve until (a) that date which is ninety (90) days after 100% of all Lot within the Subdivision and 100% of all Lot within the Expansion Property which have been developed and made a part of the Subdivision as set forth above in Article 3.01 have been sold, or (b) Developer elects to turn over control of the Master Association to the Owners, whichever shall first occur. Upon the incapacity, resignation or death of any initial director, a successor, who shall serve the remaining term of the departed director, shall be appointed by the remaining members of the Board of Directors within three (3) months after the incapacity, resignation or death of the departed director. Subsequent board members shall be elected by a majority of the Owners as more fully set forth in the Articles of Incorporation and By-Laws for the Master Association. After turnover, at least one board member from each Area shall serve on the board on a continuous basis.

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3.04 The Master Association, or its agents or assigns, shall have the right to enter onto any common area, open space, public right-of-way or landscape easement area as shown on the recorded plat of the Subdivision, if any, or other easement area as if from time to time deems necessary for the purpose of maintaining the same. Such maintenance may include, but shall not be limited to:

- (a) regular mowing, trimming and fertilizing of grassy areas;
- (b) periodic mulching of flower beds within the Subdivision;
- (c) regular weeding of flower beds;
- (d) flower planting within the Subdivision;
- (e) maintenance of street lighting, if any, and associated electric service billings;
- (f) repair of any permanent signs;
- (g) repair of any wall, monument or fencing;
- (h) operations, maintenance and repair of any community pools, buildings, playgrounds, pathways or other common area amenities;
- (i) treatment of water in any detention or retention areas to limit algae and grassy growth; and
- (j) trimming, pruning, removal and replacement of trees and bushes, as necessary.

3.05 For the purpose of providing funds to carry out the responsibilities of the Master Association hereunder, the Master Association shall be empowered to levy, assess and collect from each Owner in the Subdivision an amount up to Four Hundred Dollars (\$400.00) per year, irrespective of whether the Subdivision has been completed. Provided, however, that such limit of Four Hundred Dollars (\$400.00) per Lot per year may be increased in proportion to any increase in the Consumer Price Index of the U.S. Bureau of Labor Statistics from the base period of December, 2005. If the Master Association elects to provide trash pick-up service through the Master Association as provided for in Section 3.02 (b) (vi) hereof, the cost of trash pick-up shall be assessed in addition to the Four Hundred Dollars (\$400.00) described herein. Any fees assessed by the Master Association in excess of Four Hundred Dollars (\$400.00), plus the cost of trash pick-up if applicable per Lot per year, or its adjusted equivalent, must be approved by a majority of the Owners.

In addition to the assessment set forth above, upon the initial conveyance of each Lot to the first Owner other than Developer or builder, the Owner shall pay to the Master Association, in addition to any other amount then owed or due to the Master Association, as a contribution to the working capital of the Master Association and its start-up fund, an amount equal to Two Hundred Dollars (\$200.00), which payment shall be non-refundable and shall not be considered as an advance payment of any Regular or Special Assessment or other charge owed the Master Association with

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respect to such Lot. The working capital and start-up fund shall be held and used by the Master Association for payment of, or reimbursement to, Developer for advances made to pay expenses of the Master Association for its early period of operation to enable the Master Association to have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary by the Board of Directors.

3.06 In addition to Regular Assessments, the Board of Directors of the Master Association may make special assessments against each Lot (a "Special Assessment") for the purpose of defraying, in whole or in part, the cost of constructing, reconstructing, repairing or replacing any capital improvement which the Master Association is required to maintain or the cost of special maintenance and repairs or to recover any deficits (whether from operations or any other loss) which the Master Association may from time to time incur, but only with the assent of two-thirds (2/3) of the members ~~of each class of members~~ of the Master Association, if more than one, who cast votes in person or by proxy at a duly constituted meeting of the members of the Master Association called for such purpose.

