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DECLARATION OF
SPIRIT LAKE
HORIZONTAL PROPERTY REGIME

THIS DECLARATION OF SPIRIT LAKE HORIZONTAL PROPERTY REGIME ("Declaration"), made this _____ day of _____, 2001, by SPIRIT LAKE, LLC, an Indiana limited liability company ("Declarant"),

WITNESSETH:

WHEREAS, Declarant is the sole owner of the fee simple title to certain real estate, located in Marion County, Indiana, more particularly described in Exhibit A attached here to and incorporated herein by this reference (hereinafter called the "Real Estate"); and,

WHEREAS, Declarant is also the sole owner of the fee simple title to certain other real estate adjacent to the Real Estate _____, more particularly described in Exhibit B attached hereto and incorporated herein by this reference (hereinafter collectively called the "Adjacent Real Estate"). all or part of which Declarant anticipates may be added to the Real Estate by portions to be designated by Declarant from time to time (the Real Estate and Adjacent Real Estate as added from time to time together to be called the "Tract"); and,

WHEREAS, Declarant, by execution of this Declaration, creates a Horizontal Property Regime ("Regime") upon the Real Estate, subject to the provisions of the Horizontal Property Act of the State of Indiana ("Act") and the terms and conditions of this Declaration; and,

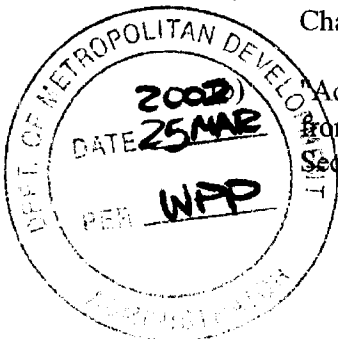
WHEREAS, Declarant intends that as the portions of the Adjacent Real Estate are from time to time developed, they will be added to the Regime by amendment to this Declaration, so that the Regime created hereby is to be "expandable", as that term is used in the Act;

NOW, THEREFORE, Declarant hereby makes this Declaration and declares that the Real Estate shall be a "Horizontal Property Regime" as provided in the Act and that said Horizontal Property Regime shall be expandable to include all or part of the Adjacent Real Estate, as the same may be annexed from time to time, subject to and in accordance with the following terms and conditions:

Section 1. Definitions. The following terms whenever used in this Declaration shall have the following assigned meanings:

- (a) "Act" means the Horizontal Property Act of the State of Indiana, Acts 1963, Chapter 349, Sections 1 through 31, as amended.

"Additional Sections" means the portions of the Adjacent Real Estate which may from time to time be annexed to and included within "the Regime" as provided in Section 15.



APPROVED 3/22/2002
WASHINGTON TOWNSHIP ASSESSOR
BY: [Signature] Real Estate Deputy

- (c) "Amendment" means any amendment to this Declaration by which all or any portion of the Adjacent Real Estate is added to the Regime.
- (d) "Clubhouse Property" means that certain parcel of real estate more particularly described and/or depicted in Exhibit C upon which there is currently a single family residence which Declarant may choose to convert to a Clubhouse facility to be operated by the Recreational Amenities Association as provided in section 8.B.
- (e) "Association" means the incorporated association of Co-Owners of the Regime, more particularly described in Section 8.A.
- (f) "Board of Directors" means the governing body of the Association elected by the Co-Owners in accordance with the By-Laws, and shall be synonymous with the term "Board of Directors" as used in the Act.
- (g) "Building" shall mean a single structure which contains more than one Dwelling Unit.
- (h) "By-Laws" means the Code of By-Laws of Spirit Lake Co-Owners Association, Inc., an Indiana not-for-profit corporation, providing for the administration and management of the Association, a true copy of which is attached to this Declaration and incorporated herein by reference.
- (i) "Common Areas" means the General Common Areas as defined in Section 4 of this Declaration and the Limited Areas as defined by Section 5 of this Declaration.
- (j) "Common Expenses" means expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Areas and all other costs and expenses incurred by the Association for the benefit of the Common Areas or for the common benefit of all Co-Owners; provided, however, that Common Expenses shall not include any costs of initial construction of any Building or other Property or improvements on any portion of the Tract, nor any costs or repairs covered by any warranty of Declarant as builder of the Buildings and other Property within the Regime, nor to any costs or repairs arising out of construction or other activities on any portion of the Adjacent Real Estate prior to its addition to the Regime including but not limited to road damage and debris caused by construction traffic, linkage to any utility lines or mains within the Regime, and damage to or deterioration of grass, trees, fences, or other Property due to construction or the state of areas under development.
- (k) "Co-Owners" individually means, and collectively means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which

owns the fee simple title to a Dwelling Unit; provided, that persons or entities owning a single Dwelling Unit as tenants in common, joint tenants, tenants by the entirety, or any form of joint or divided ownership, shall be deemed one Co-Owner for purposes of this Declaration.

- (l) "Declarant" means Spirit Lake, LLC, and any successor or assignee of its interest in all or any part of the Tract or in this Declaration under an instrument or instruments which expressly state that the successor or assignee there under shall become the Declarant for purposes of this Declaration.
- (m) "Dwelling Unit" means any individual residential unit within the Regime which is to be transferred to a Co-Owner for exclusive occupancy by said Co-Owner or its successors or assigns, each individual unit being more particularly described and identified on the Plans and in Sections 2 and 3 of this Declaration.
- (n) "Formula" means the method set forth in paragraph 15.B. of this Declaration for computing the Percentage Interest applicable to each Dwelling Unit including the Percentage Interest after any Additional Section is added by Amendment to this Declaration.
- (o) "Garage" means the underground parking garage appurtenant to each Building, as more particularly defined in Section 5(c) of this Declaration.
- (p) "General Common Areas" means those Common Areas the use and enjoyment of which is not limited to certain Dwelling Units, as further described and defined in Section 4 of this Declaration.
- (q) "Limited Areas" means those Common Areas, the use and enjoyment of which is limited to a certain Dwelling Unit or Units, as defined in Section 5 of this Declaration.
- (r) "Managing Agent" means any person or entity to which the management responsibilities of the Association are delegated under Section 13 of this Declaration.
- (s) "Mortgagee" means the holder, insurer, or guarantor of any first mortgage on any Dwelling Unit.
- (t) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Dwelling Unit, as determined in accordance with Sections 6 and 15 of this Declaration.
- (u) "Plans" means the floor and building plans of the Buildings and Dwelling Units on the Real Estate and the site plan, survey and elevation plan of the Real Estate and

Buildings, duly certified by a registered architect or licensed professional engineer and any such floor and building plans, site plans, surveys, and elevation plans which shall be prepared, verified and filed with any Amendments and which pertain to portions of the Adjacent Real Estate annexed to and made a part of "the Regime" by such Amendments.

- (v) "Property" means the Real Estate and appurtenant easements, the Dwelling Units, the Buildings, and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate and used in connection with the operation, use and enjoyment of the Regime.
- (w) "Regime" means the Horizontal Property Regime created by this Declaration, including any Additional Sections after Annexation into the Regime.
- (x) "Vote" means singly, the single vote attributable to each Dwelling Unit, and collectively, all the votes attributable to all of the Dwelling Units, each such vote being exercisable by the Co-Owner of each Dwelling Unit, as described in Section 7 and 15 of this Declaration and in the By-Laws.

Section 2. Description of Dwelling Units. The Real Estate will contain two (2) four-story Buildings, each containing eight (8) Dwellings for a total of sixteen (16) Dwelling Units, as shown on the Plans recorded at the time of recording of this Declaration, as further described in Section 32, hereof. Said Dwelling Units are identified and referred to in the Plans and in this Declaration as Dwelling Units numbered 1 through 16, inclusive, and shall be located in two (2) separate Buildings, each such Building containing four (4) floors of Dwelling Units. As and when Additional Sections are added to the Regime, such Additional Sections shall each contain one (1) or more four-story Buildings, each containing eight (8) Dwelling Units. The Tract, if all of the Adjacent Real Estate is added to the Regime, will contain a total of seven (7) Buildings and fifty-six (56) Dwelling Units. The legal description for each Dwelling Unit shall consist of the numeric designation of the particular Dwelling Unit and reference to this Declaration and any relevant Amendments then of record. Each Dwelling Unit shall consist of all space within the boundaries thereof (as hereinafter described) and all fixtures, facilities, utilities, equipment, appliances, and structural components within said boundaries which are designed or intended to be solely and exclusively for the enjoyment, use and benefit of the Dwelling Unit. Not included in any Dwelling Unit are those fixtures, facilities, utilities, equipment, appliances, and structural components designed or intended for the use, benefit, support, safety or enjoyment of more than one Dwelling Unit, or which may be necessary for the same, or which are specifically defined or described herein as General Common Areas or Limited Areas, or which are normally intended for common use; provided, however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of a Dwelling Unit shall constitute a part of such Dwelling Unit, even if the same are located wholly or partly outside the boundaries of such Dwelling Unit.

Section 3. Boundaries. The boundaries of each Dwelling Unit shall be as shown on the Plans. The vertical boundaries shall run from the interior, unfinished surfaces of the lowermost floors to the interior, unfinished surfaces of the uppermost ceilings, and the horizontal boundaries shall be the interior, unfinished drywall surfaces of the common walls and exterior walls and the unfinished interior surfaces of the doors and windows of each Dwelling Unit, except that all doors, glass, screens and air conditioning and heating units serving a Dwelling Unit, wherever located, shall be deemed a part of the Dwelling Unit. In the event that any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or roof of the Dwelling Unit because of inexactness of construction, settling after construction, or for any other reasons, the boundary lines of each Dwelling Unit shall be deemed to be and treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Co-Owner of each Dwelling Unit in and to such space lying outside of the boundary lines of the Dwelling Unit as indicated on the Plans, but within the walls, floors, and ceilings of the Dwelling Unit as the same may actually exist.

Section 4. General Common Areas. General Common Areas shall include the following, except to the extent otherwise specifically designated in Section 2, 3, or 5 as being within a Dwelling Unit or as Limited Areas:

- (a) the yards, gardens, lakes, ponds, open spaces, fences, and landscaping;
- (b) sidewalks, streets, driveways, and (to the extent the same are not designated as reserved parking spaces for specific Co-Owners) certain unenclosed and uncovered parking areas located on the Tract as more particularly shown on the Plans and described in Section 5. (e);
- (c) exterior lighting fixtures and electrical service, except where separately metered to a particular Dwelling Unit;
- (d) electrical, gas (if any), water, sanitary sewer, telephone, and cable television lines, mains, pipes, ducts, conduits, wiring and insulation within the Buildings;
- (e) interiors of all structural walls and floors, including all exterior walls and attic space, walls between horizontally adjacent Dwelling Units, and floors between vertically adjacent Dwelling Units;
- (f) foundations, roofs, exterior wall surfaces of Buildings, and all other elements and components of the Buildings not expressly included as part of Dwelling Units or Limited Areas, including, without limitation, all hallways, stairways, lobbies, vestibules and elevators serving each Building, as shown on the Plans;

- (g) all other structures, areas, and facilities not expressly defined as Limited Areas in Section 5 or expressly included within the Dwelling Units by Sections 2 or 3 of this Declaration including, without limitation any trash chute located on any floor and between the walls of the Building and the trash room to which such trash chute is connected.

Section 5. Limited Areas. Limited Areas shall consist of the following:

- (a) Storage Areas. Storage areas, if any, shall be limited to the exclusive use of a particular Dwelling Unit as designated on the Plans. The exclusive use of such storage areas shall pass with title to the Dwelling Unit for which such area is designated, even though not expressly mentioned in the document passing title. The storage areas and use thereof shall be subject to such rules and regulations as may be deemed appropriate and be adopted by the Board of Directors. A Co-Owner may grant a license to any other Co-Owner to use all or part of his storage area, provided such license shall expire when the Co-Owner granting the license ceases to be a Co-Owner of the Dwelling Unit for which the storage area is designated. Any such license agreement shall be in writing and an executed copy thereof shall be furnished to the Board of Directors. The licensee shall be bound by and subject to all the obligations of the Co-Owner with respect to such storage area, but the Co-Owner granting such license shall not be relieved thereby from any of his obligations regarding such storage area.
- (b) Entranceways. The entrance ways through which access to a Dwelling Unit is obtained are limited to the use of the Dwelling Unit or Dwelling Units served by such entranceway.
- (c) Patios and Balconies. The patios, balconies, and porches, are limited to the use of the Dwelling Unit or Dwelling Units to which they are appurtenant.
- (d) Driveways. The driveways, walkways, and similar areas used for access to particular individual Buildings are limited to the use of the Buildings so served.
- (e) Garage and Parking Areas. Each Building shall contain an enclosed underground parking garage containing a total of fourteen (14) parking spaces, all as shown on the Plans (a "Garage"). One (1) space in each Garage shall be designated for the exclusive use of a particular Dwelling Unit in the Building to which the Garage is appurtenant, and the remaining six (6) spaces in such Garage ("Excess Covered Spaces") shall be sold by Declarant in the manner and for a price determined by Declarant; provided, however, (i) the Excess Covered Spaces shall be sold to and may be owned only by a Co-Owner of a Dwelling Unit in the Regime; and (ii) any Co-Owner that does not acquire one or more of the Excess Covered Spaces shall be

granted the exclusive use of one (1) exterior, unclosed, uncovered parking space in an exterior parking lot in the Regime, as shown on the Plans.

