

STONECREST AT FIELDSTONE

SECTION I

NEIGHBORHOOD DECLARATION OF
COVENANTS AND RESTRICTIONS

AND

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF FIELDSTONE COMMUNITY ASSOCIATION, INC.

STONECREST AT FIELDSTONE

RECORDED
A.M. 9:27 P.M. 1

SECTION I

JAN 29 1996

601404

NEIGHBORHOOD DECLARATION OF
COVENANTS AND RESTRICTIONS

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RECORDER MONROE CO., IN

THIS FIELDSTONE PHASE I NEIGHBORHOOD DECLARATION OF COVENANTS AND RESTRICTIONS ("Neighborhood Declaration") is made this 29 day of January, 1996, by Standard Development L.L.C., an Indiana limited liability company (the "Declarant").

Declarant, as the owner of the real estate described and shown in Exhibit "A" attached (the "Real Estate"), does hereby lay off, plat and subdivide the same into lots and streets in accordance with the plat of Stonecrest at Fieldstone Phase I, Section I, a subdivision of Monroe County, Indiana (the "Neighborhood"), recorded in Plat Cabinet C, Envelope 167, in the office of the Recorder of Monroe County, Indiana

The streets Stoneview Way, Windstone Court and Fieldstone Boulevard, shown on the plat and not heretofore dedicated, and whether or not designed as "Rights-of-Way" ("RW"), are hereby dedicated, transferred and conveyed to the public and to Monroe County.

All lots in the Neighborhood shall be subject to and impressed with the covenants, conditions, agreements, easements, restrictions, limitations and charges hereinafter set forth; and they shall be considered a part of the conveyance of any lot in the Neighborhood without being written therein. The provisions herein contained are for the mutual benefit and protection of the owners, present or future, of any and all lots in the Neighborhood; and they shall run with the land and shall inure to the benefit of and be enforceable by the owner, or owners, of any land or lots included in the Neighborhood, their respective legal representatives, heirs, successors, grantees and assigns.

ARTICLE I

MASTER DECLARATION

Declarant has executed that certain "Declaration of Covenants, Conditions and Restrictions for Fieldstone Community Association" dated 1-6-96, recorded 1-29-96 at Misc. Record 237, Page(s) 464, in the office of the Recorder of Monroe County, Indiana (the "Master Declaration"). Any capitalized terms not defined herein shall have the meaning set forth in the Master Declaration. In the event of a conflict between the terms of this Neighborhood Declaration and the Master Declaration, the Master Declaration shall prevail.

ARTICLE II

PHASES AND RESTRICTIONS

In addition to the Real Estate, the Declarant may subdivide or plat other real estate not herein described as additional phases or sections. The plat of the Real Estate described herein shall be known as "Phase I". The restrictions applicable to the Real Estate are described herein. Any restriction applicable to any other phase or phases shall be set forth in any plats of such other real estate. The covenants, conditions and restrictions set forth herein shall not be construed to be applicable to any other real estate now or hereafter owned by the undersigned either adjacent to or in the immediate vicinity of the Real Estate in the absence of the express written adoption thereof by the undersigned.

ARTICLE III

SETBACKS

Between building setback lines and street right-of-way lines as shown on the plat, no building, structure, or parts thereof shall be erected or maintained. Setbacks will be 20 feet from all street rights-of-way, 25 feet rear yard, and 6 feet minimum side yard.

ARTICLE IV

EASEMENTS

There are strips of ground as shown on the within plat marked "Drainage Easements" (D.E.), "Sanitary Sewer Easements" (S.E.), and "Utility Easements" (U.E.), either separately or in any combination, which are reserved for the use of public utility companies and governmental agencies as follows: "Drainage Easements" (D.E.) are created to provide paths and courses for area and local storm drainage or the detention of storm water, either over land or in adequate underground conduit to serve the needs of the Neighborhood, adjoining real estate, and/or the public drainage system. No structure, including fences, shall be built upon said easements which will obstruct flow from the area being served. "Sanitary Sewer Easements" (S.E.) are created for the use of the local governmental agency having jurisdiction over the sanitary waste disposal system of said city/or county for the purposes of installation and maintenance of mains, ducts, poles, lines, wires, and also all rights and uses for sewer easements above designated. The owners of all lots in this Neighborhood shall take title subject to the rights of the public utilities, governmental agencies and the rights of the other Lot Owners in this addition, to said easements herein granted for ingress and egress, in, along and through the strips of ground for the purposes therein stated.

