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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
SOUTHERN RIDGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOUTHERN RIDGE ("Declaration"), made this 6th day of February, 2001, by Donald Lambert (hereinafter referred to as the "Developer" or "Declarant"),

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WITNESSETH THAT:

WHEREAS, Declarant is the owner in fee simple of certain real estate located in Hendricks County, Indiana, more particularly described in the attached Exhibit A ("Real Estate"); and,

WHEREAS, Declarant is developing the Real Estate as a residential subdivision consisting of detached single-family dwellings located on lots to be known as "Southern Ridge" (the "Development"); and,

WHEREAS, the Real Estate will be platted by Declarant as Southern Ridge to be recorded in the office of the Recorder of Hendricks County, Indiana; and,

WHEREAS, Declarant desires to subject and impose upon all platted areas within the Real Estate mutual and beneficial covenants, conditions and restrictions contained herein, and as set forth in the Plats, under a general plan or scheme of improvement for the benefit and complement of the lots and Real Estate and future owners thereof, and to ensure that the development and use of the various lots on the Real Estate are harmonious with and do not adversely affect the value of surrounding real estate; and

WHEREAS, Declarant desires to provide for the maintenance and repair of the Common Property (as herein defined) located or to be located in Southern Ridge, which is of common benefit to the Owners of the various lots within said subdivision, 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 operation of Southern Ridge;

NOW, THEREFORE, all of the Restrictions shall run with the land and shall be binding upon Declarant and upon any party(ies) having or acquiring any right, title or interest, legal or equitable, in and to the Real Estate or any part or parts thereof subject to the Restrictions, and shall inure to the benefit of Developer's successors in title to any real estate in the Development. Developer hereby declares that all of the platted lots and lands located within the Real Estate are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied or improved, subject to the Restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of said lots and lands in the Development, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development as a whole and of each of said lots situated therein.

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ARTICLE I**Terms**

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

Section 1. Assessment. "Assessment" means the share of the Common Expenses imposed upon each Lot, as determined and levied pursuant to the provisions of Article VI.

Section 2. Association. "Association" means Southern Ridge Homeowners' Association, Inc., an Indiana not-for-profit corporation, formed or to be formed for the purpose of determining and collecting the Assessments and overseeing and enforcing the terms of this Declaration.

Section 3. Committee. "Committee" means the Architectural Control Committee, composed of three (3) members of the Association appointed by the Board. The members of the Committee shall serve for one (1) year terms, but are subject to removal by the Board at any time with or without cause.

Section 4. Board. "Board" shall mean the Board of Directors of the Association.

Section 5. Common Areas. "Common Areas" means certain open spaces or recreational or community facilities which may be designated by Declarant as Common Area on the plat of Southern Ridge, as the same may be recorded, and which is intended for the common benefit of all Lots.

Section 6. Common Expense. "Common Expense" means the actual and estimated cost to the Association for maintenance, management, operation, repair, improvement, and replacement of Common Property, real estate taxes or personal property taxes assessed against any Common Property, and any other cost or expense incurred by the Association pursuant to this Declaration or in the course of performance of its duties under this Declaration.

Section 7. Common Property. "Common Property" means all real and personal property which is in the nature of common or public improvements or areas, and which is located in, upon, or under the Common Areas, Easements within Southern Ridge, other than such as may have been dedicated to the public and accepted for maintenance by the appropriate public agencies. Without limiting the generality thereof, Common Property shall include, to the extent not publicly dedicated, parks and open spaces.

Section 8. Development Period. "Development Period" means the period of time during which Developer owns at least one (1) Lot as defined herein.

Section 9. Declarant. "Declarant" means Donald Lambert or any other person, firm, corporation or partnership which succeeds to the interests of Donald Lambert as developer of Southern Ridge, as set forth in a recorded instrument expressly transferring the rights and obligations of Declarant.

Section 10. Easements. "Easements" refer to those areas reserved as easements on the plat of Southern Ridge, as the same may be recorded from time to time and the easements described and contained herein.

Section 11. Lake. "Lake" means the lake contained within the Development.

Section 12. Lot. "Lot" means any of the separate parcels identified on the final plat of Southern Ridge, as the same may be recorded.

Section 13. Lot Contiguous to the Lake. "Lot Contiguous to the Lake" means any Lot whose boundaries touch, abut or encroach upon the Lake.