- (f) Visitor Parking. The Co-Owners of Dwelling Units in each Building shall be entitled to allow visitors and guests the non-exclusive, temporary use of the unassigned exterior parking spaces associated with such Building as shown on the plans. Such unassigned spaces are for visitors and guests only and any Co-Owner who desires to utilize a space on a regular basis must either purchase or otherwise make arrangements for the use of the same through an agreement with the Board of Directors.

Section 6. Ownership of Common Area and Percentage Interest. In connection with and as an inseparable part of the ownership of each Dwelling Unit, each Co-Owner thereof shall have an undivided interest in the Common Areas as tenant in common with all other Co-Owners, such interest to be equal to the Percentage Interest applicable to the Dwelling Unit. The Percentage Interest in the Common Areas applicable to each Dwelling Unit shall be determined in accordance with the Formula set forth in Section 15 of this Declaration. The Percentage Interests upon completion of the Building on the Real Estate pursuant to the terms of this Declaration shall be equal to 6.25%. If any Additional Sections are annexed, as permitted and contemplated by paragraph 15 of this Declaration, then upon execution and recordation of the applicable Amendment, the Percentage Interest of each Dwelling Unit which is a part of the Regime prior to such annexation shall be recomputed in accordance with the Formula. Such recomputation will have the effect of reducing the Percentage Interests in those Common Areas which are a part of the Regime prior to such Amendment, so as to allocate Percentage Interests therein to the Dwelling Units added to the Regime by the Amendment. At the same time, such recomputation shall create Percentage Interests, in favor of all Dwelling Units in the Regime immediately following such annexation, in the Common Areas within such Additional Section being annexed. The overall resulting Percentage Interests shall be determined according to the Formula and designated in the applicable Amendment. In any calculation or determination of the Percentage Interest, the figure obtained shall be rounded to the nearest one-thousandth of a percent and shall be so presented for all purposes of conveyance and for all purposes of this Declaration. If all of the Adjacent Real Estate is annexed and developed as contemplated, the Percentage Interest applicable to each Dwelling Unit shall be 1.786%.

Section 7. Membership in Association and Vote. In connection with and as an inseparable part of the ownership of each Dwelling Unit, each Co-Owner shall be a member of the Association. Each Dwelling Unit shall have one (1) vote, which the Co-Owner shall be entitled to cast at each meeting of the Association on each matter on which the Co-Owners may vote under the terms of this Declaration, the Articles of Incorporation of the Association, or the By-Laws. The Vote allocable to each Dwelling Unit for all matters upon which the Co-Owners are entitled to vote shall be equal to one (1) Vote per Dwelling Unit in the Regime. If a Dwelling Unit is owned by a husband and wife, by joint tenants with the right of survivorship or as tenants in common, the Co-Owners of such Dwelling Unit shall collectively determine among themselves how to cast the single vote for the Dwelling Unit. Unless otherwise stated in the Act, the By-Laws, or this Declaration, matters to

be undertaken or performed by the Association or requiring a vote of the Co-Owners shall be so undertaken or performed only upon the approval thereof by a majority of the Vote represented at the meeting of the Association at which such matter is considered (provided a quorum is present). To determine whether a majority or any specific percentage of the vote required by this Declaration has approved any matter, the number of Votes cast in favor of such matter shall be tallied. For purposes of this Declaration and the Act, (a) the "term a majority of the Vote" shall mean a vote where the number of Votes in favor, when divided by the total number of Dwelling Units then in the Regime, exceeds .50, (b) a "two-thirds (2/3) majority of the Vote" shall mean a vote where the number of Votes in favor, when divided by the total number of Dwelling Units then in Regime, exceeds .67, (c) a "majority of the Vote at such meeting" shall mean a Vote where the number of Votes in favor, when divided by the number of Co-Owners present or represented at such meeting, exceeds .50, and (d) a "two-thirds (2/3) majority of the Vote at such meeting" shall mean a vote where the number of Votes in favor, when divided by the number of Co-Owners present or represented at such meeting, exceeds .67.

Section 8. Association of Co-Owners.

A. Association of Co-Owners. In order to provide for the maintenance, repair, replacement, administration and operation of the Property and in compliance with the provisions of the Act, an association of the Co-Owners of the Dwelling Units in the Regime has been or shall be created by Declarant, to be known as the Spirit Lake Co-Owners Association, Inc. (herein referred to as the "Association"). Each Co-Owner shall be a member of the Association, but membership shall terminate when such person ceases to be a Co-Owner, and such membership shall automatically transfer to the new Co-Owner along with the transfer of the Dwelling Unit, whether or not such transfer is stated in the conveyancing instrument. Declarant shall appoint the members of the initial Board of Directors of the Association, which shall control during the period of its incumbency all matters which would be within the authority of either the Association or the Board of Directors under this Declaration, the By-Laws, or the Act, except that certain powers including the power of assessment shall be limited as provided in the By-Laws. Each Co-Owner shall confer and shall be deemed to have conferred upon Declarant an irrevocable proxy to vote in such Co-Owner's name, place, and stead on any and all matters on which the Co-Owners or any of them are entitled to vote or grant a consent under this Declaration, the By-Laws, or the Articles of Incorporation of the Association. Said initial Board of Directors shall serve until the time when Declarant turns over control of the Regime to the Co-Owners, which shall take place no later than the earliest to occur of the following events:

- (a) One hundred twenty (120) days after a total of [forty-two (42)] of the projected total number of Dwelling Units that may be constructed on the Real Estate and all Adjacent Real Estate in the Regime have been sold by Declarant;
- (b) One hundred twenty (120) days after substantial completion of all Dwelling Units and other Property which Declarant may elect to build on the Tract; or

- (c) the fifth anniversary of the date of this Declaration.

The irrevocable proxy conferred upon Declarant shall terminate as of the date of such transfer of control, and at such time, Declarant shall make available to the Association all books, records, plans, and other information in its possession regarding the activities of said initial Board of Directors and the operation of the Regime prior to such turnover. Thereafter, the Association shall elect a Board of Directors annually in accordance with and as prescribed by the By-Laws, and may take any other actions with respect to control of the Regime provided for by this Declaration, the By-Laws, or the Act. The Board of Directors shall be the governing body of the Association, representing all of the Co-Owners in providing for the management, maintenance, repair, replacement and upkeep of the Property.

B. Association of Clubhouse Co-Owners. Declarant, in the exercise of its sole discretion, may construct and make available for the use of certain Co-Owners amenities which may consist of one or more of the following amenities (i) a clubhouse located on the site of the single-family residential structure located on real property adjacent to the Tract, as shown on the Plans and more particularly described in Exhibit C attached hereto and incorporated herein (the "Clubhouse Property"), (ii) a pool on the Clubhouse Property, (iii) one or more tennis courts on the Clubhouse Property, and/or (iv) other recreational facilities located on the Clubhouse Property (collectively, the "Recreational Amenities"). In the event Declarant constructs one or more of the Recreational Amenities, in order to provide for the maintenance, repair, replacement, administration and operation of such Recreational Amenities, the Clubhouse Property shall be conveyed by Declarant to, and owned, managed and operated by, an association created by Declarant and comprised of those Co-Owners who are have elected to become members of such association (the "Recreational Amenities Owners' Association"). Voting, assessments, membership and all other matters regarding the organization and governance of the Recreational Amenities Owners' Association shall be govern by the Articles of Incorporation and the By-Laws of such association.

Section 9. Encroachments and Easements for Common Areas. If, by reason of the location, construction, settling, or shifting of a Dwelling Unit, a Common Area now encroaches or shall hereafter encroach upon any Dwelling Unit, then in such event an easement shall be deemed to exist and run to the Co-Owners and the Association for the maintenance, use and enjoyment of such Common Area. Each Co-Owner shall have an easement in common with each other Co-Owner to use all General Common Areas, wherever located.

Section 10. Easement for Utilities and Public and Quasi-Public Vehicles. All public and quasi-public vehicles, including, but not limited to, vehicles for police, fire, ambulance, and other emergency vehicles, trash and garbage collection, mail delivery, and other delivery services shall have the right to enter upon the General Common Areas in the performance of their duties. A transferable easement is also reserved by Declarant, to be granted to the appropriate utility companies and their agents. for ingress and egress for purposes of installation, replacement, repairing, and maintaining of utilities lines, mains, and other necessary facilities and equipment within the Regime, including, but not limited to, water, sewers, gas (if any), telephones, and

electricity (collectively, the "Utilities"); provided, however, nothing herein shall permit the installation of Utilities except as designed and approved by Declarant prior to turnover of control of the Association or as thereafter may be approved by the Board of Directors, nor permit substantial impairment of any Co-Owner's use and enjoyment of his Dwelling Unit, and the grantee of any such easement rights shall be responsible for repair or restoration of damage to any Property caused by its activity pursuant to such easement rights. Declarant and the Association, or either of them, shall have the right to grant such other easements, licenses, and rights-of-way as may be necessary for the proper operation and maintenance of the Regime. Upon completion of the Utilities by Declarant, Declarant shall have the right to cause all Utilities to be dedicated to the appropriate utility company or governmental body.

Section 11. Reservation of Easements and Rights.

A. Easements to and from Additional Sections. In recognition of the fact that the Regime will be completed in several phases as Additional Sections may be added to the Regime, so long as all or any part of the Adjacent Real Estate is not annexed, Declarant reserves unto itself, its successors and assigns, for the use and benefit of that part of the Adjacent Real Estate not annexed, an easement to enter upon the General Common Areas to provide ingress and egress to the Adjacent Real Estate not annexed and to permit construction of buildings and other improvements upon such Adjacent Real Estate, and an easement for access to any and all necessary utility lines, mains, and other utility services within the Tract for the benefit of any buildings or improvements upon such Adjacent Real Estate, whether or not such buildings or improvements are to be added to the Regime. Declarant, or its successors or assigns, shall be responsible for repairing any damage to any Property arising out of the exercise of this easement. The easements herein reserved shall permit free and unrestricted use and access to the roadways and sidewalks by Declarant and any other Co-Owners or residents of the Adjacent Real Estate not annexed, their guests, invitees, and all public and quasi-public vehicles. The easements granted and reserved in this paragraph shall be easements and covenants running with the land and accruing to the benefit of the Adjacent Real Estate.

B. Reservation of Additional Easement. A parcel of real estate located adjacent to and immediately north of the Tract, a site diagram of which real estate is attached hereto as Exhibit D ("Northern Property"), at some time in the future may be owned by Declarant or another entity in which some or all of the shareholders of Declarant have an ownership interest (Declarant and such other entity being sometimes hereinafter referred to collectively as the "Northern Property Owners"), and the Northern Property Owners may develop such Northern Property to a use different from, and which shall not be a part of, the Regime. Declarant reserves for itself and its successors and assigns, and further reserves the right, for a period of ten (10) years from the date of this Declaration, to grant to the Northern Property Owners, a perpetual, non-exclusive easement (the "Northern Property Easement") for the use and benefit of the Northern Property and the Northern Property Owners for vehicular and pedestrian traffic to and from the Northern Property and for utility lines and drainage. The Northern Property Easement shall entitle the Northern Property Owners and their agents, employees, contractors, guests, licensees, invitees, successors and assigns, to use all roads within the Regime, and all other General Common Areas within the Regime that may be appropriate for such

purposes. The easement reserved in this paragraph shall be an easement and covenant running with the land and accruing to the benefit of the Northern Property and the Northern Property Owners, and Declarant shall be entitled to execute and place of record, without the approval or consent of the Board of Directors, the Association or any Co-Owners, any and all additional instruments deemed necessary or desirable by Declarant to evidence the Northern Property Easement.

