

95017491 TRACE, INC. 95 SEP 25 PM 1:44
Second Amended Covenants

These covenants of Trace, Inc. ("Covenants") have been revised and rewritten in their entirety and hereby supersede all previous Declarations and Covenants for the Trace Condominiums, Inc., the Trace Association, Inc., and the Trace, Inc., prior to this date.

These Covenants do hereby declare that all properties described as the Trace subdivision in the city of Greenwood in Johnson County, Indiana, and as recorded in Plat Book 9, Page 97 for Phase I and Plat Book 10, Page 61 for Phase II in the office of the Recorder of Johnson County, Indiana, otherwise known as the Trace, Inc., a Mutual Benefit Corporation, shall be held, sold and conveyed subject to the easements, conditions and restrictions listed herein which are for the purpose of protecting the value and desirability of these properties. These Covenants shall be binding on all owners, their heirs, successors and assigns having any right, title or interests in said properties.

ARTICLE I

Definitions

"Association" or "Trace" shall mean and refer to Trace, Inc.

"Board" shall mean the Board of Directors elected or designated to administer the Covenants, Bylaws and other business of the Trace.

"Common Area" shall mean park and street and green spaces, including improvements, owned by the Trace for the common use and enjoyment of residents, and not shown as Lots on the recorded subdivision map of Trace.

"Lot" shall mean any plot of land shown upon the recorded subdivision map of the Trace area that is owned by any individual(s) for the purpose of constructing thereon a Unit.

"Member" shall refer to the right of membership in the Association afforded by ownership of a Unit or Lot in the Trace subdivision. Only one vote is allowed per Unit or Lot in the conduct of Trace business.

"Open Area" shall mean the space surrounding and between Units, including driveways, which is owned and maintained by the Trace and is shown on the subdivision map as part of the original Lot excluding the as-built Unit.

"Owner" shall mean the record owner, whether one or more persons, of an unimproved Lot or of a dwelling constructed on a Lot. The term "Owner" does not refer to persons having lien or mortgage or other security for the performance of an obligation.

"Properties" shall collectively mean Trace Units, Lots, Open Area, and Common Area.

"Residents" shall mean and refer to all the persons living in the dwellings, including Owners and Owners' families, long-term guests, lessees and renters.

"Unit" shall mean a residence built upon a Lot or Lots excluding the Open Areas.

ARTICLE II
General Provisions

Section 1. Enforcement. These Covenants are to be enforced by the Association.

Enforcement shall be in the form of:

- (a) any proceeding at law against any person or persons violating any Covenant.
- (b) recover damages as permitted herein or as prescribed by law.

Failure by the Association to enforce any particular Covenant(s) shall in no way be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of the Covenants by judgment or court order shall in no way affect any other provisions which shall remain in effect.

Section 3. Duration. Except where permanent easements or other permanent rights or interests have been created, these Covenants shall run with and bind the land, and shall inure to the benefit of the Association or Owner of record, their legal representatives, heirs, successors and assigns and shall be perpetual unless otherwise dissolved or amended.

Section 4. Amendment. These Covenants may be amended by an instrument signed by not less than two-thirds (2/3) of the Members of the Association. Notice of the intent to amend along with details thereof must be given to each Member at least thirty (30) days prior to action to amend. Enacted amendments must be recorded in the Office of the Recorder, Johnson County, Indiana.

Section 5. Revocation. Action to revoke this document in its entirety required a recorded written instrument containing the signatures of not less than two-thirds (2/3) of the Members.

Section 6. The Board of Directors is authorized to:

- enforce these Covenants;
- settle disputes between Owners; and
- penalize Owners for frequent (more than one) infractions or nuisances.

Note: Imposed penalties can be special assessments or legal actions or both.

Penalties need to have the concurrence of a simple majority of the Members.

ARTICLE III

Property Rights

Section 1. Owners' Rights to Use of Common Area. Every Resident shall have the right to use the Common Area and such right shall pass with the title to every Lot or Unit, subject to the following provisions:

- (a) The right of the Association to promulgate reasonable fees, rules, and regulations governing the use of the Properties; and
- (b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for any purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to members of his family, his tenants, or contract purchasers who are Residents. Such persons are subject to compliance with the same rules and regulations as are all Owners.

Section 3. Easement for Maintenance, Repair and Access. Certain utility lines, sewers and other facilities and improvements may be located on one Lot yet serve other Lots or the Common Area. The Association and any Member whose use of his Lot is affected thereby, shall have an easement thereto and shall have the right, at reasonable times and at any time in case of emergency, to go upon any other Lot for the purpose of maintaining or causing to be maintained or repaired any party walls, utility lines, sewer or other facilities which serve more than one Lot.