Section 14. Owner. "Owner" means a person or entity who has or is acquiring any right, title or interest, legal or equitable, in and to a Lot, but excluding those persons (1) having such interest merely as security for the performance of an obligation, and (2) who have agreed to purchase a Lot from the Developer, but have not acquired title to such Lot.

ARTICLE II

Organization and Duties of Association

Section 1. Organization of Association. The Association shall be organized as a not-for-profit corporation under the laws of the State of Indiana, to be operated in accordance with the Articles of Incorporation and By-Laws thereof. The membership of the Association shall consist of one class of voting members, with each member having equal voting rights. The members of the Association shall consist of the Owners of Lots in Southern Ridge. In the event that any one Lot shall be owned by more than one person, partnership, trust, corporation, or other entity, they shall be treated collectively as one member for voting purposes, so that as to any matter being considered by the Association, only one vote appertains to each Lot. Notwithstanding anything contained herein to the contrary, during the Development Period, all actions of the Association shall require the prior written approval of the Developer.

Section 2. General Duties of the Association. The Association is hereby authorized to act and shall act on behalf of, and in the name, place, and stead of, the individual Owners in all matters pertaining to the maintenance, repair, and replacement, of the Common Property, the determination of Common Expenses, the collection of annual and special Assessments, and the granting of any approvals whenever and to the extent called for by this Declaration, for the common benefit of all such Owners. The Association shall also have the right, but not the obligation, to act on behalf of any Owner or Owners in seeking enforcement of the terms, covenants, conditions and restrictions contained in this Declaration. Neither the Association nor its officers or authorized agents shall have any liability whatsoever to any Owner for any action taken under color of authority of this Declaration, or for any failure to take any action called for by this Declaration, unless such act

or failure to act is in the nature of a willful or reckless disregard of the rights of the Owners or in the nature of willful, intentional, fraudulent, or reckless misconduct.

Section 3. Amendment of Declaration. The Association shall have the right to amend this Declaration at any time, and from time to time, upon the recommendation of an amendment to the Association by its Board, and the subsequent approval of such amendment by both the Owners of at least seventy-five percent (75%) of the Lots; provided, however, that during the Development Period, any such amendment of this Declaration shall require prior written approval of the Declarant. Each such amendment must be evidenced by a written instrument, signed and acknowledged by duly authorized officers of the Association, and by Declarant when their approval is required, setting forth facts sufficient to indicate compliance with this paragraph, including as an exhibit or addendum thereto a certified copy of the minutes of the Association meeting at which the necessary actions were taken, and such amendment shall not be effective until recorded in the office of the Recorder of Hendricks County.

Section 4. Control of Association. During the Development Period of Southern Ridge, the Association shall be operated and controlled by Declarant. The Board shall consist of persons appointed by Declarant, and each Owner shall give and shall be deemed to have given to Declarant an irrevocable proxy to vote on any and all matters on which the Owners are entitled to vote under this Declaration or under the Articles of Incorporation or the By-Laws of the Association. The control of the Association shall be transferred to the Owners no later than the earlier of the following dates:

- (a) one hundred twenty (120) days after the date on which a total of one hundred percent (100%) of the Lots have been conveyed to Owners;
- (b) ten (10) years after the date on which the first Lot is conveyed to an Owner.

The irrevocable proxy in Declarant shall terminate as of the date of such transfer.

Section 5. Dealing with Common Property. The Association shall not convey, dedicate, lease, mortgage, pledge, or otherwise transfer or encumber all or any part of the Common Property, without the approval of the Owners of at least two-thirds (2/3) of the Lots. In dealing with the Common Property, the Association shall be deemed to hold the same in trust for the use and benefit of the Owners.

ARTICLE III

Powers of Committee

Section 1. In General. No dwelling, building structure, fencing, exterior painting (excluding repainting in the same color) or exterior improvement of any type or kind (excluding landscaping) shall be constructed or placed on any Lot without the prior written approval of the Committee. Such approval shall be obtained only

after written application requesting authorization has been made to the Committee by the Owner of the Lot. Such written application shall be in the manner and form prescribed from time to time by the Committee, and the Committee may require a set of plans and specifications for any such proposed construction or improvement. The Committee may require that such plans include plot plans showing the location of all improvements existing upon the Lot and the location of the improvements proposed to be constructed or placed upon the Lot, each properly and clearly designated. The Committee may also require that such plans and specifications set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information which the Committee may require. The Committee has the authority to approve or disapprove all fences based on material, color, height and placement. Notwithstanding anything herein to the contrary, approval of the Committee will not be required for improvements, fencing or structures placed on a Lot by the Developer.