C. Construction All Co-Owners recognize and agree that there will be construction on the Tract and the Northern Property from time to time. Notwithstanding that such activities will generate noise, dust, traffic and related issues, all Co-Owners agree that normal and customary activities associated with such construction shall not constitute a nuisance or disturbance or give rise to a claim against Declarant.

Section 12. Restrictions on Use. The following restrictions apply to the use and enjoyment of the Dwelling Units, General Common Areas, Limited Areas, and other Property:

- (a) All Dwelling Units shall be used exclusively for residential purposes and occupancy for a single family, and no lease shall demise any Dwelling Unit for a term of less than six months, except as otherwise provided in Section 23 of this Declaration.
- (b) Except with respect to the Additional Sections or pursuant to a two-thirds (2/3) majority of the Vote, no additional buildings shall be constructed within the Regime, other than the Buildings designated in the Declaration and any Amendment, as shown on the Plans filed with this Declaration or any Amendment.
- (c) Nothing shall be done or kept in any Dwelling Unit or in the Common Areas which will cause an increase in the rate of insurance on any Building or the contents thereof. No Co-Owner shall permit anything to be done or kept in his Dwelling Unit or in the Common Areas which will result in a cancellation of insurance on any Building or contents thereof, or which would be in violation of any law, ordinance, rule, or regulation of any duly constituted governmental authority or any publicly regulated utility.
- (d) No waste shall be committed in the Dwelling Units, General Common Areas or Limited Areas.
- (e) No Co-Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building, or on or upon any balcony or patio, and no sign, awning, canopy, shutter, radio or television antenna, or other attachment shall be affixed to or placed upon the exterior walls or roof or any other part of the Building, without the prior written consent of the Board of Directors.

- (f) No animals of any kind shall be raised, bred, or kept in any Dwelling Unit or in the Common Areas, except that small pet dogs, cats, or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred, or maintained for any commercial purpose, and does not create a nuisance or impair, in the sole discretion of the Board of Directors, the enjoyment of the other Co-Owners of their Dwelling Units. No Co-Owner may keep more than two (2) pets in any Dwelling Unit, and no pet permitted to be in any Dwelling Unit may weigh more than thirty (30) pounds. Any approval by the Board of Directors of a particular pet shall not be deemed to be approval of any subsequent or replacement pets, irrespective of whether such subsequent or replacement pets are similar in type, breed and size to the pet previously approved. Pets shall be permitted outdoors only under leash and accompanied by a Co-Owner or other person, and a Co-Owner shall be fully liable for any injury or damage to any person or to the Common Areas caused by his pet, and shall be responsible for removing from such areas his pet's waste materials. The Board of Directors 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 of Directors, any pet is causing or creating a nuisance or unreasonable disturbance, noise or odor, such pet shall be permanently removed from the Property upon written notice of such determination by the Board of Directors.
- (g) Nothing shall be done or permitted in any Dwelling Unit which will impair the structural integrity of any Building or which would structurally change any Building, except as otherwise expressly provided in the Declaration or the By-Laws; nor shall any Dwelling Unit be used in any manner which causes or threatens injury to the reputation of the Regime or in the determination of the Board of Directors to cause nuisance, annoyance, inconvenience, or damage to other Co-Owners or tenants of any Building, including, without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, T-V, loud speakers, electrical equipment, amplifiers, or other equipment or machines.
- (h) No clothes, sheets, blankets, rugs, laundry, or other similar objects or materials shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris, and other unsightly material by the Co-Owners.
- (i) No industry, trade, or other commercial or organized religious activity, educational or other use inconsistent with residential zoning, whether designed for profit, altruism or otherwise, shall be conducted, practiced, or permitted on the Property.
- (j) No "For Sale", "For Rent" or "For Lease" signs, nor any window or other exterior advertising display of any kind shall be maintained or permitted on any part of the Property, without the prior consent of the Board of Directors; provided, however, that the right is reserved by the Declarant and the Board of Directors to place or allow to

be placed "For Sale" or "For Lease" signs on any unsold or unoccupied Dwelling Units.

- (k) All Co-Owners and members of their families, their guests, or invitees, all lawful occupants of any Dwelling Unit and all other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be issued in writing by the Board of Directors governing the operation, use, and enjoyment of the Common Areas.
- (l) No boats, campers, trailers of any kind, buses, mobile homes, trucks, motorcycles, mini-bikes, or any other unconventional vehicles of any description, shall be permitted, parked, or stored anywhere within the Property, except that any such vehicles may be parked or stored completely enclosed within a Garage (so long as it fits in the Garage and is parked in a space designated for such Co-Owner and fits entirely within such space allowing sufficient side clearance for any other spaces adjacent to such space to enable the Co-Owners of such adjacent spaces to access any vehicles parked in such adjacent spaces, or except as may be authorized in writing by the Board of Directors.
- (m) No Co-Owner (other than Declarant or the Association) shall be allowed to plant trees, landscape, or to do any gardening in any of the Common Areas, except with the written consent of the Board of Directors.
- (n) All trash or refuse shall be stored in appropriate containers inside the Dwelling Unit (including garage) or designated trash receptacles, and such areas shall be kept accessible for the regular trash collection system established by the Board of Directors, which system shall consist of a trash chute connecting all floors in the Building on which Dwelling Units are located with a central trash room on the first floor; all trash shall be properly bagged and deposited in such trash chute, except where any bagged trash is too large for such trash chute, in which event each Co-Owner shall carry such over-sized bagged trash to the central trash room and deposit the same in the trash receptacle located in the central trash room.
- (o) No Co-Owner shall install or maintain any interior or exterior window decor visible from outside the Dwelling Unit, other than interior window coverings in accordance with standard window treatments approved by the Board of Directors and having a white back lining.

Section 13. Maintenance, Decoration, Repairs and Replacements

- (a) Common Areas. The Association will be responsible for the maintenance, repair, decoration, restoration, and replacement of the Common Areas. Maintenance,

decoration, repairs, and replacements of the Common Areas shall be furnished by the Association and the cost thereof shall be part of the Common Expenses. The Association may delegate such duties to a Managing Agent and may enter into a Management Contract for such purpose, provided that such agent and the terms of such contract are approved at a meeting of the Co-Owners by a majority of the Vote at such meeting. Declarant or an entity affiliated with Declarant may serve as the Managing Agent for the Regime so long as Declarant retains control of the Association and, in such event, shall perform all property management functions on behalf of the Association. Any management contract made or which is deemed to arise between the Association and Declarant (or any Affiliate) shall be terminated by the Association without cause or penalty upon thirty (30) days' written notice at any time of after Declarant relinquishes control of the Association. The Board of Directors has the right to adopt such rules and regulations concerning the maintenance, repairs, use and enjoyment of the Common Areas as it deems appropriate, including the appointment of committees to oversee the same. The Board of Directors shall have the exclusive right to determine the outside decor of each Dwelling Unit, including without limitation the color and type of paint, standard window treatments and all other decor appurtenant to the exterior of each individual Dwelling Unit.

- (b) Dwelling Units. Each Co-Owner shall control and have the right to determine the interior decor of his Dwelling Unit, but this shall not include the right to make structural changes to the Dwelling Unit, nor the right to use interior decor which in the discretion of the Board of Directors adversely affects the external appearance of the Dwelling Unit, as more particularly set forth in Section 12 of this Declaration. No act or omission which constitutes waste shall be committed or suffered in or upon any Dwelling Unit, the General Common Areas, or Limited Areas. Each Co-Owner shall maintain and repair at his sole cost and expense all fixtures, appliances, equipment, and other improvements constituting a part of his Dwelling Unit under Sections 2 and 3 hereinabove, and each Co-Owner shall promptly repair any condition or defect existing or occurring in his Dwelling Unit which, if not repaired, might adversely affect any Dwelling Unit, General Common Area or Limited Area. The Board of Directors and the Managing Agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required) to enter into the Dwelling Units and the Common Areas adjacent to each Dwelling Unit to replace, repair, and maintain such Common Areas. In the event that any Co-Owner fails or is unable to maintain or repair any condition or defect for which he is responsible, the Board of Directors shall have the right to enter such Co-Owner's Dwelling Unit to remedy or repair such condition or defect, upon 10 days' prior written notice to such Co-Owner (immediately without notice or with such notice as practicable in case of emergency or where the Board of Directors or the Managing Agent have a reasonable basis for believing that such condition or defect has caused or threatens to cause immediate and substantial harm to any other

Dwelling Units or the Common Areas or to any person or to any property outside that Co-Owner's Dwelling Unit), and any costs or expenses incurred in connection therewith (including management and attorneys' fees) shall be payable by such Co-Owner upon demand by the Board of Directors and the Managing Agent. Nothing herein contained shall be construed to represent a contractual liability to any Co-Owner on the part of the Declarant, the Association, or the Board of Directors for maintenance, repair, or replacement of any Dwelling Unit, General Common Areas, or Limited Areas, and the liability of the Association, the Board of Directors or the Managing Agent in this regard shall be limited to damages resulting from intentional misconduct, unless otherwise provided in the management contract in the case of the Managing Agent.

Section 14. Alterations, Additions, and Improvements. No Co-Owner (other than Declarant or the Association) shall make any alterations, additions, or improvements to the Common Areas without the prior written approval of the Board of Directors, nor shall any Co-Owner make any alterations to his respective Dwelling Unit which would impair the safety thereof, or which would substantially alter or adversely affect any structural portion of any Dwelling Unit or impair any easement or hereditament, without the prior written approval of the Board of Directors and the two-thirds (2/3) majority Vote. No Co-Owner may alter, remove or relocate any walls within any Dwelling Unit, and no Co-Owner may construct any walls on any patios, balconies or porches constituting Limited Areas. Any alteration, addition, or improvement made by any Co-Owner wholly or in part outside his respective Dwelling Unit with the consent of the Board of Directors shall remain the property of that Co-Owner and shall be owned, maintained, and insured by that Co-Owner as part of his Dwelling Unit and deemed a part thereof for purposes of this Declaration. Upon the sale of his Dwelling Unit, such alterations, additions or improvements shall be transferred along with such Dwelling Unit, and the purchaser shall be deemed to assume the prior Co-Owner's maintenance and insurance obligations. If, in the reasonable discretion of the Board of Directors, such alteration, addition, or improvement is not being properly maintained, the Board of Directors may perform any necessary maintenance work if such condition is not corrected by such Co-Owner within ten (10) days after written notice of such determination by the Board of Directors (immediately and without notice or with such notice as is practicable in case of emergency or where the Board of Directors or the Managing Agent have a reasonable basis for believing that such condition or defect has caused or threatens to cause immediate and substantial harm to any other Dwelling Units or the Common Areas or to any person or to any property outside that Co-Owner's Dwelling Unit, and such Co-Owner shall be liable for all costs incurred in connection with such maintenance, including attorneys' fees incurred for collection of the same.

Section 15. Expansion. The provisions of this paragraph shall govern the expansion of the Regime and the allocation and reallocation of Percentage Interests.

A. Expansion by Sections. Declarant anticipates that it may construct from time to time additional Dwelling Units on various portions of the Adjacent Real Estate, for addition to the Regime in the manner hereinafter set forth. The additional development within the Tract shall be

consistent with the density, plan of development, and exterior architectural style of the Dwelling Units to be contained upon the Real Estate or as the Board of Directors may otherwise determine. The maximum number of Dwelling Units to be contained in the Tract is Fifty-six (56), and the minimum number is Sixteen (16). Additional Sections shall not be added by Declarant at any time after the expiration of seven (7) years from the date of this Declaration, nor shall Declarant add any further sections if more than five (5) years have elapsed since the most recent prior section was added to the Regime. At any time, and from time to time, prior to the expiration of said seven-year period, Declarant, at its option, may cause all or any part of the Adjacent Real Estate to be added to the Regime, subject to the following conditions:

- (a) An Additional Section may not be annexed unless the Dwelling Units to be constructed in such Additional Section have been substantially completed, and unless the Plans therefor are completed, certified by a licensed professions engineer or registered architect as fully and accurately depicting the layout, location, and dimensions of the Dwelling Units, and recorded along with an Amendment conforming to the requirements of subsection C of this Section 15; and
- (b) The Dwelling Units on any Additional Sections shall be constructed with labor and material of comparable quality to the Dwelling Units previously constructed, although not necessarily of similar design, either as to interior floor plan or structural design. Declarant reserves the right to determine all developmental standards of each Additional Section other than those particularly set forth in this Section 15.