ARTICLE V

DEFINITIONS

Section 1. "Declarant" shall mean and refer to Standard Development, LLC, an Indiana limited liability company, or its successors, successors-in-title or assigns who take title to any portion of the Real Estate for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 2. "Lot" shall mean a portion of the Real Estate, whether developed or undeveloped, intended for development and use as a residence for a single family detached house on a separately platted lot, as well as vacant land intended for development as such. Each Lot within the Neighborhood shall be considered a Unit as defined in the Master Declaration.

Section 3. "Lot Owner" shall refer to one or more persons who hold the record title to any Lot in the Neighborhood.

Section 4. "Member" shall mean a member of the Neighborhood Committee.

Section 5. "Neighborhood" shall mean the Real Estate described herein and known as Fieldstone Phase I.

Section 6. "Neighborhood Committee" shall mean the committee established pursuant to Article VII herein.

ARTICLE VI

CONDITIONS, RESTRICTIONS, RESERVATIONS AND PROTECTIVE COVENANTS

Section 1. Land Use. All Lots in the Neighborhood are reserved for single-family residential use. No building or any part thereof erected on any lot shall be used for any commercial purpose whatsoever. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two stories in height. Basements are not to be considered as a story.

Mobile homes, log homes or manufactured housing are prohibited. No used residence shall be relocated or placed upon any Lot except for the home located at 5825 W. State Road 43, Bloomington, IN, which may be relocated onto a Lot. No more than three unrelated adults may occupy any Lot.

Section 2. Size of Dwelling Restrictions and Other. Single family residences of one story in height shall have a ground floor area of not less than 950 square feet. Single family residences with one and one-half and/or two stories in height shall have a ground floor area of not less than 600 square feet and a total area above ground of not less than 1300 square feet. Split level and bi-level houses shall have no less than 1300 square feet of finished dwelling space and a ground floor area of not less than 700 square feet. The ground floor area for the purpose of these restrictions shall be determined from the area of the house measured from the outside of the building foundation exclusive of open porches, breezeways, garages, chimney and eaves except that garage areas may be counted in bi-level houses.

No residence, exclusive of chimney, shall exceed forty (40) feet in height measured from the lowest grade level at the house's foundation to the highest point of the structure's roof.

Except for houses located on corner lots, the main roof gable end shall not face toward the street unless prior written approval is obtained from the New Construction Committee. Houses where the foundation is exposed in excess of one (1) foot above finish grade level shall have said entire exposed foundation veneered with either stone, brick, or other veneer material as approved by the New Construction Committee on all sides of the house unless waived in writing by the New Construction Committee.

No dwelling unit having a wooden foundation shall be constructed in the Neighborhood. Foundations shall be of poured concrete or concrete block.

The exterior of the house shall be finished in muted colors or earth tones.

Restrictions set out above in this Section 2 may be waived by the New Construction Committee on application in writing by any Lot Owner. Said waiver shall only be valid when properly recorded in the office of the Recorder of Monroe County, Indiana.

Section 3. Siding. Lot Owners shall use only wood, aluminum, vinyl, stone, stucco or brick for the exterior siding of all structures.

Section 4. Garage and Driveway. Every dwelling unit shall have an attached garage for the off-street parking of a minimum of two vehicles, and every dwelling shall have a driveway. All driveways shall be a minimum of 16 feet wide extending from the curb line in the front of the Lot to the garage. The driveway shall be paved with either concrete or hot mixed Bituminous asphalt material. Within thirty (30) days after completion of the dwelling, weather permitting, the owner(s) agree to have a concrete sidewalk installed which conforms with required City of Bloomington standards.

No detached garages, outbuildings, sheds, dog houses, play houses, or storage buildings shall be permitted.