Section 2. Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested improvement, when:

(1) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvements to be in violation of these Restrictions;

(2) The design, proposed material or color scheme of a proposed improvement is not in harmony with the general surroundings of the Lot or with adjacent buildings or structures, including trim, siding, roof and brick colors, or with the Development in general;

(3) The proposed improvement or any part thereof would architecturally, in the reasonable judgment of the Committee, be contrary to the interests, welfare or rights of all or any other Owners.

Section 3. Duties of Committee. The Committee shall approve or disapprove proposed improvements within thirty (30) days after all required information shall have been received. A copy of submitted materials shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons therefor. The Committee shall further affix its signature of approval upon two (2) site plans for purposes of obtaining an Improvement Location Permit, or similar permit, from the Permits Section of the Department of Metropolitan Development, or other applicable governmental authority, if such are required.

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

Section 5. Inspection. The Committee or its designated agent may inspect work being performed to assure compliance with these Restrictions and applicable regulations.

Section 6. Completion of Work. Upon receipt of all approvals required pursuant to this Article, each Owner shall, as soon as practical, satisfy or cause to be satisfied all conditions thereof and diligently proceed

with the commencement and completion of all approved construction. If work is not substantially completed within one year of the date of such approval, or such longer period as the Committee may approve prior to the expiration of such one year, then the approval of the plans for such work shall terminate automatically without any further act by any person, and such Owner shall not commence or continue such construction without further approval of the Committee obtained in the manner of the initial approval as hereinabove provided. Failure to comply with the limitations set forth in this section shall constitute a breach of this Declaration and subject the defaulting party to all enforcement procedures set forth herein and any other remedies provided by law or equity. Furthermore, the Committee, at its discretion, may declare such uncompleted improvement to be a nuisance and shall have all remedies provided by law or in equity to abate such nuisance.

Section 7. Rules Governing Building on Several Contiguous Lots Having One Owner. Whenever two or more contiguous Lots shall be owned by the same Owner, and such Owner shall desire to use two or more of said Lots as a site for a single dwelling, he shall apply in writing to the Committee for permission to so use said Lots. If permission for such a use shall be granted, the Lots constituting the site for such single dwelling shall be treated as a single Lot for the purpose of determining the Assessment and for applying these Restrictions to said Lots, so long as such Lots remain improved with one single dwelling.

ARTICLE IV

Use and Bulk Restrictions

Section 1. Permitted Uses. The Real Estate and all improvements on any portion thereof shall be used or occupied for residential purposes, with no more than one family per Lot. No business buildings shall be erected thereon and no commercial enterprise may be conducted on any part thereof.

Section 2. Types of Structures. No structure shall be erected, altered, placed, or permitted to remain on any Lot, other than one detached, single-family dwelling. Any attached garage, attached tool shed, attached storage building, or any other attached accessory building erected or used as an accessory to a residence shall be of a permanent type of construction and shall conform to the general architecture and appearance of said residence. No trailers, shacks, outhouses, detached storage sheds or tool sheds of any kind shall be erected or situated on any Lot, except such as may be used by the builder during the construction of a residential building thereon, and except such storage sheds or tool sheds as may be approved by the Committee. Except as provided in the preceding sentence, no structure of a temporary or readily moveable character may be placed upon any Lot or used as a residence.

Section 3. Setbacks. No building or other structure shall be placed closer than 25 feet from any right-of-way line or without the approval of the Committee and, if necessary under applicable zoning regulations or requirements, the approval of any zoning authority having jurisdiction thereof provided, that Committee approval shall not be required for construction by Declarant. No building or other structure shall be placed closer than permitted by applicable zoning laws and variances from the back of the curb or back of the sidewalk, or the Street, as shown on the plat of Southern Ridge. No portion of any structure shall be placed

closer than 10 feet to any portion of any building already existing or under construction on any adjacent Lot at the time construction on any Lot commences.

Section 4. Manner of Use. Each Owner shall use and occupy his respective Lot and all easements and rights-of-way appertaining thereto, in a careful, safe, and proper manner and keep his Lot in a clean and safe condition in accordance with this Declaration, applicable zoning ordinances, all health, fire, and police requirements and regulations, state statutes, local ordinances, and the lawful directions of proper public officials. No Owner shall conduct, or permit any person to conduct, any nuisance or any unlawful activity on the Real Estate.