Declarant expressly reserves the right not to annex any or all of the Adjacent Real Estate. Upon annexation of each Additional Section to the Regime, each Co-Owner shall acquire a Percentage Interest, as recomputed in accordance with this Section 15, in the Common Areas in such Additional Section, at which time each Co-Owner thenceforth shall also incur and pay his Percentage Interest share of the Common Expenses attendant with such Additional Section, along with the Common Expenses attendant with the Real Estate and all Additional Sections previously added to the Regime. The Association may cooperate with other co-Co-Owner's associations in obtaining joint management, maintenance, or repair services in order to increase the cost efficiency of obtaining such services.

B. Percentage Interest. The Co-Owner of each Dwelling Unit shall have a Percentage Interest appurtenant to his Dwelling Unit which is equal to the Percentage Interest held by all other such Co-Owners, and there will be no differentiation based upon the size or value of the Dwelling Units. The Percentage Interest appurtenant to each Dwelling Unit at any time shall be: One divided by the total number of Dwelling Units in the Regime at that time (herein called the "Formula"). The total shares shall at all times equal 100%, or as is close to 100% as is mathematically possible, having regard to the equality of shares allocable to each Dwelling Unit and the rounding thereof as required by Section 6.

C. Procedures For Amendment. As each Additional Section is developed, Declarant may record an Amendment annexing and adding such Additional Section to this Declaration and making it a part of the Regime. Declarant reserves the right to annex Additional Sections thereof in any manner or order it may choose. Such Amendment shall contain the following:

- (a) A description of the portion of the Adjacent Real Estate to be annexed;
- (b) A description of the Dwelling Units described in a manner consistent with this Declaration and the Act;
- (c) The Percentage Interest of each of the Dwelling Units in the Regime after such annexation, computed in accordance with the Formula.

D. Rights of Co-Owners Affected By Expansion. Each Co-Owner, by acceptance of a deed to a Dwelling Unit, acknowledges, consents, and agrees that the following rights and conditions shall be applicable upon the recording of each Amendment:

- (a) The Additional Section described in each Amendment shall be governed in all applicable respects by the provisions of this Declaration.
- (b) The Percentage Interest applicable to each Dwelling Unit shall be automatically reallocated in accordance with the figure set forth in such Amendment, which reallocation shall be in accordance with the Formula. On recording of each Amendment, the amount by which the Percentage Interest of a Dwelling Unit Co-Owner is reduced shall thereupon divest from such Dwelling Unit Co-Owner and revert to the Declarant, its successors and assigns.
- (c) Each deed, mortgage, or other instrument affecting a Dwelling Unit shall be deemed to be subject to the limitation that the Percentage Interest appurtenant to each Dwelling Unit shall be, upon the recording of each Amendment, altered in accordance with each Amendment and the Formula.
- (d) The Percentage Interest in the Common Areas shall be deemed to include any additional Common Areas annexed hereto by such Amendment. Each Amendment shall grant and convey to the Co-Owners the appropriate Percentage Interest in the Common Areas added by such Amendment, and each deed, mortgage, or other instrument affecting a Dwelling Unit shall be deemed to include and attach to such additional Common Areas.
- (e) The recording of an Amendment shall not alter the amount of the lien for Common Expenses previously assessed to a Dwelling Unit which was already a part of the Regime prior to such recording. The lien for the share of Common Expenses from and after such recording shall be assessed and paid based upon the recomputed

Percentage Interest pursuant to the Board of Directors' determination to reallocate pro rata for the balance of the then-current budget year.

- (f) Each Co-Owner agrees to execute and deliver such documents as are necessary or desirable to accomplish the annexation of the Additional Sections in the Tract in accordance with the provisions of this Section 15.

E. Removal From Tract. In the event Declarant elects not to annex all or part of the Adjacent Real Estate, as permitted by this Section 15, Declarant shall file an Amendment which shall permanently remove that portion of the Adjacent Real Estate which Declarant elects not to annex, and said portion thereafter shall not be subject to any possibility of becoming a part of the Regime. In addition, any portion of the Adjacent Real Estate for which an Amendment has not been filed within seven (7) years of the date hereof shall automatically be removed from the possibility of becoming a part of the Regime. When, because of the annexation of all of the Adjacent Real Estate, the passage of time, or the filing of an amendment under this Subsection E, the Regime is no longer subject to expansion, the Percentage Interest then in effect shall not be altered except in accordance with Section 24(e) of this Declaration.

Section 16. Assessments.

A. Liability for Assessments. Subject to the limitations in this Section, as of the first day of the first month following its addition to the Regime, each Dwelling Unit and the Percentage Interest appurtenant thereto shall be subject to the Regular Assessments and Special Assessments for Common Expenses (collectively, "Assessments") as provided in this Section 16 and defined in the By-Laws, and all such Assessments shall constitute liens upon each Dwelling Unit and appurtenant Percentage Interest as of the date of determination of each such Assessment by the Association, as further provided and described in the By-Laws. The date(s) on which Assessments are due and payable shall be as specified in this Declaration or the By-Laws, or if not so specified, then as determined by the Board of Directors. In addition, each Co-Owner shall be personally liable for the amounts of any and all Assessments which become due and payable during the period in which such Co-Owner holds title to a Dwelling Unit. No Co-Owner shall be personally liable for any Assessments which first became due and payable prior to the time such Co-Owner took title to a Dwelling Unit unless he expressly assumes such liability, except as may otherwise be required by the Act. However, a conveyance by a Co-Owner of his Dwelling Unit shall not operate to release or limit the liability of a Co-Owner for Assessments becoming due and payable while such Co-Owner holds title to a Dwelling Unit. The lien of any Assessment shall be subordinate to any first mortgage on any Dwelling Unit which was recorded before the time when said Assessment first became delinquent. Notwithstanding any other provision of this Declaration or the By-Laws and in accordance with Section 22(e) of the Act, the Declarant shall not be liable for any Assessments on any unoccupied Dwelling Unit(s) owned by Declarant from the date of the recording of this Declaration ("Recording Date") to the date which is five (5) years after the Recording Date (the "Assessment Limitation Period"); subject however to the following: (1) Declarant guarantees that the initial year's Regular Assessment shall be no more than Two Hundred and 00/100 Dollars per

month and that during each subsequent calendar year throughout the Assessment Limitation Period, the Regular Assessments for each calendar year shall increase by no more than Fifty and 00/100 Dollars per month over the Regular Assessments for the immediately preceding calendar year, and (ii) Declarant shall pay any amount of the Common Expenses incurred during the Assessment Limitation Period that is not covered by the Regular Assessments paid by all other Co-Owners. As part of the Assessments, there shall be (i) a Special Assessment initially established in the amount of Fifty and 00/100 Dollars per month for a capital improvement reserve and (ii) a Special Assessment for a reserve for working capital, payable once at the time of the purchase of the Dwelling Unit from the Declarant in an amount equal to the then-current monthly Regular Assessment. The amount of such Special Assessments collected for the capital improvement reserve and the working capital reserve shall be maintained by the Association (or by Declarant until the Association is formed) and the amounts thereof may be changed from time to time.

B. Collection of Assessments. Each Assessment shall be due and payable within ten (10) days after the due date thereof as specified in this Declaration or in the By-Laws, or if not so specified, then within ten (10) days after any due date(s) determined by the Board of Directors, and the date marking the end of the applicable time period allowed herein for the payment of such Assessment is hereby termed the "Delinquency Date". Any Assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Co-Owner, and shall bear interest on the unpaid balance thereof from the Delinquency Date until fully paid at a rate of interest equal to eighteen percent (18%) per annum. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment or other amount sought to be recovered from a Co-Owner, all such costs and fees shall be due and payable immediately by such delinquent Co-Owner and shall bear interest from the dates incurred until paid in full at a rate of interest equal to eighteen (18%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Co-Owner's Dwelling Unit and Percentage Interest as of the date on which such delinquent Assessment first became a lien. In the event that any Assessment is not fully paid on or before the Delinquency Date, the Association shall be entitled to accelerate and declare due and payable in full all installments of Assessments due for the year in which such delinquency occurs, and to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. Any such lien against a Dwelling Unit and its Percentage Interest shall be subordinate to any first Mortgage covering such Dwelling Unit and its Percentage Interest if and to the extent such Mortgage was recorded prior to the Delinquency Date of such Assessment.

Section 17. Insurance.

A. The Association shall obtain fire and extended coverage insurance insuring all Dwelling Units in the Regime including all fixtures, appliances, and other improvements installed and sold by Declarant as a part thereof, and all Common Areas in the Regime, in an amount consonant with the replacement cost thereof from time to time. Such insurance shall be in the form

of a master casualty policy for the entire Regime and shall contain the following endorsements if and to the extent obtainable at a reasonable cost in the State of Indiana: (i) replacement cost; (ii) inflation guard; (iii) demolition cost, contingent liability, and increased construction cost in connection with building code requirements; (iv) steam boiler coverage (if applicable); and (v) all matters customarily covered under a "special condominium endorsement." All such policies shall provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Co-Owners do not elect to restore pursuant to Section 19. In the event that all or any portion of the Regime shall be determined to be in a flood hazard zone, the Association shall also obtain a master policy of flood insurance on the Dwelling Units, Buildings, and Common Areas within such flood hazard zone, in an amount at least equal to the lesser of 100% of the current replacement cost of all insurable property within the flood hazard area, or the maximum coverage available for such property under the National Flood Insurance Program. The amount of coverage shall be increased from time to time to cover all additions to the Regime, and all such policies shall meet the requirements of subsection E. of this Section. The proceeds shall be payable to the Association, shall hold and apply such proceeds as trustee for the individual Co-Owners and Mortgagees, as their respective interests shall appear. The proceeds shall be used or disbursed only in accordance with the provisions of this Section 17 and of Section 19 of this Declaration, as applicable, and any surety bond or bonds obtained by the Board of Directors covering the officers of the Regime as provided in subsection D of this Section shall specifically include protections for any insurance proceeds so received.

B. The Association also shall obtain comprehensive public liability insurance together with Workmen's Compensation Insurance, employers liability insurance, and such other liability or other insurance, with such coverages and limits, as the Board of Directors deems appropriate; provided, however, that public liability insurance shall have liability limits of not less than Three Million Dollars (\$3,000,000.00) for personal injury and One Million Dollars (\$1,000,000.00) for property damage; and provided further, that all such policies shall meet the requirements of Subsection E of this Section 17. Such insurance shall inure to the benefit of each individual Co-Owner, the Association, the Board of Directors, and any Managing Agent or company acting on behalf of the Association.

C. Each Co-Owner shall have the right to purchase any additional insurance as he may deem necessary, and each Co-Owner shall be solely responsible for loss of or damage to the contents of his own Dwelling Unit, however caused, including all floor and wall coverings, appliances, fixtures, and betterments installed by the Co-Owner, and for loss of or damage to any of his personal property, whether or not stored or kept in his own Dwelling Unit. Each Co-Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

D. The Association shall obtain a fidelity bond indemnifying the Association, and the and the Co-Owners for loss of funds resulting from fraudulent or dishonest acts of any employee, or officer or member of the Board of Directors of the Association or of any other person handling the funds of the Association or the Co-Owners, which bond shall be written in an amount equal to at least One Hundred Fifty Percent (150%) of the annual Common Expenses.

E. All policies of insurance of the character described in subsections A and B of this Section 17 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, the Board of Directors, the Declarant, any Managing Agent, their respective employees and agents, or the Co-Owners, and shall further contain a clause whereby the insurer waives any defenses based on acts of individual Co-Owners whose interests are insured thereunder, and shall cover claims of one or more insured parties against other insured parties. All such policies shall name the Association, for the use and benefit of the Co-Owners, as the insured; shall provide that the coverage thereunder is primary even if a Co-Owner has other insurance covering the same loss; shall show the Association or insurance trustee, in trust for each Co-Owner and Mortgagee, as the party to which proceeds shall be payable; shall contain a standard mortgage clause and name FNMA and all Mortgagees as mortgagee; and shall prohibit any cancellation or substantial modification to coverage without at least ten (10) day's prior written notice to the Association and to the Mortgagees. All policies of insurance maintained by the Association pursuant to this Section 17 shall provide such coverages and be in such amounts as may be required from time to time by FNMA, FHLMC, FHA or VA. Upon obtaining or changing any policies of insurance authorized or required by this Section 17, notice of the same shall be sent by the Secretary of the Association to each Co-Owner and each Mortgagee whose interest may be affected thereby.