The Board of Directors of the Master Association shall fix the amount of the Regular Assessment at least thirty (30) days in advance of each annual assessment period. Written notice of the Regular Assessment, any Special Assessments and such other assessment notices as the Board of Directors shall deem appropriate shall be sent to each Owner subject thereto. The due dates for all assessments shall be established by the Board of Directors of the Master Association. The Board of Directors may provide for reasonable interest and late charges on past due installments of assessments.

3.07 Neither the Developer, nor any builder or any related entity being expressly exempted by Developer, shall be assessed any portion of any Regular or Special Assessment during the development period of the Subdivision until one hundred percent (100%) of all Lot within the Subdivision and one hundred percent (100%) of all Lot within the Expansion Property, if any, have been developed and made a part of the Subdivision.

3.08 Any amount assessed or levied hereunder by the Master Association against an Owner shall become a lien on each Lot until paid. Any assessments which are not paid within thirty (30) day of the due date shall be delinquent. As long as an assessment remains delinquent, a late fee of ten dollars (\$10.00) will be charged per month until the assessment is paid in full. In the event any amount so assessed or levied is not paid when due and remains in arrears for more than sixty (60) days, the Master Association may file with the Johnson County Recorder a Notice of Lien. The Notice of Lien shall contain a description of the Lot against which the lien exists, the name or names of the Owner or Owners thereof, and the amount of the unpaid portion of the assessment or assessments. The lien provided for herein shall remain valid for a period of five (5) years from the date a Notice of Lien is duly filed, unless sooner released or satisfied in the same manner provided for by Indiana law for the release and satisfaction of mortgages on real property or until discharged by the final judgment or order of the Court in an action brought to discharge the lien. The lien shall secure not only the amount of the unpaid assessments and late fees, but also the costs incurred in collection, including, but not limited to interest, attorney's fees and court costs. The lien of the assessment provided for herein shall be subject and subordinate to the lien of any duly executed mortgage on any Lot recorded prior to the recording of the Notice of Lien. The holder of any such mortgage which comes into possession of a Lot pursuant to the remedies provided in the mortgage,

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foreclosure of the mortgage, or deed or assignment in lieu of foreclosure shall take the property free of claims for unpaid installments of assessments or charges against the Lot which become due and payable prior to the time such holder or purchaser takes title to the Lot.

3.09 No member of the Board of Directors shall be liable to the Owner(s) or any other person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a director, except in the case of willful misconduct or gross negligence. Further the Master Association shall indemnify and hold harmless and defend each of the directors against any and all liability to any person, firm or corporation arising out of any contract made by the Board of Directors on behalf of the Master Association unless any such contract shall have been made fraudulently. It is intended that no director shall have personal liability with respect to any contract made by any board member on behalf of the Master Association.

3.10 The Master Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a director of the Master Association, against the reasonable expenses, including attorneys fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such director is liable for gross negligence or willful misconduct in the performance of his duties. The Master Association shall also reimburse to any such director the reasonable costs of settlement of, or judgment rendered in, any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such director was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a director, no director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such director relied on the books and records of the Master Association or statements or advice made by or prepared by the managing agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Master Association to render advice or service, unless such director had actual knowledge of the falsity or incorrectness thereof; nor shall a director be deemed guilty of, or liable for, negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

3.11 Any and all of the rights, powers, duties and obligations assumed by, reserved to, created in or given to the Master Association may be exercised by Developer until such time as the Master Association is formed and control thereof transferred to the Owners. At such time as control of the Master Association is transferred to the Owners, Developer may reserve the exclusive right to approve the plot plan, construction plans, color scheme and landscape plan associated with any structure on any Lot on which a Residence has not yet been completed and occupied, so long as Developer clearly identifies the Lot for which it is retaining such right at the time of the turnover. Developer shall maintain said right of approval for each Lot until such time as a Residence has been completed on that Lot and occupied by the homebuyer.