Section 4. Modifications. Modifications to the Units including additions or porches, patios or screening of porches are to be submitted to the Board for approval. It shall be within the Board's discretion to approve such plans so long as they carry out the Trace theme, stay within the width of the Unit and do not extend beyond twelve (12) feet on either end of the unit (subject to utility or street easements). Any plan that extends beyond these boundaries will require approval of the majority of the Members.

Section 5. Open Areas. The Board shall have access to all Open Areas for inspection and maintenance requirements. Open Areas between Units are not to be used as common thoroughfares by other than those individuals associated with the adjacent Units. Other usage is limited to an occasional non-routine cut-through by other Members.

ARTICLE IV

Assessments and Distributions

Section 1. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the following:

- Improvement and maintenance of Common and Open areas as described herein;
- Maintenance of the Units as described herein;
- Maintenance of streets within the Trace area;
- Payment of insurance for the Dwellings; and
- Payment of taxes for Common Areas.

Section 2. Uniform Rates of Assessment. Both monthly and special assessments shall be assessed at a uniform rate for each Unit and each unimproved Lot and is the obligation of their respective Owner(s). The assessment rate for each Unit is established at One Hundred Twenty-five and No/100 Dollars (\$125) per month due and payable by the first of the month in the month they are due. The assessment rate for each unimproved Lot is established at Three Hundred and No/100 Dollars (\$300) per year payable in total by the end of January in the year in which it is due or may be payable at Twenty-Five and No/100 Dollars (\$25) per month due and payable by the first of the month in the month they are due. Assessments are to be mailed to: Trace, Inc., P.O. Box 611, Greenwood, IN 46142. Hand delivered checks or other means of delivery are not acceptable.

Section 3. Assessment Changes - Notice and Quorum for any Action by the Association to Change the Assessments. Written notice of any meeting called for the purpose of taking any action to change the amount of assessments shall be sent to Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, announcing the assessment changes to be considered. A quorum of at least fifty-one percent (51%) of the Membership must be present to consider the change, and a majority of the Membership must approve the change. Changes in assessments must be approved by not less than two-thirds ($\frac{2}{3}$) of the Members.

Section 4. Nonpayment of Assessments - Remedies of the Association. If any assessment is not paid on the date when due, the amount of the assessment due, and interest on that debt described below, shall become a continuing lien on the relevant property, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within fifteen (15) days after the delinquency date, the first day of each month, (1) a one-time late charge of fifteen dollars (\$15.00) will be assessed, and (2) the assessment shall bear interest from the date of delinquency at the rate of one and one-half percent (1.5%) per month, until paid or the maximum permissible rate allowed under Indiana Law whichever is less, and the Association may bring an action at Law against the Owner personally to pay the same or to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment all costs of collection, including but not limited to attorney's fees incurred in pursuing collection, with or without litigation; and in the event a judgment is obtained, such judgment shall include the late charge and interest on the assessment as above provided and such reasonable attorney's fee to be fixed by the court, together with the costs of the action. A notice will be mailed with the posted late charge which will then become a part of the Unit Owner's account until it is satisfied.

No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of their Lot or Unit.

Section 5. Subordination of the Lien to Mortgages. The lien of the assessments provided for in this Article shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot or Unit shall not affect the assessment lien.

Section 6. Lien Notification. Assessments delinquent sixty (60) days or more will cause a lien to be filed on the property, and legal action will be initiated to collect the delinquent amount plus late charges, interest, filing fees, court and legal fees. The Property Owner will be given written notification of such action.

Section 7. Distribution. The monies collected in assessments are used to satisfy routine maintenance requirements of the properties. These routine items may vary and can be adjusted as determined by the Board. Monies that have been designated for roof replacement and street repairs cannot be used for any other purpose without the consent of a majority of the Members. Those reserved monies are to be kept in separate accounts.

ARTICLE V

Building Conditions and Restrictions

Section 1. Unit Restrictions and Specifications. The plot of land associated with each Unit extends beyond the outline of that Unit, which includes patios and decks and porches which were originally approved for construction by the Board, by one inch. Ownership of party walls between joined Units extends to one-half (1/2) of the thickness of the wall.

- (a) Units shall be built for and occupied by single families.
- (b) Each single level Unit shall contain a minimum of 1,600 square feet of living area, excluding the garage area. A multilevel Unit shall contain a minimum of 2,000 square feet of living area, excluding the garage area. The garage must be a minimum of two car design.
- (c) The Board must approve the design and building plan for each new Unit. A complete set of building plans, including foundation plans, building elevations, floor plans, wall sections, all mechanical plans, and landscape plans, including provision for adequate drainage must be submitted to the Board of Directors at least thirty (30) days prior to commencement of construction of the Unit. The Board shall respond to each request in writing in not less than 15 days from the date of its receipt.
- (d) The Board of Directors must approve the Owner's choice of builder or contractor who will be performing any construction.
- (e) A completion bond shall be provided in favor of Trace, Inc., guaranteeing completion of construction by the Owner within six (6) months from the construction commencement date, in an amount approved by the Board to be sufficient to cover the total amount of the completion cost for the Unit.
- (f) The driveway which will service the Unit must be constructed of six (6) inch thick poured concrete over reinforcing wire mesh.
- (g) The exterior wooden surface of Units must be painted with the same color and texture of paint as that which appears on all other Units in the Trace. (The current paint being used is Ranchwood stain by Glidden.) An equivalent or better paint may be used providing the color and texture is a close match.
- (h) The color of roofing shingles used for either new construction or replacement must be the same as those used throughout the Properties, be of fiberglass or better construction and have a warranty of at least 25 years.