Section 5. Parking and Vehicles. Except for service deliveries, no boat, trailer, camper, motor home or other vehicle other than automobiles and trucks of less than one ton capacity shall be parked in the Neighborhood unless parked within an enclosed garage. No resident's automobile or other vehicle shall be parked on public right-of-ways; guests may park on the street. No disabled or inoperable vehicle shall be kept in the Neighborhood for more than three working days while arrangements are being made to have it repaired.

Section 6. Fences. The owner of each Lot agrees not to erect fences of barbed wire fences which are electrically charged or those made of metal materials. Fences shall not be higher than six feet within sixty feet of any roadway, with the exception of swimming pool enclosures. No fence may extend beyond the front of any house except decorative wood fences not higher than thirty six (36) inches. No fence shall be erected, the purpose of which will be to obstruct reasonable vision, light or air, and all fences will be kept in good repair and erected reasonably so as to enclose the property and decorate the same without hindrance or obstruction to any other property. Requests for the construction of fences must be submitted to and approved by the New Construction Committee prior to the commencement of any construction.

Section 7. Landscaping. Within thirty (30) days after completion of the dwelling (weather permitting), the Lot Owner will have the entire yard sown with grass seed or sod and to have sufficient foundation planting installed to cover the foundation on the front of the dwelling facing the street and, thereafter, will maintain the lawn and landscaping.

Section 8. Disposal Required. All dwellings erected on each Lot shall be equipped with a mechanical device for the grinding and disposal of food wastes, which device shall be located in the kitchen and connected to the sewer.

Section 9. Tanks. The installation and maintenance of bottle gas, oil tanks, or underground storage tanks on the Real Estate is prohibited.

Section 10. No Above-Ground Swimming Pools. Above-ground swimming pools shall not be permitted on the Real Estate.

Section 11. Clotheslines. No permanent clotheslines shall be installed on any Lot.

Section 12. Sewer. No Lot shall be sold without a corresponding sewer tap permit from the appropriate serving sewer corporation.

Section 13. Underground Utilities. All telephone, electrical and cable television or similar connections from the utilities lines shall be underground from the street unless deemed impractical by the utility company providing the service in writing. As soon as underground installation becomes practical, then such connections shall be placed underground.

Section 14. Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Neighborhood except that dogs, cats or other usual and common household pets may be kept provided they are not kept, bred or maintained for any commercial purpose and do not constitute a nuisance or interfere with the use by other Lot Owners of their Lots. Pets shall be permitted to leave their owner's property only under leash and accompanied by an owner or other person, and an owner shall be fully liable for any injury or damage to any person caused by his pet, and shall be responsible for removing from such areas his pet's waste materials.

Section 15. No Temporary Structures. No structure of a temporary character, such as trailers, basements, tents, shacks, garages, barns, or other out buildings shall be used in the Neighborhood at any time as a residence either temporarily or permanently. No residence shall be occupied prior to completion, and there shall be no temporary living quarters constructed on the Real Estate.

Section 16. Trash Removal. All trash shall be kept in sanitary containers and out of sight and under cover except on days of trash collection. All equipment and containers for the storage or disposal of such material shall be kept in a clean, sanitary and functional condition.

Section 17. No Incinerators. Yard incinerators for the disposal or burning of trash are not permitted. No trash shall be burned in the Neighborhood.

Section 18. Subdivision of a Lot Prohibited. There shall be no subdivision of any Lot, or Lots, nor any sale thereof in parcels, except a portion of a Lot may be sold to an adjoining Lot Owner if no new Lot is created. For the purpose of these conditions and restrictions, all adjoining Lots, or parts thereof, owned and used as a single building site, shall be considered one Lot, and the boundaries so established by such common ownership shall be considered the only Lot lines for the purpose of these conditions and restrictions.

Section 19. Signs. No signs of any kind shall be displayed to the public view on any Lot except one sign of not more than five (5) square feet advertising a home for sale or rent, or signs used by a builder to advertise the home during the construction and sales period.

Section 20. Approval of Building Plans. No construction shall begin for a building or structure upon any Lot until the building plans, specifications, including materials, and plat plan showing the location of such building or structure have been approved in writing as to the conformity of size, design and location of building with respect to the topography and finished grade elevation by the New Construction Committee.