Section 5. Floor Area. The finished and livable floor area of the main structure on any Lot, exclusive of one story open porches and garages and other attached residential accessory buildings, shall not be less than 2000 square feet for single story house, and 1200 square feet on the lower level of a multiple story with a minimum of 2400 square feet of finished floor area for such multiple story house, without the approval of the Committee and, if necessary under applicable zoning regulations or requirements, the approval of any zoning authority having jurisdiction thereof; provided, that Committee approval shall not be required for construction by the Developer. Basements, garages, porches and detached garages or buildings are not included in the calculation of total square feet.

Section 6. Garage. Dwellings on all Lots shall have, at a minimum, an attached two-car garage.

Section 7. Masonry. The exterior of all residential dwelling structures shall be 90% brick or stone veneer, exclusive of dormers on the lower level unless approval is granted by the committee. Vinyl and aluminum are not permitted.

ARTICLE V

General Rights and Regulations

Section 1. Declaration. Declarant hereby expressly declares that the Real Estate shall be held, transferred and occupied subject to these Restrictions. The Owners of any Lot subject to these Restrictions, and all other persons, by (i) acceptance of a Deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot, or (ii) by the act of occupancy of any Lot, shall conclusively be deemed to have accepted such Deed, executed such contract, and undertaken such occupancy subject to each Restriction and agreement herein contained. By acceptance of such Deed, or execution of such contract, or undertaking such occupancy, each Owner and all other persons acknowledge the rights and powers of Declarant, the Committee, and of the Corporation with respect to these Restrictions, and also for itself, its heirs, personal representatives, successors and assigns, covenant, agree and consent to and with Declarant, the Committee, the Corporation and the Owners and subsequent Owners of each of the Lots affected by these Restrictions to keep, observe, comply with, and perform such Restrictions and to be a Member of the Corporation.

Section 2. Easement to Owner. Declarant hereby grants a non-exclusive easement in favor of each Owner for the use, enjoyment and benefit of the Common Areas subject to all of the Restrictions of this Declaration, and such easement shall be an easement running with and appurtenant to each Lot.

Section 3. Owners Association. All lots and owners thereof shall belong to Southern Ridge Owners Association, Inc.

Section 4. Nuisances. No farm animals, fowl, or domestic animals for commercial purposes shall be kept or permitted on any Lot. Pets shall be permitted outdoors only under leash and accompanied by an Owner or other person, and each Owner shall be fully liable for any injury or damage to any person or to the Common Property caused by his or her pet, and shall be responsible for removing from such areas his or her pet's waste materials. The Board may adopt such other rules and regulations regarding pets as it may deem appropriate, and in the event that in the judgment of the Board, any pet is causing or creating a nuisance or unreasonable disturbance or noise, such pet shall be permanently removed from the Real Estate upon written notice of such determination by the Board. No Lot or structure or improvement thereon shall be used in any manner which causes or might reasonably be expected to cause any disturbance to the normal use and enjoyment of surrounding Lots, nor in any manner which causes injury to the reputation of Southern Ridge, including, without limitation, the burning of any refuse or excessive noise by the use of any musical instruments, loud speakers, electrical equipment, amplifiers or other equipment or machines.

Section 5. Fences; Sight Obstructions. No fence shall be erected on or along any Lot line, nor on any Lot, the purpose or result of which will be to obstruct reasonable vision, light or air to adjacent Lots. All fences shall be kept in good repair and erected so as to enclose the property and decorate the same without hindrance, encroachment, or obstruction to any easement, or adjacent Lot. No fence shall extend forward of the furthest back corner of the residence. Swimming pools shall be properly fenced to protect the safety of others. The maximum height of chain link fence shall be forty-two (42) inches.

Section 6. Driveways. All driveways shall be concrete and shall be constructed prior to or as soon as practicable after the completion of the construction of the residence in accordance with plans and specifications meeting the approval of the Committee.

Section 7. Vehicle Parking. No camper, motor home, truck, trailer, boat, or recreational vehicle of any kind may be stored on any Lot, except in an attached garage or other attached accessory building. This Section 7 shall not apply to any construction vehicles, trailer, or equipment of Developer or any other builder in Southern Ridge during the development thereof.

Section 8. Signs. No sign of any kind shall be displayed to the public view on any Lot (whether indoors or outdoors) except that one sign of not more than six (6) square feet may be displayed for the purpose of advertising the residence for sale and except for such signs as may be erected by the builders (including Declarant) to advertise the property during construction and sale, and except such other signs as may be

approved by the Committee and, if necessary under applicable zoning regulations or requirements, by any zoning authority having jurisdiction thereof.