3.12 At the option of the Master Association, trash and refuse disposal for each Lot will be provided by the Master Association on a weekly basis. The community shall not contain dumpsters or other forms of general or common trash accumulation except to facilitate development and Residence construction. No Lot shall be used, or maintained as a dumping ground for trash.

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Rubbish, garbage and other waste shall be kept in sanitary containers. All equipment for storage or disposal of such materials shall be kept clean and shall not be stored on any Lot in open public view. No rubbish, garbage or other waste shall be allowed to accumulate on any Lot. No homeowner or occupant of a Lot shall burn or bury any garbage or refuse.

Article 4. Architectural Control Committee

An Architectural Control Committee (the "Committee") is hereby established as a standing committee of the Master Association to carry out the functions set forth for it in this Declaration. The Architectural Control Committee's procedures and duties shall be as follows:

4.01 The Committee shall be composed of three (3) members. The Developer shall appoint each of the three (3) initial members of the Committee.

4.02 The three (3) initial members of the Committee shall serve until such time as the Developer turns over control of the Master Association to the Owners, as set forth in Article 3.03 hereof. Any subsequent members shall be appointed by the Master Association and shall serve for terms of three (3) years, except that the first appointed members of the Committee shall serve for staggered terms of one (1), two (2) and three (3) years as directed by the Board of Directors of the Master Association. One member of the Committee shall be from each Area. All members of said Committee shall serve until the expiration of their terms or until their incapacity, resignation or death. Upon the incapacity, resignation or death of a member of the Committee, a successor, who shall serve the remaining term of the departed Committee member, shall be appointed by the Board of Directors of the Master Association within three (3) months after the incapacity, death or resignation of the departed member. After turnover of the Master Association to the Owners by Developer, the Committee shall comprise one lot Owner from each Area at all times.

4.03 The Use Restrictions require the submission of detailed plans and specifications to the Committee prior to the erection of, placement on, or alteration of any structure or improvement on any Lot. The intent is to achieve an architecturally harmonious, artistic and desirable residential subdivision. Therefore, while considering the approval or disapproval of any plans and specifications submitted, the Committee is directed to consider the appropriateness of the improvement contemplated in relation to the improvements on contiguous or adjacent lots, the artistic and architectural merits of the proposed improvement, the adaptability of the proposed improvement to the Lot on which it is proposed to be made, and such other matters as may be deemed by the Committee members to be in the interest and benefit of the Owners in the Subdivision as a whole.

4.04 To assist it in making its determinations, the Committee may require that any plans and specifications submitted to the Committee be prepared by a registered architect or civil engineer. The Committee shall also have the right to require any other reasonable data including, but not limited to, grading or elevation plans, material lists, landscape plans and color scheme designations.

4.05 The Committee's decisions shall be in writing and shall be binding upon all parties in interest. The Committee shall approve, disapprove or request additional information with respect to any submitted request for approval within thirty (30) days after said request shall have been properly submitted to the Committee for approval. A properly submitted request shall be in writing and shall

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comply with the provisions of Article 1.02 hereto. The failure of the Committee to approve, disapprove or request additional information within said time period shall be deemed an approval of any properly submitted request.

4.06 The approval of any plans and specifications by the Committee shall not constitute a representation or warranty by it as to the quality of the workmanship, materials or architectural or engineering design covered thereunder, or the proposed work's feasibility or compliance with any applicable laws.

4.07 If, in the opinion of the Committee, the enforcement of these restrictions would constitute a hardship due to the shape, dimension or topography of a particular Lot in the Subdivision, the Committee may permit a variation which will, in its judgment, be in keeping with the maintenance of the standards of the Subdivision.

Article 5. Other Conditions

5.01 All transfers and conveyances of each and every Lot in the Subdivision shall be made subject to these covenants and restrictions.

5.02 Any failure to enforce these restrictions shall not be deemed a waiver thereof or an acquiescence in, or consent to, any continuing, further or succeeding violation hereof.

5.03 If any covenant, condition or restriction hereinabove contained, or any portion thereof, is invalid, such invalidity shall in no way affect any other covenant, condition or restriction.