Section 21. Prohibited Activities. No manufacturing, noxious, illegal, or offensive activities shall be carried on upon the Real Estate. Nor shall anything be done thereon which may be or may become an annoyance or a nuisance to the Neighborhood in general.

Section 22. Satellite Dishes. Only miniature satellite dishes (less than two feet in diameter) may be placed on the Lot or mounted on a building so long as such dish is located behind the residence and that it is not visible from the road.

Section 23. Mineral Excavation. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick or other structure design for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 24. General. The foregoing covenants, limitations and restrictions are to run with the land and shall be binding on all parties and all persons claiming under them until December 31, 2025, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless by a vote of a majority of the then owners of the building sites covered by these covenants or restrictions, it is agreed to change such covenants or restrictions in whole or in part.

ARTICLE VII

NEIGHBORHOOD COMMITTEE

Section 1. Number of Members. The Neighborhood Committee shall consist of three (3) Members; provided, however, that by a vote of at least fifty-one percent (51%) of the Lot Owners within the Neighborhood, this number may be increased to five (5).

Section 2. Election of Members. Members of the Neighborhood Committee shall be elected by the vote of Lot Owners within the Neighborhood at an annual meeting of such Lot Owners, at which time the Lot Owners within the Neighborhood holding at least one-third (1/3) of the total votes of Lots in the Neighborhood are represented, in person or by proxy. The owners of Lots within the Neighborhood shall have the number of votes assigned to their Lots as provided in the Master Declaration. Members shall be elected for a term of one (1) year or until their successors are elected. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Lot Owners in accordance with the Master Declaration.

Section 3. Chairman. The Neighborhood Committee shall elect, by majority vote, from among its Members, a person to serve as Chairman. The Chairman shall serve for a term of one (1) year or until his successor is duly elected.

Section 4. Regular Meetings. Regular meetings of the Neighborhood Committee may be held at such time and place as shall be determined from time to time by a majority of the Members. Notice of the time and place of the meeting shall be communicated to Members

not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Member who has signed a waiver or notice or a written consent to holding of the meeting.

Section 5. Special Meetings. Special meetings of the Members shall be held when called by written notice signed by the Chairman or by any two (2) Members. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Member by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Member or to a person at the Member's office or home who would reasonably be expected to communicate such notice promptly to the Member; or (d) by telegram, charges prepaid. All such notices shall be given at the Member's telephone number or sent to the Member's address as shown on the records of the Neighborhood Committee. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 6. Waiver of Notice. The transactions of any meeting of the Neighborhood Committee, however, called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Members not present signs a written waiver of minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Member who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 7. Quorum of Members. At all meetings of the Neighborhood Committee, a majority of the Members shall constitute a quorum for the transaction of business, and the votes of a majority of the Members present at a meeting at which a quorum is present shall constitute the decision of the Neighborhood Committee. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Members, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Neighborhood Committee cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 8. Compensation. No Member shall require any compensation from the Neighborhood Association for acting as such unless approved by a majority of the total vote of the Members of the Neighborhood Committee at a regular or special meeting of the Neighborhood Committee; provided any Member may be reimbursed for expenses incurred on behalf of the Neighborhood Committee upon approval of a majority of the other Members.

Section 9. Conduct of Meetings. The Chairman shall preside over all meetings of the Neighborhood Committee, and shall appoint a secretary to keep a minute book of meetings of the Neighborhood Committee, recording therein all resolutions adopted by the Neighborhood Committee and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all Members are able through telephone connection to hear and to be heard.

Section 10. Open Meetings. All meetings of the Neighborhood Committee shall be open to all Lot Owners, but Lot Owners may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Member. In such case, the Chairman may limit the time any Lot Owner may speak.

Section 11. Action Without A Formal Meeting. Any action to be taken at a meeting of the Members or any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members, and such consent shall have the same force and effect as a unanimous vote.