- (i) The same type of brick (depending on availability) and wood trim must be used in the construction or repair of Units as that which has been used throughout the Properties, with a minimum construction of seventy percent (70%) brick composition.
- (j) Windows, exterior house doors and garage doors must be similar styling as those on existing Units. The doors and windows must be brown metal exteriors.
- (k) Outside lighting should be similar in style to that of existing Units and be installed to automatically switch on at dusk and off at dawn to enhance the lighting of Trace during the darkness hours.
- (l) On completion of the construction of a Unit, the Open Area which is to be turf is to be sodded to the street and over a distance of not less than ten (10) feet beyond the outline of the Unit, including porches and patios. The landscape plan approved by the Board which includes the construction of beds and installation of shrubs and trees will be completed. The as-built drawings are to be recorded in the Johnson County, Indiana Recorder's office.

Section 2. Building Modifications. The Board of Directors must approve all replacements, modifications or additions to existing Units, such as, but not limited to:

- The addition of Storm Doors to the entries of Units;
- Enclosing porches;
- Construction of decks or patios; etc.

The Board has the authority to approve enlargement of the areas of foundations or outlines of Units to include increments of Open Area. Requests for changes to the exteriors of the existing Units and to their adjacent Open Areas require sketches and/or architectural plans be submitted along with such requests. Architectural plans must accompany new building requests. Sketches for new shrub and tree plantings must also accompany such requests.

NOTE: These Covenants make a definite distinction between Open and Common Areas (See ARTICLE I - Definitions).

Section 3. Communication. Prior to approval of any building modifications as provided in Article V, Section 2. above, those Members immediately adjacent to these proposed modifications will be informed from time to time, at the discretion of the Board, so as to be able to analyze the impact of these modifications on their Units and to be able to understand the economic and aesthetic impact on the Trace in general.

Section 4. Approval or Disapproval. In the event the Board fails to approve or disapprove any Unit specifications or modifications requiring Board approval as set forth in Sections 1. or 2. of this Article within thirty (30) days after submittal, then formal approval will not be required and this Article shall be deemed to be fully complied with. Notice of disapproval shall be by certified mail, return receipt requested. Disapproval may be based on anything which, in the Board's judgment, does not meet the Trace requirements of perpetuating the existing theme, boundaries and general aesthetics. One set of plans and specifications shall be furnished to the Board for its records. No modifications to the originally approved plans may be made without additional Board approval.

ARTICLE VI

Maintenance - Repairs and Rebuilding

Section 1. Maintenance by Owners. Owners are responsible for maintenance and replacement, at their own expense, for the following:

- Repairs, replacement and decorating within the outline and under the roof of the Unit, including a crawl space, if any;
- Heating and air conditioning systems (inside and outside);

- Electrical system - conduit, wiring, switches, fixtures, outlets, walk lights, lamps located within the Unit and directly attached to the outside of the Unit including telephone and TV antenna wiring and inside connections;
- Plumbing System - sanitary facilities, fixtures, water systems located within Unit and directly attached to the outside of the Unit.
- Windows, skylights and inside and exterior doors and their frames, including garage doors;
- Optional floor coverings on decks and porches;
- Dryer and power roof vents;
- Construction of any desirable external feature which may improve the quality of the Unit but which was not part of the original design;
- Painting of interiors of window-enclosed porches;
- Hoses and hose reels;
- Miscellaneous decorations, e.g., flower pots, trellises, statues, fountains, bird baths and feeders, chimes, etc; and
- Gas equipment (grills, lights, etc.).

Section 2. Maintenance of Units' Exteriors. The Association shall provide exterior maintenance for Units to include:

- Roof repair and replacement;
- Gutters and downspouts - repair and replacement;
- Exterior building surfaces - repair, replacement and painting, including inside of screened porches, decks, and all door and window exteriors;
- Driveways and sidewalks - repair and replacement;
- Photoelectric cells - replacement;
- Skylight - The Association is responsible for their installation and approval of their design and style (not for their cost).

The Association shall also provide maintenance and repair for interior damage resulting from roof leaks, e.g., walls, drapes, furniture, etc. This does not include damage resulting from leaks around window frames and doors, which are the Owner's responsibility.