Section 9. Antennae. No antennae or satellite dish larger than twenty-four (24) inches shall be displayed or erected on any Lot. Location of any antennae must be approved by the Committee prior to the installation thereof.

Section 10. Landscaping and Vegetation. Each Owner shall cause a portion of his Lot upon which no other improvements are constructed to be covered with grass, trees, shrubs, and shall cause or permit such landscaping to be maintained properly, except prior to the construction of any improvements thereon or during the period when the dwelling or other improvements on the Lot are actually under construction. No Owner shall permit the growth of excess weeds on his Lot, and each Owner shall cause or permit the same to be kept reasonably clear from unsightly growth at all times.

Section 11. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for trash. Rubbish, garbage, or other waste shall not be kept on any Lot except in sanitary, windproof containers, and such other containers shall be kept clean, shall be stored in the garage of each respective unit except for trash pick-up days and shall not otherwise be stored on any Lot in open public view.

Section 12. Storage Tanks. Any gas or oil storage tanks used in connection with a Lot shall be either buried or located in a garage or house in such a way that they are completely concealed from public view.

Section 13. Tree Preservation. No trees may be removed from any Lot without the approval of the Committee, and applications for such approval shall be made to the Committee in writing, except that such approval shall not be required for the Developer.

Section 14. Placement of Utility Lines. All electrical service lines, gas service lines, television lines, telephone lines, and all other lines or mains which may be used for the transmission of any form of matter or energy, which may be located on the Real Estate and which are not within buildings or structures or attached to the walls thereof shall be placed underground. All lines which serve any one Lot shall be so located as to be accessible for maintenance and repair without disturbance to structures and other permanent improvements on any other Lot.

Section 15. Obstruction of Common Property. No Owner shall unreasonably interfere with, damage, or obstruct the use or maintenance of any Common Property.

Section 16. Rights to Common Property. Title to all Common Property shall be held in the Association. Each Owner shall have a non-exclusive right to the use of all Common Areas for their intended purposes. No one other than Owners who are members in good standing with the Association, or such an Owner's occupant, tenants, guests or invitees, may use the Common Areas.

Section 17. Remedies for Failure to Comply. In the event that any Owner fails to fully observe and perform the obligations set forth in these Covenants, and in the further event that such failure is not cured within thirty (30) days after written notice of the same is given by the Association, the Association and any Owner shall have the right to commence judicial proceedings to abate or enjoin such failure, and to take such further action as may be allowed by law or in equity to correct such failure after commencement of such proceedings. In the event that such failure causes or threatens to cause immediate and substantial harm to any property outside of such defaulting Owner's Lot or to any person, the Association shall have the right to enter upon such Lot for the purpose of correcting such failure and any harm or damage caused thereby, without any liability whatsoever on the part of the Association. All costs incurred by the Association in connection with any act or proceeding undertaken to abate, enjoin, or correct such failure shall be payable by the defaulting Owner upon demand by the Association, and shall immediately become a lien against his Lot, subject to payment and collection in the manner provided in Article VII for collection of Assessments. The rights of the Owners and the Association under this Section shall be in addition to all other enforcement rights hereunder or by law or in equity.

Section 18. Lot Access. All Lots shall be accessed from the Driveways.

Section 19. Swimming Pools. No swimming pools where the water level is either partially or completely above ground level shall be permitted. Any in-ground swimming pool shall be properly fenced so as to protect the safety of others. Approval by the Committee shall be required prior to the construction of any swimming pool.

Section 20. Sidewalks. Concrete sidewalks with a minimum of four (4) feet shall be constructed on each side of the street. The Owner shall be responsible for the cost of constructing and maintaining the sidewalks on their respective lots. Sidewalks shall be installed and completed within three (3) months after occupancy of such dwelling. All sidewalks must be constructed in accordance with the committee's specifications. The owners shall keep sidewalks on their respective lots free of snow and cleared of debris.

Section 21. Mailboxes. Size, location, lighting, height and composition of every mailbox shall be approved the Committee prior to installation and shall conform to specifications set forth by the United States Postal Service and/or Postmaster General.