Section 18. Condemnation. In the event that all or any part of the Regime shall be taken or condemned by any competent authority, or if any condemnation proceeding shall be instituted with respect to all or any part of the Regime, the Association shall have the right to appear and defend in such proceedings on behalf of the Co-Owners affected thereby and to prosecute on behalf of any such Co-Owners any action or proceeding, at law or in equity, as it may deem appropriate for the adequate protection and compensation of all Co-Owners affected by any confiscatory act of any public body. The proceeds obtained by the Association as a result of any such action or proceeding shall be received by the Association and shall be applied by the Association as follows: (a) the portion of such award which is allocated by the court making such award, or if not so allocated, then as determined by the Board of Directors at a special meeting called for the purpose of making such allocation, to the Buildings or Dwelling Units taken (such portion hereinafter called the "Building Award"), shall be distributed among the Co-Owners whose Dwelling Units were taken in proportion to the relative fair market values of the Dwelling Units so taken as of the date of such taking, or if such values cannot be determined, then equally among such Co-Owners; (b) the balance of such award after payment of the Building Award shall be paid, first, to reimburse the Association for its costs and expenses in obtaining such award, and the balance, if any, shall be paid to each Co-Owner in the Regime in proportion to his Percentage Interest. No amounts or damages shall be paid by the Association to any Co-Owner for any partial taking, partial loss of use, or impedance of access as to any Dwelling Unit, except to the extent that the amount of any such award is specifically determined by the court making such award or by a vote of the Board of Directors. Nothing in this Section 18 shall be construed to prevent any Co-Owner affected by any condemnation or confiscatory action of any public body from participating in any condemnation proceedings or from any action for any recovery for any confiscation of his Property, but such Co-Owner shall not be

entitled to distribution out of the proceeds received by the Association to the extent that such Co-Owner recovers sums or compensation for the same or similar damages as are the basis of the award to the Association. Nothing herein contained shall be construed to require payment of proceeds to a Co-Owner in derogation of any rights such Co-Owner's Mortgagee may have to such proceeds.

Section 19. Casualty and Restoration. In the event of any damage to or destruction of the Property by fire or other casualty, the following provisions shall be applicable:

- (a) Partial Destruction. In the event of less than complete destruction (as defined in subsection (b) hereinbelow) of the Dwelling Units in all Buildings, all Dwelling Units and other Property shall be promptly repaired and restored. The proceeds of the insurance shall be applied to the cost of such repair and restoration. If the insurance proceeds are not adequate to cover the cost of reconstruction or in the event there are no proceeds, the amounts needed to complete the repair and restoration beyond available insurance proceeds shall be paid by all Co-Owners in equal amounts as a Common Expense. The application and use of such proceeds shall be determined by the Board of Directors of the Association acting as trustee under Section 17.A., or by any Mortgagee electing to act as trustee in place of the Association, and when so determined in good faith shall be binding upon all Co-Owners and Mortgagees.

- (b) Restoration in the Event of Complete Destruction. In the event that two-thirds or more of the Dwelling Units in the Regime are damaged or destroyed by fire or other casualty, a special meeting of the Association shall be called. If, at that meeting, a determination is made, by approval of at least a two-thirds (2/3) majority of the Votes of all Co-Owners in the Regime, that a the destruction is so extensive as to be a complete destruction then the Buildings and other Property in the Regime shall not be repaired or restored, and the proceeds of insurance and the Property in the Regime shall be dealt with and disposed of in accordance with Sections 19 and 21 of the Act, as either may be amended from time to time, or in accordance with any substitute provisions governing such matters as may be enacted subsequent to the date of this Declaration, pursuant to a two-thirds (2/3) majority of the Votes of all Co-Owners in the Regime with distributions of proceeds to be made to the Co-Owners in proportion to the relative fair market values of their respective Dwelling Units as of the date of such destruction, if and to the extent values can be determined by the Board of Directors and if and to the extent such distribution is permitted by applicable law but otherwise in equal shares.

- (c) Meaning of Restoration. Restoration, for purposes of Subparagraphs (a) and (b) above, shall mean construction or rebuilding of the Dwelling Units and other Property to substantially the same condition as they existed immediately prior to the destruction and with a similar quality of materials and workmanship and similar type

of design and architecture, but excluding all improvements and property added to or kept in or about such Dwelling Units by any Co-Owner.

- (d) Disbursement of Proceeds. In the event restoration of Dwelling Units is necessary, and notwithstanding any provision in Sections 17 or 19 of this Declaration to the contrary, the insurance funds for such restoration shall be disbursed by any Mortgagee (if it elects to do so) which holds mortgages on 51% or more of the number of Dwelling Units that need to be restored; otherwise, the insurance funds shall be disbursed by the Association. Such distribution and payment of funds shall be in the manner and in accordance with the procedure normally used when disbursing funds for initial construction. Each insurer shall be notified of this provision by the Association and each policy of insurance shall comply herewith. Nothing contained in Sections 17 or 19 shall be construed to require payment of any proceeds to a Co-Owner in derogation of any rights such Co-Owner's Mortgagee may have to such proceeds.

Section 20. Negligence. Each Co-Owner shall be liable for the expense of any maintenance, repair, or replacement of any of the Property which becomes necessary by reason of his negligence or that of any member of his family or his or their guests, employees, agents, or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. A Co-Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy, or abandonment of his Dwelling Unit or its appurtenances or of the Common Areas.

Section 21. Real Estate Taxes. Real estate taxes are to be separately taxed to each Dwelling Unit and the Percentage Interest connected therewith, as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Dwelling Unit, but are assessed and taxed on the Real Estate as a whole, then each Co-Owner shall pay his proportionate share of the real estate taxes. Each Co-Owner's proportionate share will be equal to the Percentage Interest then appurtenant to the Co-Owner's Dwelling Unit due and payable in such year. Declarant will pay the taxes on the Adjacent Real Estate until annexed, at which time the Co-Owners will pay all of same according to their respective Percentage Interests.

Section 22. Utilities. Each Co-Owner shall pay for those utilities provided to his Dwelling Unit which are separately billed or metered for his Dwelling Unit. Utilities which are not separately billed or metered shall be treated and paid as part of the Common Expenses.

Section 23. Use and Sale of Dwelling Units. For the purpose of maintaining the residential character of the Regime, and for the protection of the Co-Owners, Declarant specifically reserves the mode and method of the original sale of each Dwelling Unit until the last Dwelling Unit in the Regime is sold. Declarant may designate any Dwelling Unit owned by Declarant for location of a sales and/or management office, but no more than one Dwelling Unit within the Regime shall be reserved for such purpose at any one time; alternatively or in addition to any Dwelling Unit used as a sales and/or management office, Declarant may utilize any building on the Clubhouse Property as

a sales office and/or management office. Any Dwelling Unit so designated as a sales and/or management office may also be used, at the option of Declarant, as a furnished or unfurnished model, and Declarant may further designate from time to time, at its option, any other Dwelling Units in the Regime owned by Declarant, for use as furnished or unfurnished models. Any Dwelling Unit designated by Declarant for use as a model and/or as a sales and management office may, at Declarant's option, either be owned by Declarant or sold and leased back by Declarant for such purpose, and such lease back may be for any term desired by Declarant. The right of Declarant to so designate and use such Dwelling Units shall continue so long as Declarant owns or may construct any Dwelling Units within the Tract, and no action of the Association or any Co-Owner shall impair such right. Upon discontinuation of such use by Declarant, each such Dwelling Unit shall not become Common Area, but shall be treated as a Dwelling Unit for all purposes of this Declaration. In addition, Declarant shall be entitled to use any Dwelling Unit owned by it and any portion of the Common Areas for temporary placement of a construction trailer and for temporary storage of construction equipment, materials, and supplies, until such time as construction within the Regime has been completed.

Section 24. Amendment of Declaration. Except as otherwise provided in this Declaration, this Declaration may be amended in the following manner:

- (a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered, including any annual meeting.
- (b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by the Co-Owners of not less than a majority of the Vote of all the Co-Owners.
- (c) Meeting. The resolution concerning a proposed amendment must be adopted by the appropriate majority vote at a meeting duly called and held in accordance with the provisions of the By-Laws.
- (d) Adoption. Except as provided in Section 15 or elsewhere in this Section 24, any proposed amendment to this Declaration must be approved by a vote of not less than a majority of the Vote of all of the Co-Owners. In the event any Dwelling Unit is subject to a mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as a Co-Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the By-Laws.
- (e) Amendments. No amendment to this Declaration shall be adopted which changes:
 - (1) The Percentage Interest with respect to any Dwelling Unit or the share of a Co-Owner's liability for Common Expenses all the allocation of the vote or

the amendment of this Section 24, without the approval of **[one hundred percent (100%)]** of the Vote all of the Co-Owners and the approval of all Mortgagees having mortgages on any Dwelling Unit(s) in the Regime except as otherwise provided in regard to annexation;

- (2) The provisions of Section 19 of this Declaration with respect to reconstruction or repair in the event of fire or casualty, without the approval of two-thirds (2/3) majority of the Vote of all of the Co-Owners and the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the By-Laws;
 - (3) The provisions of Section 15 of this Declaration, except by Declarant in the manner provided therein, so long as the Regime is still subject to expansion; or
 - (4) Any provisions of this Declaration without the consent of the Declarant so long as the Regime is subject to expansion; or
 - (5) Any provision of the Declaration or By-Laws which would be deemed by the Board of Directors to be of a material nature by the Federal National Mortgage Association ("FNMA") under FNMA's current Lending Guide or any subsequent, relevant guidelines which FNMA may issue, or which would be deemed by the Board of Directors to be of a material nature under the regulations or requirements of the Veterans Administration, without the approval of two-thirds (2/3) of the Vote of all of the Co-Owners and the approval of all Mortgagees having mortgages on any Dwelling Unit(s) in the Regime.
- (f) Mortgagees. Any Mortgagee which has been duly notified of the nature of any proposed amendment shall be deemed to have approved the same if said Mortgagee or representative thereof fails to appear at the meeting in which such amendment is to be considered (if proper notice of such meeting was timely given to such Mortgagee). In the event that a proposed amendment is one permitted by this Section and is deemed by the Board of Directors to be one which is not of a material nature in any respect, the Board of Directors shall notify all Mortgagees whose interests have been made known to the Board of Directors of the nature of such proposed amendment, and such amendment shall be conclusively deemed not material if no Mortgagee so notified objects to such proposed amendment within thirty (30) days of the date such notices are mailed and if such notice advises the Mortgagees of the time limitation contained in this sentence.

- (g) Execution Recording. Each amendment to the Declaration shall be executed by Declarant only in any case where Declarant has the right to amend this Declaration without any further consent or approval, and otherwise by the President or Vice President and Secretary or Assistant Secretary of the Association; provided, that any amendment requiring the consent of Declarant shall contain Declarant's signed consent. All amendments shall be recorded in the Office of the Recorder of Marion County, Indiana, and no amendment shall become effective until so recorded. The Amendments dealing with the Additional Sections and reassignment of Percentage Interests, however, are not subject to the conditions of this Section 24 and may be filed or adopted by the Declarant at any time without any notice to or consent by the Association, any Co-Owner, or any Mortgagee. In addition, the provisions of this Section 24 are subject to the rights given to the Declarant by virtue of the irrevocable proxies held by Declarant on behalf of the respective Co-Owners, as provided in Section 8 hereinabove.

Section 25. Amendments for Mortgage Purchaser. In the event that FNMA, FHLMC, FHA, VA, or other nationally recognized purchaser, guarantor, or insurer of a mortgage of any property in this Regime should impose any requirements pertaining to the attributes of the Regime or the provisions of this Declaration or the By-Laws, for purposes of qualifying for or agreeing to the purchasing, insuring, or guarantying of any such mortgage, the Declarant or Board of Directors may fully satisfy such requirements, and shall have the right to amend this Declaration in accordance therewith, without the approval or consent of any Co-Owner or Mortgagee.

Section 26. Reservation of Rights. Declarant reserves the right to amend this Declaration without consent of the respective Co-Owners or the Association until the control of the Regime is turned over to the Association, provided that no such amendment shall materially impair the rights of any Mortgagee, nor substantially deprive the Co-Owners, or any of them, of the rights conferred upon them by this Declaration or the By-Laws.

Section 27. Enforcement of Covenants and Restrictions. The various covenants and restrictions applicable to the use and enjoyment of the Dwelling Units, as set forth in this Declaration, are for the mutual benefit and protection of the present and future Co-Owners and shall run with the land and shall be binding upon and inure to the benefit of every Co-Owner, the Co-Owners, or the Board of Directors on behalf of the Association, and their respective heirs, successors and assigns. Available relief in any action brought to enforce this Declaration shall include damages and injunctive relief against any violation or attempted violation of these provisions, and the recovery of any damages, costs, interest on expenses incurred, and attorneys' fees incurred by any party successfully enforcing this Declaration against any other party, but there shall be no right of reversion or forfeiture of title resulting from any violation. In addition, the Board of Directors is hereby authorized, during the period of any default or delinquency, to take actions to enforce compliance with such provisions, rules, regulations or decisions, including, without limitation: (i) the revocation of a defaulting Co-Owner's right to use General Common Areas designed for

recreational purposes, and (ii) the suspension of a defaulting Co-Owner's voting privileges; provided, however, that no such enforcement action shall affect the rights of a Mortgagee here under.