In case a Unit is extensively destroyed by fire or storm, the Board will collaborate with the Owners to approve the design of a replacement, and expeditiously initiate construction of the new structure, to be paid for by the insurance settlement. The monies collected by the Association from the insurance settlement shall be used for no other purpose than to replace the Unit in a form and style comparable to the original Unit.

In the event the maintenance, repair or replacement of a portion of the Properties for which the Association has maintenance responsibility is caused by or through, or is the result of the willful or negligent act of the Owner of an individual Unit, his family, servants, guests, tenants, or invitees, the cost of such maintenance, repair, or replacement shall be the responsibility of such Owner and shall be paid for by such Owner upon demand of the Association. An owner shall similarly be responsible to reimburse other Owners for damage to their Units if the Owner has caused the damage as set forth herein. In the event such payment is not made by the Owner after demand by the Association, such cost shall thereupon become a lien upon the Unit and may be collected and enforced in the same manner as Assessments as provided in these Covenants.

Section 3. Maintenance of Common and Open Areas.

(a) The Association shall provide maintenance for the Common and Open Areas as follows:

- lawn, shrub and tree care (including trimming, pest control and replacement), as applies to Common Areas.
- maintenance of streets, driveways and sidewalks (including snow removal and replacements). This applies to both Common and Open Areas. Snow removal of each Unit's sidewalks, porches, and patios will be the Owner's responsibility.
- maintenance of street lights, street signs, mailbox housings and posts, and the common flagpole. This applies to both Common and Open Areas.

(b) The Association and Owner's responsibilities relative to Open Area landscaping:

- Shrubs and trees that are the Association's responsibility for replacement will be designated as such by the Landscape Committee.
- Ground cover, e.g., mulch or rock, will also be the Association's responsibility.
- Flowering plants around mail boxes shall be the Owner's responsibility for care and replacement.
- Other flowering plants and shrubs planted by an Owner in remote locations, e.g., islands, are the Owner's responsibility.
- Weeding and plant removal will be the Association's responsibility.

Section 4. Termite Control. The Members will be responsible for periodic termite inspections and for repair of damage resulting from termites or other pests and rodents.

(a) To further assure termite control, firewood should be stored in such a manner as to eliminate termite contamination (subject to the Board's approval of said storage).

ARTICLE VII

Party Walls

General Rules of Law Apply. Each wall which is built as part of the original construction of the Unit upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and the general rules of law of the State of Indiana regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply. In general, the cost of repair or replacement will be shared by the Owners. However, if it has been demonstrated that there has been willful neglect or damage attributable to one of the sharing Owners, then that Owner assumes responsibility for the expense of the restoration.

Section 1. Arbitration. In general, the Board may determine who is negligent when the situation arises. However, any dispute may then be arbitrated by each Owner choosing one arbitrator. These two (2) arbitrators shall then choose one (1) additional arbitrator which makes a total of three (3), and the decision will be by a majority of these three (3).

ARTICLE VIII

Insurance

The Association shall carry fire, earthquake and extended coverage on all of the Units paid for by the monthly assessments. The amount of coverage will be examined yearly by the Board to be certain that the Policy will cover repair or restoration of Units in the event of a casualty loss.

Owners shall be responsible for any insurance for the contents of their Units, including, but not limited to, furniture, personal property and decorations. Owners will also be responsible for obtaining their own homeowners liability insurance.

In the event of damage or destruction of any of the Properties, the Association shall cause such damaged or destroyed property to be promptly repaired and restored. Monies from the insurance carried by the Association shall be applied to such repair and restoration. Plans for such restoration of Units will be generated in collaboration with the Owners and will be subject to approval by the Board.

The Association shall carry comprehensive public liability insurance as the Board finds to be desirable, insuring each Owner, and its Board and any of its employees or agents from liability in connection with Common Area and Open Area, which include sidewalks and streets.

ARTICLE IX

Sales and Leasing

Section 1. Sales and Leasing of Units. Before finalizing an agreement with a potential purchaser/lessee, any Unit Owner selling or leasing a Trace Unit shall furnish the Association Board of Directors with a statement signed by the Owner and the prospective purchaser/lessee containing the following information:

- Identification of the Unit.
- Name(s) of the seller/lessor and the address and telephone number where they may be reached.
- Name(s) of the purchaser/lessee.
- Whether the purchaser/lessee will reside in or lease the Unit.
- Length of lease.
- Date of the lease.
- A statement that the purchaser/lessee has read the Bylaws and Covenants of the Trace and agrees to abide by same.

Section 2. Leasing.