ARTICLE VI

Covenants For Maintenance Assessments

Section 1. Purpose of the Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of preserving the values of the Lots within Southern Ridge, as the same may be platted, and promoting the health, safety, and welfare of the Owners, users, and occupants of the same and, in particular, for the improvement, fencing, repairing, operating, and maintenance of the Common Property, including, but not limited to, the payment of taxes and insurance thereon, for the cost of labor, equipment,

material, and management furnished with respect to the Common Property, and any and all other Common Expenses. Each Owner (except the Developer) hereby covenants and agrees to pay to the Association:

- (a) A Pro-rata Share (as hereinafter defined) of the annual Assessments fixed, established, and determined from time to time as hereinafter provided.
- (b) A Pro-rata Share (as hereinafter defined) of any special Assessments fixed, established, and determined from time to time, as hereinafter provided.

Section 2. Pro-rata Share. The Pro-rata Share of each Owner for purposes of this Article VI shall be the percentage obtained by dividing one by the total number of Lots (except those owned by the Developer) shown on the plat of Southern Ridge.

Section 3. Liability for Assessments. Each Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall be a charge on each Lot and shall constitute a lien upon each Lot from and after the due date thereof in favor of the Association. Each such Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall also be the personal obligation of the Owner of each Lot at the time when the Assessment is due. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. The lien for any Assessment shall for all purposes be subordinate to the lien of any Mortgagee whose mortgage was recorded prior to the date such Assessment first became due and payable. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor shall any sale or transfer relieve any Owner of the personal liability hereby imposed. The personal obligation for delinquent Assessments shall not pass to any successor in title unless such obligation is expressly assumed by such successor.

Section 4. Basis of Annual Assessments. The Board of the Association shall establish an annual budget prior to the beginning of each fiscal year, setting forth all anticipated Common Expenses (exclusive of Lake Maintenance Assessments) for the coming fiscal year, together with a reasonable allowance for contingencies and reserves for periodic repair and replacement of the Common Property. A copy of this budget shall be delivered to each Owner within thirty (30) days prior to the beginning of each fiscal year of the Association. Such budget, when approved, shall constitute the basis on which the "Annual Assessments" are determined for purposes of this Declaration.

Section 5. Basis of Special Assessments. Should the Board of the Association at any time during the fiscal year determine that the Assessments levied for such year may be insufficient to pay the Common Expenses for such year, the Board shall call a special meeting of the Association to consider imposing such special Assessments as may be necessary for meeting the Common Expenses for such year. A special Assessment shall be imposed only with the approval of two-thirds (2/3) of the Owners, and shall be due and payable on the date(s) determined by such Owners, or if not so determined, then as may be determined by the Board.

Section 6. Lake Maintenance Assessments. The Board of the Association shall establish an annual budget prior to the beginning of each fiscal year for the maintenance of the Lake for the coming fiscal year. A copy of this budget shall be delivered to each Owner of Lots Contiguous to the Lake within thirty (30) days prior to the beginning of each fiscal year of the Association. Such budget shall constitute the basis on which the "Lake Maintenance Assessments" are determined for purposes of this Declaration. Lake Maintenance Assessments shall be born pro-rata by all Owners of Lots Contiguous to the Lake, and shall be in addition to such Owners pro-rata share of Annual Assessments and Special Assessments. Lake Maintenance Assessments shall be due and payable on the same date as Annual Assessments, or as the Board from time to time may authorize by resolution.

Section 7. Fiscal Year: Date of Commencement of Assessments; Due Dates. The fiscal year of the Association shall be established by the Board and may be changed from time to time by action of the Board. The Annual Assessments on each Lot in Southern Ridge shall commence on the first day of the first month following the month in which Declarant first conveys ownership of any Lot to an Owner and shall be due and payable in one installments on such day, except as may otherwise be established by the Board by notice to the Owners; provided, that if any Lot is first occupied for residential purposes prior to being conveyed by Declarant, full Assessments shall be payable with respect to such Lot commencing on the first day of the first month following the date of such occupancy. The first Annual Assessment shall be made for the balance of the fiscal year of the Association in which such Assessment is made, and the Board may from time to time by resolution authorize the payment of such Assessments in quarterly, semiannual or annual installments on such date or dates as it deems appropriate. All properties owned by the Developer, its successors and assigns, or held by them for sale or resale, including any lots which may have been acquired by the Developer, are exempt from all assessments, charges and liens that can be levied by the Association.

Section 8. Duties of the Association with Respect to Assessments.