Section 12. Voting Member. The Neighborhood Committee shall, by majority vote, elect one of its Members to serve as the Voting Member of the Fieldstone Community Association, Inc. The Voting Member shall serve as the representative of the Neighborhood for a period of one (1) year or until his successor is duly elected by the Neighborhood Committee. The Voting Member shall consult with and abide by the majority decision of the Neighborhood Committee when voting on matters within the Fieldstone Community Association. The Voting Member may be replaced at any time at a duly called meeting of the Neighborhood Committee.

ARTICLE VIII

MISCELLANEOUS

Invalidation of any one of the foregoing covenants or restrictions by judgment or court order shall in no way affect any other covenants or restrictions, which shall remain in full force and effect.

The right to enforce these provisions by injunction together with the right to cause the removal by due process of law of any structure or part thereof erected or maintained in violation hereof is hereby dedicated to the public and reserved to the several owners of the several Lots in this Neighborhood and to their heirs and assigns.

IN WITNESS WHEREOF, this instrument has been executed by the parties on the day and year first written above.

STANDARD DEVELOPMENT, LLC

By: John J. Quinn
John J. Quinn, Exec. VP & CFO
Standard Management Corporation
Member, Standard Development, LLC

By: Brett E. Davis
Brett E. Davis, President
Brett Davis Development Corporation
Member, Standard Development, LLC

COUNTY OF Marion)
STATE OF Indiana)SS:

I, Carl J. James a notary public in and for the State and County aforesaid, do certify that John J. Quinn, the Exec. VP & CFO of Standard Management Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

Given under my hand and official seal this 8th day of January, 1996.

Carl J. James
NOTARY PUBLIC
Carl J. James
Printed Name

My County of Residence: Marion
My commission expires: May 26, 1998

COUNTY OF Monroe)
)SS:
 STATE OF Indiana)

I, Ilona H. Hajdu a notary public in and for the State and County aforesaid, do certify that Brett E. Davis, President of Brett Davis Development Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

Given under my hand and official seal this 8th day of January, 1996.


 NOTARY PUBLIC
Ilona H. Hajdu
 Printed Name

My County of Residence: Monroe
 My commission expires: 8-9-98

11147/11538-0/1-5-96

EXHIBIT A

237 - 539

LEGAL DESCRIPTION FOR
STONE CREST AT FIELDSTONE
PHASE I, SECTION I

A part of the west half of Section 2, Township 8 North, Range 2 West, Monroe County, Indiana, and more particularly described as follows:

COMMENCING at a railroad spike found at the northwest corner of said west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East (assigned bearing basis) 726.00 feet along the north line of said west half to a PK Nail found at the POINT OF BEGINNING; thence SOUTH 88 degrees 20 minutes 22 seconds East 325.08 feet along said north line; thence SOUTH 01 degrees 39 minutes 38 seconds West 589.31 feet; thence 117.31 feet along a 310.00 foot radius non-tangent curve to the right whose chord bears SOUTH 72 degrees 44 minutes 12 seconds East 116.61 feet; thence SOUTH 61 degrees 53 minutes 44 seconds East 86.20 feet; thence 78.38 feet along a 170.00 foot radius tangent curve to the left whose chord bears SOUTH 75 degrees 06 minutes 14 seconds East 77.69 feet; thence 270.78 feet along a 655.00 foot radius non-tangent curve to the right whose chord bears NORTH 12 degrees 27 minutes 19 seconds East 268.85 feet; thence NORTH 22 degrees 06 minutes 56 seconds East 131.29 feet; thence 198.98 feet along a 500.00 foot radius tangent curve to the left whose chord bears NORTH 12 degrees 52 minutes 19 seconds East 197.67 feet; thence NORTH 01 degrees 28 minutes 17 seconds East 95.85 feet to the aforementioned north line of the west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East 108.34 feet along said north line to a PK Nail found at the northwest corner of land of Bower; thence SOUTH 01 degrees 44 minutes 04 seconds West 50.00 feet along the west line of said land of Bower; thence NORTH 88 degrees 20 minutes 22 seconds West 28.11 feet; thence SOUTH 01 degrees 28 minutes 17 seconds West 45.58 feet; thence 230.81 feet along a 580.00 foot radius tangent curve to the right whose chord bears SOUTH 12 degrees 52 minutes 19 seconds West 228.90 feet; thence SOUTH 26 degrees 28 minutes 49 seconds West 131.32 feet; thence 314.05 feet along a 585.00 foot radius tangent curve to the left whose chord bears SOUTH 08 degrees 55 minutes 08 seconds West 310.29 feet; thence SOUTH 83 degrees 32 minutes 23 seconds West 70.00 feet; thence SOUTH 28 degrees 06 minutes 16 seconds West 126.50 feet; thence NORTH 47 degrees 29 minutes 00 seconds West 72.27 feet; thence NORTH 62 degrees 56 minutes 08 seconds West 180.18 feet; thence SOUTH 85 degrees 42 minutes 41 seconds West 56.85 feet; thence SOUTH 66 degrees 49 minutes 51 seconds West 51.14 feet; thence SOUTH 45 degrees 02 minutes 30 seconds West 63.20 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 122.75 feet; thence SOUTH 63 degrees 21 minutes 22 seconds West 48.12 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 115.95 feet; thence NORTH 05 degrees 35 minutes 20 seconds East 193.37 feet; thence NORTH 11 degrees 09 minutes 57 seconds West 111.99 feet to a 5/8" rebar found at the southeast corner of land of Wiley; thence NORTH 00 degrees 00 minutes 00 seconds East 330.00 feet along the east line of said land of Wiley to the Point of Beginning, containing 7.71 acres, more or less.