- (a) Leases must be for a minimum of twelve (12) consecutive months.
- (b) A surcharge amount equal to fifty percent (50%) of the monthly assessment rate for each Unit as provided by Article IV, Sections 2. and 3. shall be paid monthly by the Lessor to the Association in addition to the monthly assessment rate amount provided by Article IV, Sections 2. and 3. The Association shall have all remedies for nonpayment of the surcharge amount provided for in these Covenants.

NOTE: The fact that Lessors are normally absentee Owners, that is, do not actively occupy a Unit, necessitates that the Association must assume the added responsibility for continually monitoring the upkeep of the leased Unit and that the Lessee is in compliance with these Covenants and the Bylaws.

- (c) Leases negotiated prior to the date of these Covenants are exempt from the aforementioned surcharge. New and renegotiated leases dated after the date of rewriting and filing of these Covenants are subject to this surcharge.

ARTICLE X

Harmony and Environmental Controls

Section 1. Fences, Retaining Walls and Hedges. Except for the originally approved construction, there cannot be any additional subject items added without written approval of the Board. Replacement or removal of same will be determined by the Landscape Committee and will be at the Board's discretion.

Section 2. Antennas. No boom or mast mounted antennas are to be located outside of the Unit. No television dish is to be located outside of the Unit unless it is of the new eighteen (18") inch or smaller technology, in which case the Board must approve its installation including its location.

Section 3. Trash and Recyclables.

- (a) Trash and recyclables receptacles may not remain in public view except on the days designated for collection of these materials.
- (b) Trash, litter and other materials may not be accumulated, stored or burned outside of any Unit. New building materials may only be stored for the period required for construction.

Section 4. Garage Doors. Garage doors opening toward the streets may not be left open for extended periods (as hereafter defined). Extended periods are those more than four (4) hours in any single day. Exceptions may be made when work is being performed to the garage itself, in which case the door may be left open for ingress and egress while the work is being performed. With respect to work being performed to the garage itself, garage doors shall be closed as soon as practicable. Partially open garage doors are considered to be left open for purposes of this Section 4.

Section 5. Vehicles and Parking.

- (a) Vehicles. No trailer of any kind, tractors, campers, recreational vehicles, motorcycles, trucks, commercial vehicles or junk vehicles may be kept or stored on the property except in enclosed garages, including boats and their trailers. Commercial vehicles are those displaying names and advertisements of specific companies. Junk vehicles are those that have not been moved or utilized in any three (3) month period. Commercial vehicles may not be parked at a residence, unless in an enclosed garage or for a period of time while service to that particular Unit is being performed.
- (b) Parking. Vehicles belonging to residents of Units may not be parked along any Trace street unless an emergency arises and even then the vehicle cannot remain in the street longer than twenty-four (24) hours in any calendar week.

Vehicles belonging to guests of Units may not be parked along any Trace street for an extended period that exceeds forty-eight hours in any calendar week. In no case shall any vehicle be parked upon any Lot or Open Area other than in the garage of a Unit or upon a driveway.

Section 6. Play Areas. Open areas between Units are not to be used as play areas. Play areas are to be limited to the Common Areas and to the Open Areas adjacent to an Owner's Unit only.

Section 7. Temporary Structures. No temporary structures such as a trailer, tent, shack, barn or any other outbuilding shall be erected on any of the Properties without written approval of the Board.

Section 8. Flags and Banners. Only American flags are authorized for display by individuals. Special banners and/or school flags may be occasionally displayed.

NOTE: The American and Indiana State flags are normally on display on the Trace's flagpole.

Section 9. Mailboxes and Posts. These posts may only be used for the support of mailboxes, newspaper delivery bins and the authorized "for sale" or "for lease" signs. Mounting of permanent decorations on the mailboxes, except for house number, are not authorized.

Section 10. Signs.

(a) **Permanent Signs.** Those signs that carry out the Trace theme displaying street names, area names, directional and/or house numbers may only be approved and erected at the Board's direction.

(b) **Temporary Signs.** Real estate signs for the purpose of sales or leasing are to be of a specific design approved by the Board and purchased from a vendor or vendors that meet the required specifications. These signs are only to be located hanging just below the mail boxes and may be displayed continuously until the Unit is sold or leased. "Open" or "sold" signs may be attached to the bottom of the "For Sale" signs and are to be in the same design theme. Special "open" and directional signs may only be erected on weekends. For those wishing to place a "for sale" sign on unimproved Lots that are being offered for sale, a mail box post must be erected near the front of the Lot from which an approved "for sale" sign can be displayed.

(c) **Other Signs.** Signs showing tour homes or holiday decorations may be displayed for a period not to exceed four (4) weeks, upon Board approval, in writing. Other signs such as security warnings or business advertising are prohibited. Security warnings are limited to window decals only not exceeding four inches by four inches (4" x 4") and located in the lower corner of the windows.