- (a) The Board of the Association shall cause proper books and records of the levy and collection of each annual and special Assessment to be kept and maintained, including a roster setting forth the identification of each and every Lot and each Assessment applicable thereto, which books and records shall be kept in the office of the Association and shall be available for the inspection and copying by each Owner (or duly authorized representative of any Owner) at all reasonable times during regular business hours of the Association. The Association shall cause audited financial statements to be prepared at least annually for each fiscal year of the Association, and shall furnish copies of the same to any Owner or Mortgagee upon request. The Board of the Association shall cause written notice of all Assessments levied by the Association upon the Lots and upon the Owners to be mailed to the Owners or their designated representatives. Notices of the amounts of the Annual Assessments and the amounts of the installments thereof shall be sent annually within thirty (30) days following the determination thereof. In the absence of any notice regarding the amount of the Annual Assessment, each Owner shall continue to pay the monthly amount for Annual Assessments previously paid by such Owner. Notices of the amounts of Special Assessments shall be sent as promptly as

practicable and in any event not less than ten (10) days prior to the due date of such Assessment or any installment thereof. In the event notice of any Special Assessment is mailed less than ten (10) days prior to the due date of the Assessment to which such notice pertains, payment of such Assessment shall not be deemed past due for any purpose if paid by the Owner within ten (10) days after the date of actual mailing of such notice.

- (b) The Association shall promptly furnish upon request to any Owner, prospective purchaser, title insurance company, or Mortgagee a certificate in writing signed by an officer of the Association, setting forth the extent to which Assessments have been levied and paid with respect to any Lot in which the requesting party has a legitimate interest. As to any person relying thereon, such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 9. Non-payment of Assessments; Remedies of Association.

- (a) If any Assessment is not paid on the date when due, then such Assessment shall be deemed delinquent and shall, together with any interest thereon and any cost of collection thereof, including attorneys' fees become a continuing lien on the Lot against which such Assessment was made, and such lien shall be binding upon and enforceable as a personal liability of the Owner of such Lot as of the date of levy of such Assessment, and shall be enforceable against the interest of such Owner and all future successors and assignees of such Owner in such Lot; provided, however, that such lien shall be subordinate to any mortgage on such Lot recorded prior to the date on which such Assessment becomes due.
- (b) If any Assessment upon any Lot is not paid within thirty (30) days after the due date, such Assessment and all costs of collection thereof, including attorneys' fees, shall bear interest from the date of delinquency until paid at a rate of eighteen percent (18%) per annum and the Association may bring an action in any court having jurisdiction against the delinquent Owner to enforce payment of the same and/or to foreclose the lien against said Owner's Lot, and there shall be added to the amount of such Assessment all costs of such action, including the Association's attorneys fees, and in the event a judgment is obtained, such judgment shall include such interest, costs, and attorneys' fees.

Section 10. Adjustments. In the event that the amounts actually expended by the Association for Common Expenses in any fiscal year exceed the amounts budgeted and assessed for Common Expenses for that fiscal year, the amount of such deficit shall be carried over and become an additional basis for Assessments for the following fiscal year. Thereafter, such deficit may be recouped either by inclusion in the budget for Annual Assessments or by the making of one or more Special Assessments for such purpose, at the option of the Association. In the event that the amounts budgeted and assessed for Common Expenses in any fiscal year exceed the amount actually expended by the Association for Common Expenses for that fiscal year, a Pro-rata share of such excess shall be a credit against the Assessment(s) due from each Owner for the next fiscal year(s), in such amounts as the Board shall deem appropriate.

Section 11. Initial Assessments. During the first year following the date of recordation of the Declaration for Southern Ridge, the Annual Assessment per Lot shall be \$100.00, and the Lake Maintenance Assessment per Lot Contiguous to the Lake shall be \$25.00.

ARTICLE VII

Noise Disclosure

Declarant hereby discloses to any and all Owners, their heirs, successors-in-interest, and assigns that the Development experiences or may experience levels of aircraft noise and other effects from aircraft operations that certain individuals may find objectionable and such Owners, heirs, successors-in-interest, and assigns agree to hold Declarant harmless from any and all damages arising from such aircraft noise and effects from aircraft operations.

ARTICLE VIII

Term

This Declaration shall be effective for an initial term of twenty (20) years and shall automatically renew for additional terms often (10) years each, in perpetuity. Changes or amendments to these covenants, conditions and restrictions may be made by Owners in accordance with Article II hereof.

ARTICLE IX

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. The Declarant and each Owner of any Lot in Southern Ridge, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, are deemed to have agreed to each and every one of the various terms, covenants, conditions, and restrictions contained in this Declaration, and the same shall be of mutual and reciprocal benefit to Declarant and each Owner of each Lot. Declarant 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 by law or in equity. Each Owner shall be liable for any failure to fully comply with all of the terms, covenants, conditions, and restrictions 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 this Declaration which occurred while said Owner had such interest.