5.04 All costs of litigation and attorney's fees resulting from violation of this Declaration shall be the financial responsibility of the Owner or Owners found to be in violation.

5.05 So long as Developer maintains control of the Master Association as set forth in Article 3 hereof, Developer reserves the right to amend this Declaration (a) to the extent necessary to conform to any requirements imposed or requested by any governmental agency, public authority or financial institution (including, but not limited to, the U.S. Department of Housing and Urban Development, the U.S. Veterans Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or similar entity) (b) to the extent necessary to enable the Developer to correct any typographical error, (c) to clarify, further define or limit any easement, or otherwise exercise any rights reserved herein or to subject additional property to these restrictions, (d) to change the substance of one or more covenants, conditions, restrictions, terms or provisions hereof or (e) to meet any other reasonable need or requirement in order to complete the Subdivision, but (i) does not materially increase the obligation(s) of any Owner under any covenant, condition, term or provision without such Owner's consent, or (ii) is necessary to comply with a governmental requirement, including applicable laws, ordinances, regulations or orders of any municipality or court having jurisdiction; all without the approval of the Owners, and each Owner, by the acceptance of a deed to a Lot within the Subdivision, consents to this reserved right.

5.06 Once Developer has turned over control of the Master Association as set forth in Article 3 hereof, this Declaration may be amended by a majority vote of the Owners in the

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Subdivision so long as such amendment does not materially increase the obligation(s) of any Owner under any covenant, condition, term or provision without such Owner's consent.

5.07 Only the Lots contained in the Subdivision shall be subject to and bound by the restrictions, covenants and conditions set out in this Declaration and none of said provisions shall in any manner affect or be operative in respect to any other land of the Owner or its successors or assigns.

Article 6. Property Rights

6.01 Owners' Easement of Enjoyment of Common Areas. Developer hereby declares, creates and grants a non-exclusive easement in favor of each Owner for the use and enjoyment of the Common Areas. Such easement shall run with and be appurtenant to each Owner's Lot, subject to the following provisions:

- (i) the right of the Master Association to charge reasonable admission and other fees for the use of the recreational facilities, if any, situated upon the Common Areas;
- (ii) the right of the Master Association to fine any Owner or make a special assessment against any Lot in the event a person permitted to use the Common Areas by the Owner violates any rules or regulations of the Master Association as long as such rules and regulations are applied on a reasonable and nondiscriminatory basis;
- (iii) the right of the Master Association to make reasonable regular assessments for use and maintenance of the Common Areas and any services provided by the Master Association such as, trash collection (at the Master Association's option), snow removal, grass mowing or like service;
- (iv) the right of the Master Association to dedicate or transfer all or any part of the Common Areas or to grant easements to any public agency, authority or utility for such purposes and subject to such conditions as may be set forth in the instrument of dedication or transfer;
- (v) the right of the Master Association to enforce collection of any fines or regular or special assessments through the imposition of a lien;
- (vi) the rights of Developer as provided in this Declaration and in any plat of any part of the Subdivision;
- (vii) the terms and provisions of this Declaration;
- (viii) the easements reserved elsewhere in this Declaration and in any plat of any part of the Subdivision; and
- (ix) the right of the Master Association to limit the use of Common Areas in a reasonable nondiscriminatory manner for the common good.

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6.02 Permissive Use. Any Owner may permit his or her family members, guests, tenants or contract purchasers who reside in the Residence to use his or her right of enjoyment of the Common Areas. Such permissive use shall be subject to the By-Laws of the Master Association and any reasonable nondiscriminatory rules and regulations promulgated by the Master Association from time to time.

6.03 Conveyance of the Common Areas. Developer may convey all of its right, title, interest in and to any of the Common Areas to the Master Association by quitclaim deed, and such Common Areas so conveyed shall then be the property of the Master Association.