Section 28. Costs and Attorneys' Fees. In a proceeding arising because of an alleged failure of a Co-Owner to make any required payments or to comply with any provision of the Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the party initiating such proceeding shall be entitled to recover its reasonable attorneys' fees incurred in connection with such proceeding, if it is found or agreed in such proceeding that a failure to make payment as required hereby or a violation of this Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant there to, as each may be amended from time to time, did occur

Section 29. Acceptance and Ratification. All present and future Co-Owners, Mortgagees, tenants, and occupants of the Dwelling Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-Laws, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Dwelling Unit shall constitute an agreement that the provisions of this Declaration, the Amendments the Act, the By-Laws, and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by such Co-Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Dwelling Unit or the Property as though such Provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each Co-Owner agrees to execute and deliver such other documents, if any, as may be necessary or desirable to comply with the Act as it may be amended from time to time. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Dwelling Unit or Dwelling Units or any part of the Property in any manner shall be subject to the Declaration, the Act, the By-Laws, and the rules and regulations applicable there to, as each may be amended from time to time.

Section 30. Waiver. No Co-Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his Dwelling Unit. The Association does not waive the right to hold a lien on the Dwelling Unit and foreclose same by any failure to take action when any payment of any Assessment is not timely made when due by any Co-Owner.

Section 31. Construction and Severability. This Declaration and the By-Laws are intended to comply with the provisions of the Act, and shall be construed whenever possible to be consistent therewith. The invalidity of any covenant, restriction, condition, limitation, or other provision of this Declaration or the By-Laws filed herewith shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration or the attached By-Laws. If any of the options, privileges, covenants, rights, or interests created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or any analogous statutory provisions, (b) the rule restricting restraints or alienation, or (c) any other statutory or common law rules imposing time

limits, then such provision shall continue only until twenty-one (21) years after the date of the Declaration.

Section 32. Floor Plans. The Plans pertaining to the Real Estate, as described in Section 1(u) of this Declaration, are incorporated into this Declaration by reference, and have been recorded contemporaneously with the recording of this Declaration in the Office of the Recorder of Marion County, Indiana, as Instrument No. 2002-0057277

Section 33. Notices. Any notice required or permitted to be sent under this Declaration or the By-Laws shall be sufficient if delivered personally or sent by first-class U. S. Mail, postage prepaid, to the address shown on the records of the Association; provided, however, that notices to Mortgagees shall be sent by U. S. Certified Mail, Return Receipt Requested, or by U. S. Registered Mail, and shall not be deemed delivered unless and until actually received by the Mortgagee.

Section 34. Indemnity. To the greatest extent not inconsistent with the Act, the Association shall indemnify Declarant and any responsible officers, partners, shareholders, members, directors, or managers of Declarant, hereinafter being referred to as the indemnified "person") made a party to any proceeding in connection with the Regime. The Association shall pay for or reimburse the reasonable expenses incurred by such a person in connection with any such proceeding in advance of final disposition thereof. Upon demand by a person for indemnification or advancement of expenses, as the case may be, the Association shall expeditiously determine whether the person is entitled thereto in accordance with this Section 34. The indemnification and advancement of expenses provided for under this section be applicable to any proceeding arising from acts or omissions occurring before or after the adoption of this section.

For purposes of this section:

(i) The term "expenses" includes all direct and indirect costs (including without limitation counsel fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or out-of-pocket expenses) actually incurred in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification under this section, applicable law or otherwise.

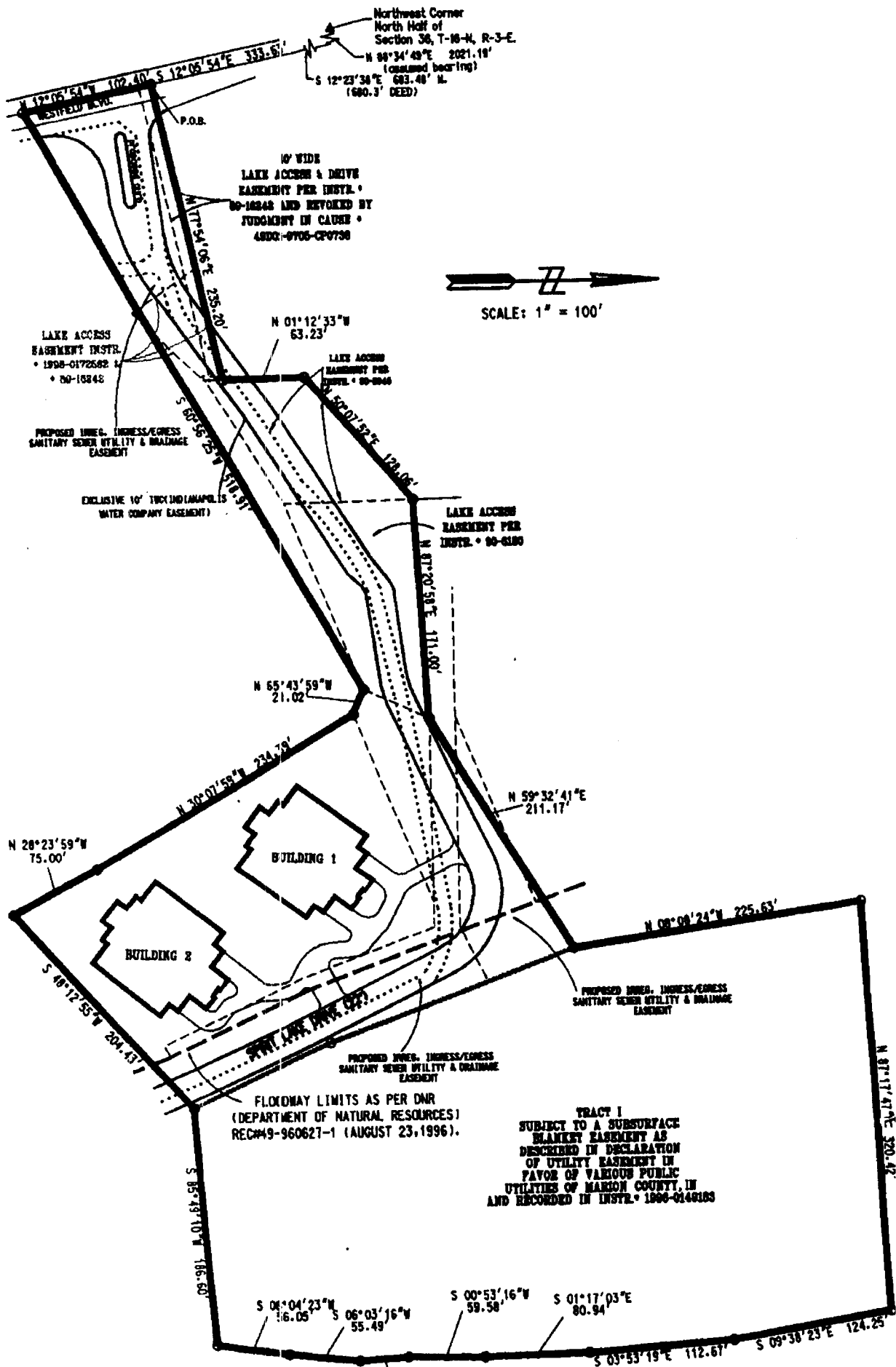
(ii) The term "liability" means the obligation to pay a judgment, settlement, penalty, fine, excise tax (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(iii) The term "party" includes a person who was, is or is threatened to be made a named defendant or respondent in a proceeding.

(iv) The term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(i) The Association may purchase and maintain insurance for its benefit, the benefit of any person who is entitled to indemnification under this Section 34.

EXHIBIT A (PHASE ONE/THE REAL ESTATE)



LAND DESCRIPTION (PHASE ONE)

SPIRIT LAKE CONDOMINIUMS PHASE ONE LAND DESCRIPTION

A part of the north half of Section 36, Township 17 North, Range 3 East located in Marion County, Indiana, being bounded as follows:

Commencing at the northwest corner of said Section 36; thence North 88 degrees 34 minutes 49 seconds East 2021.19 feet along the north line of said Section 36 to a point in the centerline of Westfield Boulevard (formerly Indiana State Road • 431); thence South 12 degrees 23 minutes 38 seconds East 683.48 feet measured (680.3 feet deeded) to the Westerly extension of the south line of the land formerly owned by Robert C. Caldwell; thence continuing along said centerline South 12 degrees 05 minutes 54 seconds East 333.63 feet to the Point of Beginning of this description; thence North 77 degrees 54 minutes 06 seconds East 235.20 feet; thence North 01 degrees 12 minutes 33 seconds West 63.23 feet; thence North 50 degrees 07 minutes 52 seconds East 128.06 feet; thence North 87 degrees 20 minutes 58 seconds East 171.00 feet; thence North 59 degrees 32 minutes 41 seconds East 211.17 feet; thence North 08 degrees 08 minutes 24 seconds West 225.63 feet thence North 87 degrees 17 minutes 47 seconds East 320.42 feet; thence South 09 degrees 38 minutes 23 seconds East 124.25 feet; thence South 03 degrees 53 minutes 19 seconds East 112.67 feet; thence South 01 degrees 17 minutes 03 seconds East 80.94 feet; thence South 00 degrees 53 minutes 16 seconds West 59.58 feet; thence South 03 degrees 56 minutes 12 seconds East 37.61 feet; thence South 06 degrees 03 minutes 16 West 55.49 feet; thence South 08 degrees 04 minutes 23 seconds West 56.05 feet; thence South 85 degrees 49 minutes 10 seconds West 186.60 feet; thence South 48 degrees 12 minutes 55 seconds West 204.43 feet; thence North 28 degrees 23 minutes 59 seconds West 75.00 feet; thence North 30 degrees 07 minutes 59 seconds West 234.39 feet; thence North 65 degrees 43 minutes 59 seconds West 21.02 feet; thence South 60 degrees 56 minutes 25 seconds West 518.91 feet; thence North 12 degrees 05 minutes 54 seconds West 102.40 feet to the POINT OF BEGINNING of this description containing 5.81 +/- acres, being subject to all highway rights-of-way and easements of record.

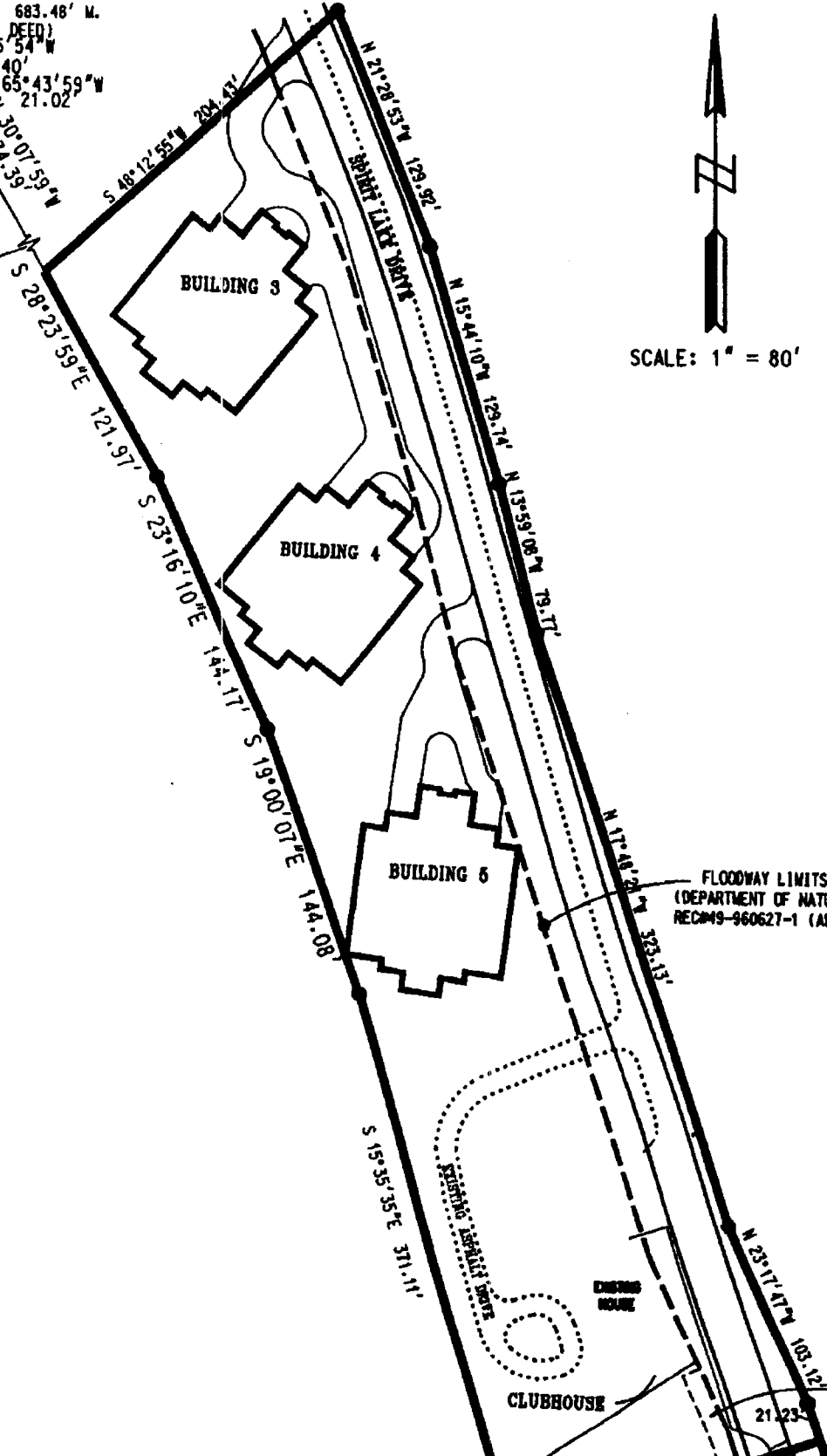
EXHIBIT B (PHASE TWO)