Section 3. Attorney 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.

Section 4. Failure to Enforce Not a Waiver of Rights. The failure of the Declarant, the Association, or any Owner to enforce any term, covenant, condition, or restriction 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, condition, or restriction.

Section 5. Section Headings. Section headings 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 6. 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 by the Owner, as listed in the roster of Owners names and addresses maintained by the Association; or (b) seventy-two (72) hours after the deposit thereof in any United States main or branch post office, first class postage prepaid, properly addressed to the addressee thereof at the address listed in the said roster.

Section 7. Provision Against Merger. The Declarant 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 Declarant, regardless of whether the Declarant is the fee title owner of all or any part of the Real Estate at the time this Declaration is executed or recorded.

Section 8. Severability. Every one of the covenants and restrictions herein contained is hereby declared to be independent of, and severable from, the rest of the covenants and restrictions, each and every one thereof and from every combination thereof. Therefore, if any of the covenants and restrictions herein contained shall be held to be invalid or to be unenforceable or shall lack the quality of running with the land, that holding shall be without effect upon the validity and enforceability or "running" quality of any other of the covenants and restrictions herein contained.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Covenants, Conditions and Restrictions for Southern Ridge this ___ day of February, 2001.

Donald Lambert
Donald Lambert

STATE OF INDIANA)
)SS:
HENDRICKS COUNTY)

Before me, a Notary Public, in and for said County and State, personally appeared Donald Lambert of Southern Ridge, who acknowledged the execution of the foregoing to be his voluntary act and deed for the uses and purposes contained therein.

WITNESS my hand and seal this 6th day of February, 2001.

Jeffery A. Banning
Notary Public - Signature
JEFFERY A. BANNING
Notary Public - Printed Name
Resident of HENDRICKS County

My Commission Expires:
8-22-2008



This instrument was prepared by John J. Moore, Attorney-at-law, 71 West Marion Street, Room 207, Danville, IN 46122, telephone: (317) 745-4300.



That portion of the North Half of the Southeast Quarter of Section 23, Township 14 North, Range 1 East, Second Principal Meridian, Guilford Township, Hendricks County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of said Southeast Quarter; thence South 00 degrees 24 minutes 00 seconds East (bearing per deed) along the East line of said Quarter Section 509.96 feet (510.14 feet by deed) to a 5/8 inch rebar with "MSE Corp" cap found (herein referred to as "MSE rebar found) at the northeast corner of a parcel of land described in Instrument Number 1999-23976, Book 136, Pages 1229-1232 in the Office of the Recorder of said county, said point being the **POINT OF BEGINNING** of this description with the remaining courses of herein being along the east, south, west, and north lines of said parcel; thence South 00 degrees 24 minutes 00 seconds East along said East line 800.00 feet to a 5/8" rebar with "BANNING ENG LS29800001" cap set (herein referred to as "rebar set"); thence South 89 degrees 27 minutes 48 seconds West 1169.41 feet to a rebar set; North 00 degrees 02 minutes 30 seconds West 268.27 feet to an MSE rebar found; thence North 76 degrees 12 minutes 58 seconds West 138.37 feet to an MSE rebar found; thence North 83 degrees 47 minutes 21 seconds West 160.55 feet to a 5/8 inch rebar found; thence South 88 degrees 02 minutes 31 seconds West 278.97 feet to a rebar set; thence North 32 degrees 31 minutes 38 seconds West 39.94 feet to a rebar set; thence North 89 degrees 56 minutes 58 seconds West 157.93 feet to a cotton gin spindle found on the center line of State Road 267; thence North 03 degrees 21 minutes 49 seconds West along said center line 248.76 feet to a cotton gin spindle found; thence North 88 degrees 53 minutes 59 seconds East 811.33 feet to a 3/4" diameter pipe found; thence North 02 degrees 11 minutes 51 seconds East 315.72 feet to rebar set; thence South 77 degrees 43 minutes 15 seconds East 330.02 feet to a rebar set; thence South 84 degrees 16 minutes 43 seconds East 437.20 feet to an MSE rebar found; thence North 89 degrees 36 minutes 00 seconds East 350.00 feet to the **POINT OF BEGINNING**, containing 27.055 acres (27.054 acres by deed), more or less, subject to all legal highway, rights of way, and easements of record.

EXHIBIT "A"