Article 7. Maintenance

7.01 Maintenance of Lots and Improvements. Except to the extent such maintenance shall be the responsibility of the Master Association under any of the foregoing provisions of this Declaration, it shall be the duty of the Owner, including any builder during the building process, to keep the grass on the Lot properly cut and keep the Lot, including any drainage utility and sewer easements located on the Lot, free of weeds, trash or construction debris and otherwise neat and attractive in appearance, including, without limitation, the property maintenance of the exterior of any structures on such Lot. If an Owner fails to do so in a manner satisfactory to the Master Association, the Master Association, after approval by a majority vote of the Board of Directors, shall have the right (but not the obligation), through its agents, employees and contractors, to enter upon said Lot and to clean, repair, maintain or restore the Lot, as the case may be, and the exterior of the improvements erected thereon to a condition acceptable to the Master Association. The cost of any such work shall be and constitute a Special Assessment against such Lot and the Owner thereof, whether or not a builder, and may be collected and enforced in the manner provided in this Declaration for the collection and enforcement of assessment in general. Neither the Master Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work performed hereunder.

7.02 Damage to Common Areas. In the event of damage to or destruction of any part of the Common Areas or any improvements which the Master Association is required to maintain hereunder, the Master Association shall repair or replace the same to the extent of the availability of insurance proceeds. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Master Association may make a Special Assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds or against such Owners who benefit by the Special Assessments if less than all benefit. Notwithstanding any obligation or duty of the Master Association hereunder to repair or maintain the Common Areas, if, due to the willful, intentional or negligent acts or omissions of any Owner (including any builder) or of a member of the Owner's family or of a guest, tenant, invitee or other occupant of visitor of such Owner, damage shall be caused to the Common Areas, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then the Master Association shall cause such repairs to be made and such Owner shall pay for such damage and such maintenance, repairs and replacements, unless such loss is covered by the Master Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Master Association, the cost of repairing such damage shall be added to and constitute a Special Assessment against such Owner, whether or not a builder, and its

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Lot, to be collected and enforced in the manner provided in this Declaration for the collection and enforcement of assessments in general.

IN WITNESS WHEREOF, said Bainbridge South Lake LLC has caused this instrument to be executed by its duly authorized representative this 25th day of April, 2005.

BAINBRIDGE SOUTH LAKE LLC,

By: Republic Development LLC,
an Ohio limited liability company, managing member

By: *[Signature]*
Lawrence M. Moon, Executive Vice President

STATE OF OHIO)
COUNTY OF LUCAS) SS:

The foregoing instrument was acknowledged before me this 6th day of December, 2005, by Lawrence M. Moon, Executive Vice President of Republic Development LLC, an Ohio limited liability company; managing member of Bainbridge South Lake LLC.



DAWN M. SUNDSTROM
Notary Public, State of Ohio
My Commission Expires 04-18-09

[Signature]
Notary Public

This document prepared by:
Christopher D. Long, Esq.
Krieg DeVault LLP
2800 One Indiana Square
Indianapolis, Indiana 46204