Section 11. Animals. In general, the maintenance, keeping, boarding and/or raising of animals, both domestic and farm, poultry and other livestock, on any Trace Lot or within any Trace Unit is prohibited, with the exceptions noted in this Section a) below.

(a) **Pets.** It is permissible to keep dogs and/or domestic cats, within Unit. The number of pets per household is limited to a total of two (2). The size of a pet is limited to sixteen (16) inches high at its withers and twenty-five (25) pounds.

NOTE: If there is a complaint reported regarding size and there is any disagreement, the Board requires that a certificate (letter) be signed by a veterinarian stating the animal's general description, size, and weight. Animals whose weight and/or height exceed the specifications set forth above may not be kept in or upon any of the Properties.

(b) **Animal Nuisances.** The following incidences are deemed to be animal nuisances and are not permitted.

- allowing animals to run at large;
- animals causing noises inside and outside the Unit to the extent that it disturbs any other Resident;
- animal attacks upon, and/or interference with the movement of, any person or vehicle;
- depositing of animal wastes and leaving same on any Common Area or Open Area;
- tying any animal outside of the Unit including any Common Area.

Section 12. Penalties. Owners will be notified in writing of any infraction to this Article X and will be given seven (7) days to correct same. If at the end of thirty days, the infraction has not been corrected, a penalty of one hundred dollars (\$100) will then be assessed per month against the Owner(s) for each infraction. If these assessments are not paid within sixty (60) days after initial notification, a lien will then be filed against said property.

Acknowledgment as to the Validity of These Revised Covenants.

We, the current elected Board of Directors of Trace, Inc., do hereby attest to the validity of these Covenants having been submitted to the Trace members for consideration and their concurrence and at the direction of two-thirds (2/3) of the members by signed ballots do hereby execute this new document and cause same to be duly recorded in the Office of the Recorder, Johnson County, Indiana, as of this date Sept. 25, 1995

[Signature] President

[Signature] Vice President

[Signature] Treasurer

[Signature] Secretary

[Signature] Director

[Signature] Director

_____ Director

Prepared under the direction of
Deion Hewitt, atty Van Jabbe & Williams

35,000

TRACE, INC.
SECOND AMENDED BYLAWS

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TRACE, INC.
SECOND AMENDED BYLAWS

These Bylaws for the TRACE, Inc., an Indiana Mutual Benefit Corporation, have hereby been revised and rewritten which thereby supersedes all prior Bylaws, amendments thereto and resolutions prior to this date.

ARTICLE I

Name and Location

These Bylaws define the business operations of the TRACE, Inc., an Indiana Mutual Benefit Corporation. The principal office of this Corporation is that of the current President of the Board of Directors of TRACE, Inc., located at the Trace, Main Street, Greenwood, Indiana 46143.

ARTICLE II

Definitions

"Board" shall mean the Board of Directors elected or designated to administer the Covenants, Bylaws and other business of the Trace.

"Common Area" shall mean park and street and green spaces, including improvements, owned by the Association for the common use and enjoyment of residents, and not shown as Lots on the recorded subdivision map of Trace.

"Lot" shall mean any plot of land shown upon the recorded subdivision map of the Trace Area that is owned by any individual(s) for the purpose of construction thereon a Unit.

"Member" shall refer to the right of membership in the Association afforded by ownership of a Unit or Lot in the Trace area. Only one vote is allowed per unit or lot in the conduct of Trace business.

"Open Area" shall mean the space surrounding and between Units, including driveways, which is owned and maintained by the Trace and is shown on the subdivision map as part of the original Lot excluding the as-built Unit.

"Owner" shall mean the record owner, whether one or more persons, of an unimproved Lot or of a dwelling constructed on a Lot. The term "Owner" does not refer to persons having lien or mortgage or other security for the performance of an obligation.

"Properties" shall collectively mean Lots, Units, Open Area, and Common Area.

"Residents" shall mean and refer to all the persons living in Units, including Owners and Owner's families, long-term guests, lessees and renters.

"Association" or **"Trace"** shall mean and refer to Trace, Inc., a Mutual Benefit Corporation.

"Unit" shall mean a residence built upon a Lot or Lots excluding the Open Areas.

ARTICLE III

Committees

Section 1. The Board may appoint committees as deemed appropriate in carrying out the Trace's business.

(a) Nominating Committee - A Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to the next scheduled annual meeting for the purpose of finding as many nominees as may be needed to fill those Board vacancies that will come open at the next annual meeting. There may be more nominees than there are vacancies. This committee will be comprised of a chairperson who shall be a current Board member and one (1) or more other Members.

(b) Architectural Control Committee - An Architectural Control Committee shall be appointed by the Board for the purpose of reviewing all plans for new Unit construction and plans for modifications to existing Units. This committee is to consist of at least three (3) Members who may or may not be Board members. Their recommendations are to be submitted to the Board for subsequent approval or disapproval.