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TABLE OF CONTENTS
OF

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF FIELDSTONE COMMUNITY ASSOCIATION, INC.

ARTICLE I	1
DEFINITIONS	1
Section 1. <u>"Area of Common Responsibility"</u>	1
Section 2. <u>"Articles of Incorporation"</u>	2
Section 3. <u>"Association"</u>	2
Section 4. <u>"Base Assessment"</u>	2
Section 5. <u>"By-Laws"</u>	2
Section 6. <u>"Class "B" Control Period"</u>	2
Section 7. <u>"Common Area"</u>	2
Section 8. <u>"Common Expenses"</u>	2
Section 9. <u>"Community-Wide Standard"</u>	2
Section 10. <u>"Conceptual Plan"</u>	2
Section 11. <u>"Exclusive Common Area"</u>	2
Section 12. <u>"Declarant"</u>	3
Section 13. <u>"General Common Area"</u>	3
Section 14. <u>"Member"</u>	3
Section 15. <u>"Mortgage"</u>	3
Section 16. <u>"Mortgagee"</u>	3
Section 17. <u>"Mortgagor"</u>	3
Section 18. <u>"Neighborhood"</u>	3
Section 19. <u>"Neighborhood Assessments"</u>	4
Section 20. <u>"Neighborhood Expenses"</u>	4
Section 21. <u>"New Construction Committee"</u>	4
Section 22. <u>"Owner"</u>	4
Section 23. <u>"Parcel Developer"</u>	4
Section 24. <u>"Person"</u>	4
Section 25. <u>"Properties"</u>	4
Section 26. <u>"Special Assessment"</u>	4
Section 27. <u>"Supplemental Declaration"</u>	5
Section 28. <u>"Unit"</u>	5
Section 29. <u>"Voting Member"</u>	5
ARTICLE II	5
PROPERTY RIGHTS	5

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A.M. 11.26 P.M.