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The Trails at South Lake

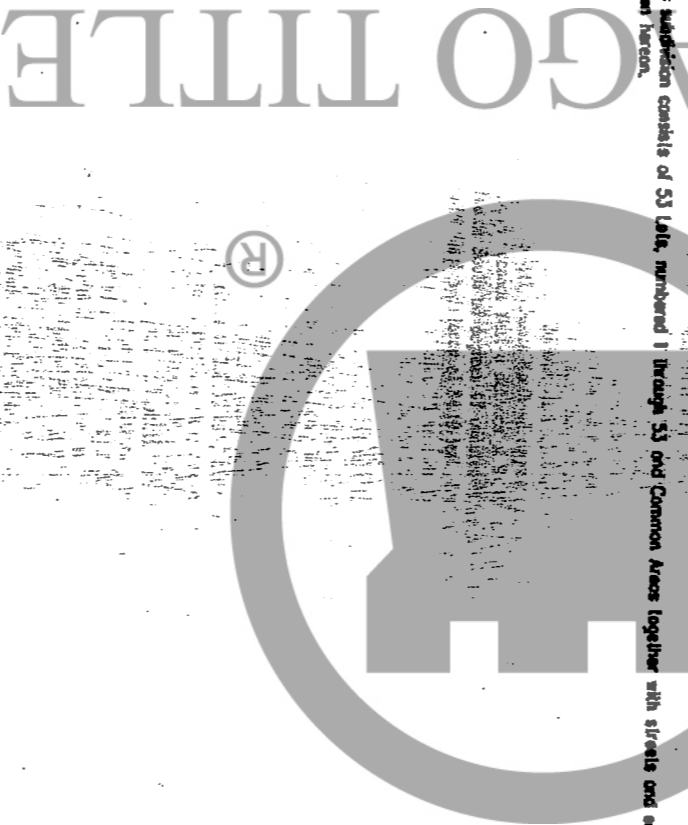
Section I

COPY
SURVEYOR'S CERTIFICATE
LAND DESCRIPTION

Part of the Southwest Quarter and Southeast Quarter of Section 10, Township 13 North, Range 4 East of the Second Principal Meridian in Johnson County, Indiana, being more particularly described as follows:

COMMENCE at the Southwest Corner of the said Southwest Quarter Section; thence North 02 degrees 00 minutes 54 seconds East (Assumed Bearing) along the East Line of the said Southwest Quarter Section a distance of 674.64 feet to the BEGINNING POINT; thence North 87 degrees 59 minutes 06 seconds West a distance of 151.61 feet; thence South 04 degrees 46 minutes 28 seconds West a distance of 17.79 feet; thence North 84 degrees 45 minutes 35 seconds West a distance of 60.00 feet; thence South 04 degrees 46 minutes 28 seconds West a distance of 5.88 feet; thence North 84 degrees 45 minutes 35 seconds West a distance of 47 minutes 13 seconds West a distance of 264.78 feet; thence North 12 degrees 54 minutes 36 seconds East a distance of 38.87 feet; thence North 69 degrees 36 minutes 28 seconds West a distance of 113.21 feet; thence North 64 degrees 49 minutes 27 seconds West a distance of 60.00 feet to a curve having a radius of 430.00 feet, the radius point of which bears South 64 degrees 40 minutes 27 seconds East; thence Northwesterly along said curve an arc distance of 34.29 feet to a point which bears North 60 degrees 06 minutes 20 seconds West from said radius point; thence North 60 degrees 06 minutes 20 seconds West a distance of 100.57 feet; thence North 28 seconds East a distance of 20.02 feet; thence North 28 degrees 17 minutes 18 seconds East a distance of 184.13 feet; thence North 48 degrees 25 minutes 43 seconds East a distance of 112.11 feet; thence North 24 degrees 51 minutes 14 seconds West a distance of 97.49 feet; thence North 23 degrees 12 minutes 49 seconds West a distance of 60.00 feet; thence South 66 degrees 47 minutes 11 seconds West a distance of 0.59 feet; thence North 23 degrees 12 minutes 49 seconds West a distance of 84.19 feet; thence North 44 