(c) Audit Committee - An Audit Committee shall be appointed by the Board and shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the Members at its regular annual meeting.

(d) Maintenance Committee - A Maintenance Committee shall be appointed by the Board and shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of the Properties and shall perform such other functions as the Board, in its discretion, determines.

(e) Recreation Committee - A Recreational Committee shall be appointed by the Board and shall advise the Board on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

(f) Publicity Committee - A Publicity Committee shall be appointed by the Board and shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board, make such public releases and announcements that are in the best interests of the Association.

(g) Landscape Committee - A Landscape Committee shall be appointed by the Board and shall review landscape for all Properties and determine those items deemed replaceable at the Association's expense. The Landscape Committee shall make a sketch for each of the Properties showing those items and/or tag such items with some permanent marking and shall implement removal of undesirable shrubs and trees and others as may be requested by the Owners.

Section 2. Any Board member may receive complaints from Members on any matter concerning the Association. The Board shall dispose of such complaints as it deems appropriate or refer them to a committee for review and recommendations. Complaints are to be submitted in written form. Appropriate forms are available from the Board.

Section 3. The number of Members to serve on each committee shall be decided by the Board unless specifically defined herein.

ARTICLE IV

Meetings

A. Meetings of Members

Section 1. Annual Meetings. The annual meeting of the Members shall be held during the month of September. The date of the meeting will be established each year prior to the meeting. All Members will be notified thirty (30) days prior to such meeting.

Section 2. Special Meetings. Special meetings of Members must be held as follows:

1) On call; 2) If the holders of at least ten percent (10%) of all votes entitled to be cast on an issue proposed to be considered at the proposed special meeting sign, date, and deliver to Trace's secretary at least one (1) written demand for the meeting describing the purpose for which the meeting is to be held.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by the Secretary or person authorized to call the meeting by mailing a copy of such notice first class mail, postage prepaid, at least ten (10) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one (51%) percent of the votes shall constitute a quorum for any action except as otherwise provided for in the Covenants or these Bylaws. If a quorum is not present or represented at any meeting, the meeting is then to be adjourned.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy is revocable by the submitter if he/she expresses the desire to do so.

B. Meetings of Directors

Section 1. Regular Meetings. Regular meeting of the Board shall be held each month at such place, date, and hour as may be fixed from time to time by resolution of the

Board. Notice of said regular meetings shall have been communicated to all Members by first class mail not less than ten (10) days prior to the date of said meeting.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association or by any three directors after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the entire Board then qualified and acting shall constitute a quorum and be sufficient for the transaction of any business, except for filling of vacancies on the Board which shall require action by a majority of the remaining members of the Board. Any act of the majority of the members of the Board present at a meeting at which a quorum shall be present shall be the act of the Board unless otherwise provided for by law or by these Bylaws. A majority of the members of the Board present may adjourn any meeting from time to time.

ARTICLE V

Board of Directors

Section 1. Nomination. Nominations for election to the Board shall be made by the Nominating Committee. Additional nominations may be made from the floor at the annual meeting.

Section 2. Election. Election to the Board may be by written ballot or by acclamation. At such election, the Members or their proxies may cast one vote for each vacancy to be filled. The person or persons receiving the largest number of votes shall be elected depending on the number of vacancies to be filled. If the number of candidates equals the number of vacancies, the President may ask for a motion to accept all candidates by acclamation.

Section 3. Number of Directors. The Board will consist of not less than seven (7) Members of the Association.

Section 4. Term of Office. Directors will be elected for three (3) year terms with two or three being elected each year as determined by the number of vacancies to be filled.

Section 5. Vacancies. A vacancy on the Board may be the result of removal, resignation or death of a Director. A Director may be removed with or without cause by a majority vote of the Association Members. A successor shall be selected by the remaining Board members and will serve the unexpired term of the predecessor.

Section 6. Compensation. No Board member may be compensated for services rendered to the Association. They may be reimbursed for actual expenses incurred in the performances of said services.

Section 7. Action without Meeting. The Board shall have the right to take action in the absence of a meeting provided the written approval by a majority of the Board has been given. Such written approval shall describe the action taken, be signed by the approving Directors and be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

ARTICLE VI

Officers of the Board

Section 1. Officers. The Officers of this Board who shall at all times be Members shall be a President, Vice-president, Secretary, and Treasurer. Other officers may be elected or appointed by the Board for a given time to carry out the affairs of the Board.

Section 2. Elections. The election of Officers shall take place at the first meeting of the Board following the annual meeting.

Section 3. Vacancies. An Officer may be removed from office with or without cause by a majority vote of the Board. A successor will be appointed by the Board and will serve the unexpired term of the predecessor.

Section 4. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No other offices may be held by the same person.

Section 5. Duties. The duties of the Officers are as indicated herein.