Northwest Corner
 North Half of
 Section 36, T-16-N, R-3-E.
 N 88°34'49"E 2021.19'
 (assumed bearing)

S 12°23'38"E 683.48' M.
 (680.3' DEED)
 N 12°05'54"W
 102.40'
 N 65°43'59"W
 N 21.02'
 S 12°05'54"E 333.63'
 S 60°56'25"W 518.91'
 N 28°23'59"W 75.00'



SCALE: 1" = 80'

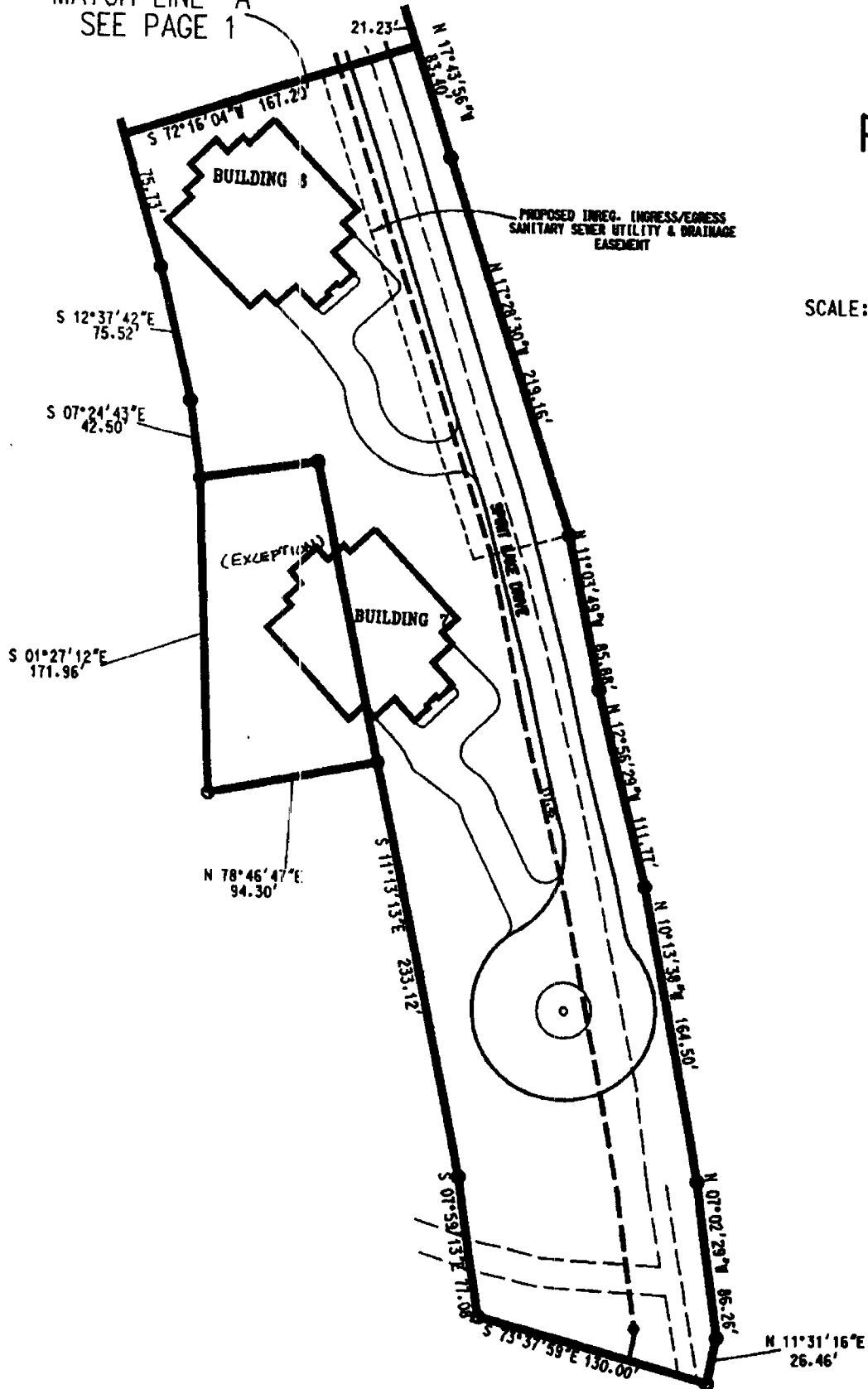


FLOODWAY LIMITS AS PER DNR
 (DEPARTMENT OF NATURAL RESOURCES)
 REC#49-960627-1 (AUGUST 23, 1996).

PROPOSED IRREG. INGRESS/EGRESS
 SANITARY SEWER UTILITY & DRAINAGE
 EASEMENT

EXHIBIT B (PHASE TWO)

MATCH LINE "A"
SEE PAGE 1



SCALE: 1" = 80'

LAND DESCRIPTION (PHASE TWO)

A part of the north half of Section 36, Township 17 North, Range 3 East located in Marion County, Indiana, being bounded as follows:

Commencing at the northwest corner of said Section 36; thence North 88 degrees 34 minutes 49 seconds East 2021.19 feet along the north line of said Section 36 to a point in the centerline of Westfield Boulevard (formerly Indiana State Road • 431); thence South 12 degrees 23 minutes 38 seconds East 683.48 feet measured (680.3 feet deeded) to the Westerly extension of the south line of the land formerly owned by Robert C. Caldwell; thence continuing along said centerline South 12 degrees 05 minutes 54 seconds East 436.03 feet; thence North 60 degrees 56 minutes 25 seconds East 518.91 feet; thence South 65 degrees 43 minutes 59 seconds East 21.02 feet; thence South 30 degrees 07 minutes 59 seconds East 234.39 feet; thence South 28 degrees 23 minutes 59 seconds East 75.00 feet to the POINT OF BEGINNING of this description; thence continuing South 28 degrees 23 minutes 59 seconds East 121.97 feet; thence South 23 degrees 16 minutes 10 seconds East 144.17 feet; thence South 19 degrees 00 minutes 07 seconds East 144.08 feet; thence South 15 degrees 35 minutes 35 seconds East 371.11 feet; thence South 12 degrees 37 minutes 42 seconds East 75.52 feet; thence South 07 degrees 24 minutes 43 seconds East 42.50 feet; thence South 01 degrees 27 minutes 12 seconds East 171.96 feet; thence North 78 degrees 46 minutes 47 seconds East 94.30 feet; thence South 11 degrees 13 minutes 13 seconds East 233.12 feet; thence South 07 degrees 59 minutes 13 seconds East 77.08 feet; thence South 73 degrees 37 minutes 59 seconds East 130.00 feet; thence North 11 degrees 31 minutes 16 seconds East 26.46 feet; thence North 07 degrees 02 minutes 29 seconds West 86.26 feet; thence North 10 degrees 13 minutes 38 seconds West 164.50 feet; thence North 12 degrees 56 minutes 29 seconds West 111.77 feet; thence North 11 degrees 03 minutes 49 seconds West 85.88 feet; thence North 17 degrees 28 minutes 30 seconds West 219.16 feet; thence North 17 degrees 43 minutes 56 seconds West 83.40 feet; thence North 23 degrees 17 minutes 47 seconds West 103.12 feet; thence North 17 degrees 48 minutes 21 seconds West 323.13 feet; thence North 13 degrees 59 minutes 08 seconds West 79.77 feet; thence North 15 degrees 44 minutes 10 seconds West 129.74 feet; thence North 21 degrees 28 minutes 53 seconds West 129.92 feet; thence South 48 degrees 12 minutes 55 seconds West 204.43 feet to the POINT OF BEGINNING of this description; containing 5.36 +/- acres, being subject to all highway rights-of-way and easements of record.

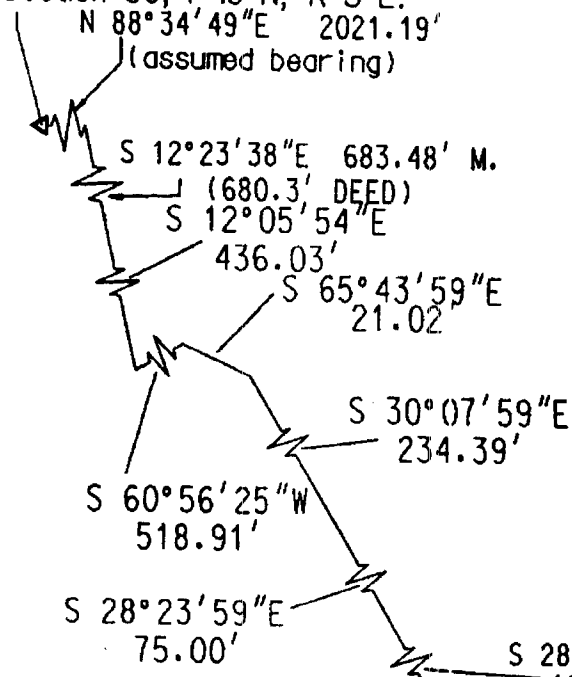
EXCEPT:

A part of the north half of Section 36, Township 17 North, Range 3 East located in Marion County, Indiana, being bounded as follows:

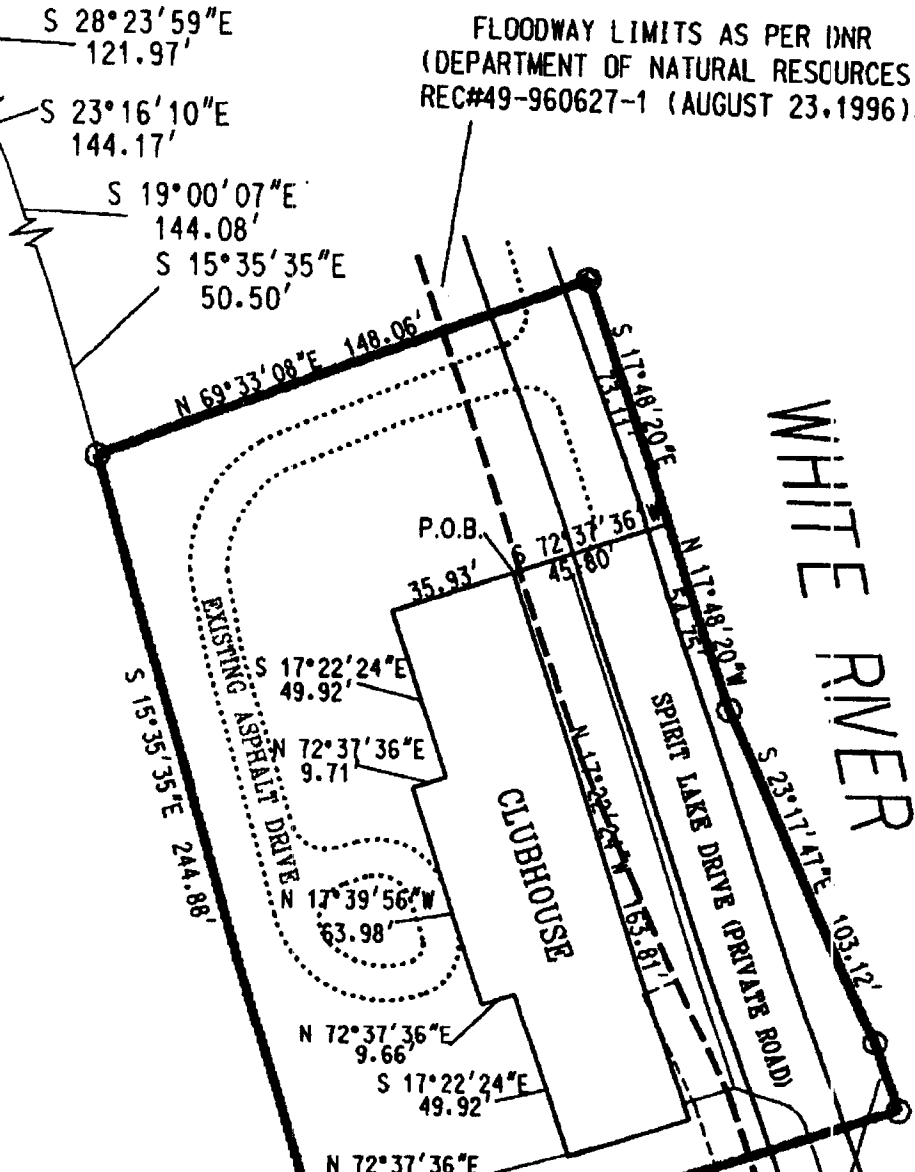
Commencing at the northwest corner of said Section 36; thence North 88 degrees 34 minutes 49 seconds East 2021.19 feet along the north line of said Section 36 to a point in the centerline of Westfield Boulevard (formerly Indiana State Road • 431); thence South 12 degrees 23 minutes 38 seconds East 683.48 feet measured (680.3 feet deeded) to the Westerly extension of the south line of the land formerly owned by Robert C. Caldwell; thence continuing along said centerline South 12 degrees 05 minutes 54 seconds East 436.03 feet; thence North 60 degrees 56 minutes 25 seconds East 518.91 feet; thence South 65 degrees 43 minutes 59 seconds East 21.02 feet; thence South 30 degrees 07 minutes 59 seconds East 234.39 feet; thence South 28 degrees 23 minutes 59 seconds East 196.97 feet; thence South 23 degrees 16 minutes 10 seconds East 144.17 feet; thence South 19 degrees 00 minutes 07 seconds East 144.08 feet; thence South 15 degrees 35 minutes 35 seconds East 371.11 feet; thence South 12 degrees 37 minutes 42 seconds East 75.52 feet; thence South 07 degrees 24 minutes 43 seconds East 42.50 feet; thence South 01 degrees 27 minutes 12 seconds East 171.96 feet; thence North 78 degrees 46 minutes 47 seconds East 94.30 feet; thence South 11 degrees 13 minutes 13 seconds East 233.12 feet; thence South 07 degrees 59 minutes 13 seconds East 77.08 feet; thence South 73 degrees 37 minutes 59 seconds East 130.00 feet; thence North 11 degrees 31 minutes 16 seconds East 26.46 feet; thence North 07 degrees 02 minutes 29 seconds West 86.26 feet; thence North 10 degrees 13 minutes 38 seconds West 164.50 feet; thence North 12 degrees 56 minutes 29 seconds West 111.77 feet; thence North 11 degrees 03 minutes 49 seconds West 85.88 feet; thence North 17 degrees 28 minutes 30 seconds West 219.16 feet; thence North 17 degrees 43 minutes 56 seconds West 83.40 feet; thence North 23 degrees 17 minutes 47 seconds West 103.12 feet; thence North 17 degrees 48 minutes 21 seconds West 323.13 feet; thence North 13 degrees 59 minutes 08 seconds West 79.77 feet; thence North 15 degrees 44 minutes 10 seconds West 129.74 feet; thence North 21 degrees 28 minutes 53 seconds West 129.92 feet; thence South 48 degrees 12 minutes 55 seconds West 204.43 feet to the POINT OF BEGINNING of this description; containing 5.36 +/- acres, being subject to all highway rights-of-way and easements of record.

Northwest Corner
 North Half of
 Section 36, T-16-N, R-3-E.

EXHIBIT C (CLUB HOUSE)



FLOODWAY LIMITS AS PER DNR
 (DEPARTMENT OF NATURAL RESOURCES)
 REC#49-960627-1 (AUGUST 23, 1996).



SCALE: 1" = 50'

LAND DESCRIPTION (CLUB HOUSE)

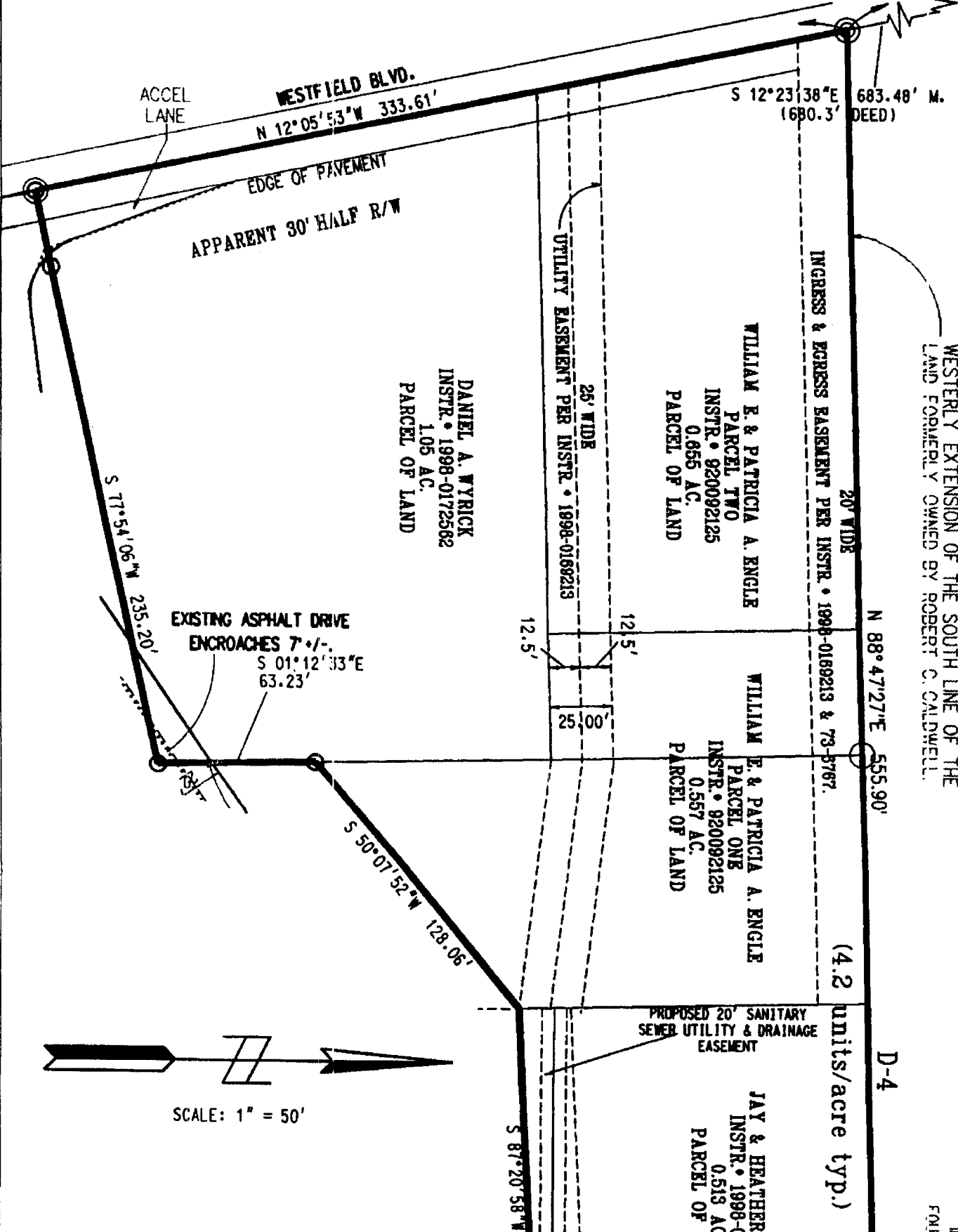
A part of the north half of Section 36, Township 17 North, Range 3 East located in Marion County, Indiana, being bounded as follows:

Commencing at the northwest corner of said Section 36; thence North 88 degrees 34 minutes 49 seconds East 2021.19 feet along the north line of said Section 36 to a point in the centerline of Westfield Boulevard (formerly Indiana State Road • 431); thence South 12 degrees 23 minutes 38 seconds East 683.48 feet measured (680.3 feet deeded) to the Westerly extension of the south line of the land formerly owned by Robert C. Caldwell; thence continuing along said centerline South 12 degrees 05 minutes 54 seconds East 436.03 feet; thence North 60 degrees 56 minutes 25 seconds East 518.91 feet; thence South 65 degrees 43 minutes 59 seconds East 21.02 feet; thence South 30 degrees 07 minutes 59 seconds East 234.39 feet; thence South 28 degrees 23 minutes 59 seconds East 196.97 feet; thence South 23 degrees 16 minutes 10 seconds East 144.17 feet; thence South 19 degrees 00 minutes 07 seconds East 144.08 feet; thence South 15 degrees 35 minutes 35 seconds East 50.50 feet; thence North 69 degrees 33 minutes 08 seconds East 148.06 feet; thence South 17 degrees 48 minutes 21 seconds East 73.11 feet; thence South 72 degrees 37 minutes 36 seconds West 45.80 feet to the POINT OF BEGINNING of this description; thence continuing South 72 degrees 37 minutes 36 seconds West 35.93 feet; thence South 17 degrees 22 minutes 24 seconds East 49.92 feet; thence North 72 degrees 37 minutes 36 seconds East 9.71 feet; thence South 17 degrees 39 minutes 56 seconds East 63.98 feet; thence North 72 degrees 37 minutes 36 seconds East 9.66 feet; thence South 17 degrees 22 minutes 24 seconds East 49.92 feet; thence North 72 degrees 37 minutes 36 seconds East 35.65 feet; thence North 17 degrees 22 minutes 24 seconds West 163.81 to the POINT OF BEGINNING of this description containing 0.15 +/- acres, being subject to all highway rights-of-way and easements of record.

EXHIBIT D (NORTHERN PROPERTY)

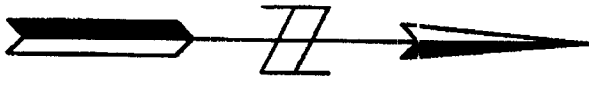
Northwest Corner
North Half of
Section 36, T-16-N, R-3-E.

N 88°34'49"E 2021.19'
(assumed bearing)



WESTERLY EXTENSION OF THE SOUTH LINE OF THE
LAND FORMERLY OWNED BY ROBERT C. CALDWELL.

(4.2 units/acre typ.)
D-4



SCALE: 1" = 50'

LAND DESCRIPTION (NORTHERN PROPERTY)

A part of the north half of Section 36, Township 17 North, Range 3 East located in Marion County, Indiana, being bounded as follows:

Commencing at the Northwest Corner of said Section 36; thence North 88 degrees 34 minutes 49 seconds East 2021.19 feet along the north line of said Section 36 to a point in the centerline of Westfield Boulevard (formerly Indiana State Road • 431); thence South 12 degrees 23 minutes 38 seconds East 683.48 feet measured (680.3 feet deeded) to the Westerly extension of the south line of the land formerly owned by Robert C. Caldwell and the POINT OF BEGINNING of this description; thence North 88 degrees 47 minutes 27 seconds East 555.90 feet; thence South 05 degrees 01 minutes 23 seconds East 136.00 feet; thence South 87 degrees 20 minutes 58 seconds West 171.00 feet; thence South 50 degrees 07 minutes 52 seconds West 128.06 feet; thence South 01 degrees 12 minutes 33 seconds East 63.23 feet; thence South 77 degrees 54 minutes 06 seconds West 235.20 feet to a point on said centerline of Westfield Boulevard; thence North 12 degrees 05 minutes 56 seconds West (North 12 degrees 05 minutes 54 seconds West by deed) 333.67 feet to the POINT OF BEGINNING of this description, containing 2.80 +/- acres, being subject to all Highway rights-of-way and easements of record.