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ARTICLE III	6
MEMBERSHIP AND VOTING RIGHTS	6
Section 1. <u>Membership</u>	6
Section 2. <u>Voting</u>	6
Section 3. <u>Neighborhoods</u>	7
ARTICLE IV	8
MAINTENANCE	8
Section 1. <u>Association's Responsibility</u>	8
Section 2. <u>Owner's Responsibility</u>	9
Section 3. <u>Neighborhood's Responsibility</u>	9
ARTICLE V	10
INSURANCE AND CASUALTY LOSSES	10
Section 1. <u>Insurance</u>	10
Section 2. <u>Individual Insurance</u>	12
Section 3. <u>Damage and Destruction</u>	13
Section 4. <u>Disbursement of Proceeds</u>	14
Section 5. <u>Repair and Reconstruction</u>	14
ARTICLE VI	14
NO PARTITION	14
ARTICLE VII	14
CONDEMNATION	14
ARTICLE VIII	15
ANNEXATION OF ADDITIONAL PROPERTY	15
Section 1. <u>Annexation Without Approval of Class "A" Membership</u>	15
Section 2. <u>Annexation With Approval of Class "A" Membership</u>	15
Section 3. <u>Acquisition of Additional Common Area</u>	16
Section 4. <u>Amendment</u>	16
ARTICLE IX	16
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	16
Section 1. <u>Common Area</u>	16
Section 2. <u>Personal Property and Real Property for Common Use</u>	16
Section 3. <u>Rules and Regulations</u>	16
Section 4. <u>Implied Rights</u>	17
Section 5. <u>Governmental Interests</u>	17
ARTICLE X	17
ASSESSMENTS	17

Section 1.	<u>Creation of Assessments</u>	17
Section 2.	<u>Computation of Base Assessment</u>	18
Section 3.	<u>Computation of Neighborhood Assessments</u>	19
Section 4.	<u>Special Assessments</u>	20
Section 5.	<u>Lien for Assessments</u>	20
Section 6.	<u>Capital Budget and Contribution</u>	21
Section 7.	<u>Date of Commencement of Assessments</u>	21
Section 8.	<u>Subordination of the Lien to Institutional First Mortgages</u>	21
Section 9.	<u>Exempt Property</u>	21
ARTICLE XI		22
ARCHITECTURAL STANDARDS		22
Section 1.	<u>New Construction Committee</u>	22
Section 2.	<u>Modifications Committee</u>	22
Section 3.	<u>No Waiver of Future Approvals</u>	23
Section 4.	<u>Variance</u>	23
ARTICLE XII		23
USE RESTRICTIONS		23
Section 1.	<u>Signs</u>	24
Section 2.	<u>Parking and Garages</u>	24
Section 3.	<u>Occupants Bound</u>	24
Section 4.	<u>Animals and Pets</u>	24
Section 5.	<u>Nuisance</u>	25
Section 6.	<u>Unsightly or Unkempt Conditions</u>	25
Section 7.	<u>Antennas</u>	25
Section 8.	<u>Basketball Equipment, Clotheslines, Garbage Cans, Tanks, Etc.</u>	25
Section 9.	<u>Subdivision of Unit and Time Sharing</u>	26
Section 10.	<u>Guns</u>	26
Section 11.	<u>Pools</u>	26
Section 12.	<u>Irrigation</u>	26
Section 13.	<u>Tents, Trailers and Temporary Structures</u>	26
Section 14.	<u>Drainage and Septic Systems</u>	26
Section 15.	<u>Sight Distance at Intersections</u>	26
Section 16.	<u>Utility Lines</u>	27
Section 17.	<u>Lakes, Water Bodies and Wetlands</u>	27
Section 18.	<u>Playground</u>	27
Section 19.	<u>Business Use</u>	27
Section 20.	<u>On-Site Fuel Storage</u>	28
ARTICLE XIII		28
GENERAL PROVISIONS		28
Section 1.	<u>Term</u>	28
Section 2.	<u>Amendment</u>	28

Section 3.	<u>Indemnification.</u>	29
Section 4.	<u>Easements of Encroachment</u>	29
Section 5.	<u>Easements for Utilities, Etc.</u>	29
Section 6.	<u>Severability.</u>	30
Section 7.	<u>Right of Entry</u>	30
Section 8.	<u>Perpetuities.</u>	30
Section 9.	<u>Litigation.</u>	30
Section 10.	<u>Cumulative Effect; Conflict.</u>	31
Section 11.	<u>Use of the Words "Fieldstone" or Fieldstone Community Association</u>	31
Section 12.	<u>Easement for Access Over Private Streets</u>	31
Section 13.	<u>Nonresidential Properties; Easement and Covenant to Share Cost</u>	31
Section 14.	<u>Security.</u>	31