degrees 52 minutes 01 seconds West a distance of 54.68 feet; thence North 21 degrees 05 minutes 58 seconds West a distance of 194.09 feet; thence North 29 degrees 24 minutes 44 seconds West a distance of 120.00 feet; thence North 59 degrees 58 minutes 53 seconds East a distance of 111.34 feet to a curve having a radius of 330.00 feet, the radius point of which bears North 65 degrees 09 minutes 02 seconds East; thence Northwesterly along said curve an arc distance of 29.62 feet to the point of reverse curvature of a curve having a radius of 14.00 feet, the radius point of which bears North 10 degrees 57 minutes 10 seconds East; thence North 89 degrees 02 minutes 50 seconds West a distance of 20.50 feet; thence North 00 degrees 57 minutes 10 seconds East a distance of 60.00 feet to a curve having a radius of 14.00 feet, the radius point of which bears North 00 degrees 57 minutes 10 seconds East; thence Northwesterly along said curve an arc distance of 21.35 feet to the point of reverse curvature of a curve having a radius of 330.00 feet, the radius point of which bears North 85 degrees 23 minutes 08 seconds East; thence North 89 degrees 02 minutes 50 seconds West a distance of 134.21 feet to a point which bears North 71 degrees 18 minutes 43 seconds East a distance of 60.00 feet; thence South 17 seconds East a distance of 12.71 feet; thence South 71 degrees 18 minutes 43 seconds East a distance of 60.00 feet; thence South 31 degrees 55 minutes 52 seconds East a distance of 164.79 feet; thence South 47 degrees 55 minutes 53 seconds East a distance of 304.38 feet; thence South 87 degrees 47 minutes 53 seconds East a distance of 416.76 feet; thence South 28 degrees 01 minutes 24 seconds East a distance of 182.70 feet; thence South 50 degrees 25 minutes 19 seconds West a distance of 100.04 feet; thence South 09 degrees 35 minutes 33 seconds West a distance of 101.32 feet to the Northeast Corner of the Southeast Quarter of the said Southwest Quarter Section; thence South 02 degrees 00 minutes 54 seconds West along the East line of the said Southeast Quarter Section a distance of 681.75 feet to the BEGINNING POINT, containing 19.655 acres, more or less.