(a) President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The President shall also preside at the annual meetings of the Members.

(b) Vice-President

The Vice-President shall act in the place and stead of the President in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings

of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board. The secretary is also authorized to co-sign checks in the absence of either the President or the Treasurer.

(d) Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association; shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at its regular annual meeting; and provide copies of the annual budget for each Member; shall pay all taxes incurred by the Association.

ARTICLE VII

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations in the form of Resolutions governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to the use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Covenants.
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without notice from three (3) consecutive regular meetings of the Board of Directors; and
- (e) to authorize the Officers to enter into one or more management agreements with third parties in order to facilitate efficient operation of the properties. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the properties, all improvements included therein and designated as common area, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the Association, and shall be subject in all respects to the Articles of Incorporation, these Bylaws and the Covenants.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) establish assessment requirements and implement assessment procedures per the Covenants and issue, upon demand by any Member, a certificate setting forth whether or not any assessment has been paid;
- (d) have prepared and file corporate reports with the State of Indiana;
- (e) secure and maintain adequate insurance, liability and hazard, on properties within the responsibility of the Association;
- (f) secure appropriate liability bonding for Members of the Board, Officers and any employee thereof;

- (g) cause proper maintenance of all Properties under the jurisdiction of the Association;
- (h) retain the Corporate Seal and affix it to documents requiring same. This seal shall be circular in shape with the words "Trace Inc." contained therein.

ARTICLE VIII
Books and Records

The Books and Records of the Association shall be available for inspection by any Member of the Association at such time and place as shall be specified by the Board provided:

- (a) The Board has been given written notice at least five (5) business days before the Member wishes to inspect the Books and Records;
- (b) the request is made in good faith and is for proper purposes;
- (c) the Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and
- (d) the records are directly connected with the purpose set forth.

Copies of these records as well as extra copies of the Articles of Incorporation, Covenants, and the Bylaws may be provided for a reasonable fee set by the Board payable to the Association.

ARTICLE IX
Amendments

Section 1. Amendments. These Bylaws may be amended or restated at any regular or special meeting of the Members provided however that any amendment or restatement of these Bylaws shall require the assent of a majority of the Members.

Section 2. Conflicts. Conflicts that arise between these Bylaws and the Covenants or Articles of Incorporation shall defer to the Covenants or Articles of Incorporation.

ARTICLE X

Policy Resolutions

Section 1. Purpose. Policy Resolutions are to address situations that may arise from time to time that are not adequately covered by existing Covenants or Bylaws.

Section 2. Enactment. Resolutions will be enacted upon by the Board and will become a policy resolution by a majority vote of the Board. Resolutions may be presented for enactment by any Member or any Board member. There shall be no monetary or legal penalties imposed by any Policy Resolution(s). Any proposed Policy Resolution that imposes monetary or legal penalties must be rewritten as a formal amendment to the Covenants or Bylaws and must be voted upon by the Members (see Article IX).

Section 3. Duration. Each Policy Resolution enacted shall have a duration of not more than one (1) year and must be reviewed at the next annual meeting from the time enacted unless it has been stipulated that it is to expire at an earlier date. The Policy Resolution review is to determine continuance or termination thereof.

Section 4. Recording. The Board Secretary is responsible for keeping a log of all Policy Resolutions showing dates for expiration or review. Those Policy Resolutions required to be reviewed shall be presented to the Members prior to the annual meeting. Policy Resolutions enacted by the Board do not require recording same with the State of Indiana or Johnson County, Indiana.

Section 5. Numbering. The numbering system to be used for keeping a record of these Policy Resolutions shall be consecutive preceded by the year and Trace Policy Resolution Initials, e.g. TPR95-1.

Acknowledgment as to the Validity of these Revised Bylaws.

We, the currently elected Board of Directors of Trace, Inc., do hereby attest to the validity of these Bylaws having been submitted to the Trace members for consideration and their concurrence and at the direction of two-thirds (2/3) or more of the members by signed ballots do hereby execute this new document and cause same to be duly recorded in the Office of the Recorder, Johnson County, Indiana as of this date

December 12 1995

Russell C. Burk

RUSSELL C. BURK

President

Kenneth M. Hess

KENNETH M. HESS

Vice President

Margaret L. Long

MARGARET L. LONG

Treasurer

James N. Miller

JAMES N. MILLER

Secretary

James M. Mockford

JAMES M. MOCKFORD

Director

Karen Boggs

KAREN BOGGS

Director

Mary Jo Mizoguchi

MARY JO MIZOGUCHI

Director

In witness whereof:

Dated Dec 12, 1995

Russell C. Burk

RUSSELL C. BURK III

Cecilia Bridges
Notary Public
Commission Expires 08/28/99
HARRISON COUNTY OF
RESIDENCE

Prepared under the direction of Brian Hewett, attorney, VanValer & Williams.