The subdivision consists of 53 lots, numbered 1 through 53 and Common Acres together with streets and easements as shown hereon.



The Preserve at South Lake

Section 2

SURVEYOR'S CERTIFICATE
LAND DESCRIPTION

COPY

Part of the Southwest Quarter and Southeast Quarter of Section 10, Township 13 North, Range 4 East of the Second Principal Meridian in Johnson County, Indiana, being more particularly described as follows:

BEGINS at the Northeast Corner of the said Southwest Quarter Section; thence South 89 degrees 55 minutes 59 seconds West (Assumed Bearing) along the North Line of the said Southwest Quarter Section a distance of 628.97 feet to the Northeast Corner of a tract of land recorded as Instrument Number 99-22550 in the office of the recorder of Johnson County, Indiana (the next two (2) described courses being along the East and South Lines of said tract of land); thence South 01 degree 05 minutes 29 seconds West; a distance of 255.19 feet; thence North 89 degrees 07 minutes 31 seconds West a distance of 292.68 feet; thence South 02 degrees 05 minutes 10 seconds West a distance of 304.54 feet; thence South 89 degrees 55 minutes 59 seconds West, parallel with the North Line of said Southwest Quarter Section, a distance of 350.57 feet to a curve having a radius of 14.00 feet, the radius point of which bears North 00 degrees 04 minutes 01 seconds West; thence Northwest along said curve on arc distance of 22.49 feet to a point which bears North 88 degrees 01 minutes 23 seconds West from said radius point; thence North 01 degree 58 minutes 35 seconds East a distance of 465.46 feet; thence North 45 degrees 57 minutes 17 seconds East a distance of 35.96 feet; thence North 89 degrees 55 minutes 59 seconds East, parallel with the North Line of the said Southwest Quarter Section, a distance of 341.07 feet to the West Line of said tract of land recorded as Instrument Number 99-22550; thence North 02 degrees 05 minutes 29 seconds East along the said West Line a distance of 50.04 feet to the North Line of the said Southwest Quarter Section; thence South 89 degrees 55 minutes 59 seconds West along the said North Line a distance of 471.00 feet; thence South 00 degrees 04 minutes 04 seconds East a distance of 50.00 feet; thence South 44 degrees 02 minutes 43 seconds East a distance of 14.72 feet; thence South 01 degree 58 minutes 35 seconds West a distance of 479.97 feet; thence South 01 degree 29 minutes 11 seconds East a distance of 82.78 feet; thence South 88 degrees 01 minutes 25 seconds East a distance of 70.00 feet; thence North 01 degree 58 minutes 35 seconds East a distance of 11.78 feet to a curve having a radius of 14.00 feet, the radius point of which bears South 88 degrees 01 minutes 25 seconds East; thence Northwest along said curve on arc distance of 21.49 feet to a point which bears North 00 degrees 04 minutes 01 seconds West from said radius point; thence North 89 degrees 55 minutes 59 seconds East, parallel with the said North Line, a distance of 363.59 feet to a curve having a radius of 928.00 feet, the radius point of which bears South 00 degrees 04 minutes 01 seconds East; thence Southeast along said curve on arc distance of 98.16 feet to the point of compound curvature of a curve having a radius of 14.00 feet, the radius point of which bears South 06 degrees 02 minutes 46 seconds West; thence Southeast along said curve on arc distance of 25.08 feet to a point which bears South 71 degrees 18 minutes 43 seconds East from said radius point; thence South 71 degrees 18 minutes 43 seconds East a distance of 80.00 feet; thence South 31 degrees 33 minutes 52 seconds East a distance of 168.79 feet; thence South 47 degrees 55 minutes 53 seconds East a distance of 304.36 feet; thence South 87 degrees 47 minutes 53 seconds East a distance of 416.76 feet; thence South 28 degrees 01 minutes 24 seconds East a distance of 188.70 feet; thence North 50 degrees 25 minutes 19 seconds East a distance of 74.89 feet; thence North 27 degrees 19 minutes 11 seconds West a distance of 62.77 feet; thence North 06 degrees 51 minutes 32 seconds East a distance of 82.78 feet; thence North 24 degrees 35 minutes 37 seconds East a distance of 80.42 feet; thence North 53 degrees 51 minutes 55 seconds East; a distance of 385.89 feet; thence North 09 degrees 49 minutes 49 seconds East a distance of 492.86 feet; thence North 02 degrees 31 minutes 55 seconds West; a distance of 161.21 feet; thence North 34 degrees 20 minutes 49 seconds West a distance of 21.50 feet to a point which bears North 15 degrees 33 minutes 33 seconds East from said radius point; thence North 15 degrees 33 minutes 02 seconds East a distance of 161.21 feet; thence North 34 degrees 20 minutes 49 seconds West a distance of 147.16 feet to a curve having a radius of 170.00 feet, the radius point of which bears South 37 degrees 46 minutes 30 seconds East; thence Northwest along said curve on arc distance of 9.61 feet to a point which bears North 34 degrees 32 minutes 10 seconds West from said radius point; thence North 34 degrees 32 minutes 10 seconds West a distance of 80.00 feet to a curve having a radius of 14.00 feet, the radius point of which bears North 34 degrees 32 minutes 10 seconds West; thence West along said curve on arc distance of 16.00 feet to the point of reverse curvature of a curve having a radius of 230.00 feet, the radius point of which bears South 30 degrees 36 minutes 52 seconds West; thence Northwest along said curve on arc distance of 25.89 feet to a point which bears North 24 degrees 34 minutes 12 seconds East from said radius point; thence North 00 degrees 24 minutes 39 seconds East a distance of 190.11 feet to the South Line of a tract of land recorded as Instrument Number 91-17810 in the office of the Recorder of Johnson County, Indiana (the next two (2) described courses being along the South and West Lines of said tract of land); thence North 90 degrees 00 minutes 00 seconds West, parallel with the North Line of the Southwest Quarter of said Section 10, a distance of 240.05 feet to the West Line of said Southwest Quarter Section; thence North 02 degrees 00 minutes 54 seconds East along the said West Line a distance of 280.14 feet to the BEGINNING POINT, containing 24.493 acres, more or less.

This subsection consists of 48 lots, numbered 54 through 101 and Common Areas together with streets and encumbrances as shown hereon.

TITLE