ARTICLE XIV	32
MORTGAGEE PROVISIONS	32
Section 1. <u>Notices of Action.</u>	32
Section 2. <u>Special FHLMC Provision.</u>	32
Section 3. <u>No Priority</u>	33
Section 4. <u>Notice to Association.</u>	33
Section 5. <u>Amendment by Board.</u>	33
Section 6. <u>Applicability of Article XIV.</u>	34
Section 7. <u>Failure of Mortgagee to Respond.</u>	34
ARTICLE XV	34
DECLARANT'S RIGHTS	34

TABLE OF EXHIBITS

Exhibit "A"	Land Initially Submitted
Exhibit "B"	Land Subject to Annexation
Exhibit "C"	By-Laws of Fieldstone Community Association, Inc.
Exhibit "D"	Covenant to Share Costs

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

FIELDSTONE COMMUNITY ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 8th day of January, 1996 by Standard Development, L.L.C, an Indiana limited liability company (hereinafter referred to as "Declarant");

Declarant is the owner or is acting with the consent of owners of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration;

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This declaration does not and is not intended to create a condominium within the meaning of the Indiana Horizontal Property Act I.C. 32-1-6-1.

ARTICLE I DEFINITIONS

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any Neighborhood become the responsibility of the Association. Any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

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Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Fieldstone Community Association, Inc., as filed with the Secretary of State of The State of Indiana.

Section 3. "Association" shall mean and refer to Fieldstone Community Association, Inc., an Indiana not-for-profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Indiana corporate law. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Properties.

Section 4. "Base Assessment" shall mean and refer to assessments levied against all Units in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Fieldstone Community Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 6. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in the By-Laws.

Section 7. "Common Area" shall be an inclusive term referring to all General Common Area and all Exclusive Common Area, as defined herein.

Section 8. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 9. "Community-Wide Standard" shall mean the standard of architecture, construction, development, conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the New Construction Committee.

Section 10. "Conceptual Plan" shall mean and refer to the plan for the development of the property described on Exhibits "A" and "B", as approved by the City of Bloomington or other local governmental authority having planning and zoning jurisdiction, dated October 9 1995, as it may be amended from time to time.

Section 11. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those

Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area of the Association. A portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) to which they are assigned.

Section 12. "Declarant" shall mean and refer to Standard Development, LLC, an Indiana limited liability company, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 13. "General Common Area" shall mean all real and personal property which the Association now or hereafter owns, maintains, or otherwise holds for the common use and enjoyment of all Owners.

Section 14. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 15. "Mortgage" shall mean and refer to a permanent or construction mortgage, vendor's lien, or any other form of security deed, including any collateral security documents executed in connection therewith.

Section 16. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 17. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 18. "Neighborhood" shall mean and refer to each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration and not limitation, each condominium, town home development, or cluster home development and single family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood committee (established in accordance with the By-Laws) or Neighborhood

Association (as defined in Article III, Section 3) having jurisdiction over the property within the Neighborhood. Neighborhoods may be divided or combined in accordance with Article III, Section 3, of this Declaration.

Section 19. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

Any Neighborhood Assessment shall be levied equally against all Units in the Neighborhood benefitting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use and benefit of particular Units shall be levied on a pro rata basis among the benefitted Units.

Section 20. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Section 21. "New Construction Committee" means the committee to be appointed by the Declarant or the board as provided in Article XI Section 1 of this Declaration.

Section 22. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded conditional contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term in excess of one (1) year and the Lease specifically so provides, then upon filing a copy of the lease with the Board of Directors the lessee (rather than the fee owner) will be considered the Owner.

Section 23. "Parcel Developer" means any developer who purchases land within the Properties (as defined in this Article I) for the purpose of development and sale.

Section 24. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 25. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 26. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 4 of this Declaration.

Section 27. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Section 28. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, and use as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) apartment units, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties, and shall include those portions of the Properties developed as commercial units as are specifically subjected to this Declaration as part of a mixed-use/residential condominium regime. Commercial units are included in this definition solely for the purpose of assessment and access for ingress and egress to and from such commercial unit.

The term shall include all portions of the lot owned including any structure thereon. In the case of an apartment building or other structure which contains multiple dwellings, each dwelling shall be deemed to be a separate unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for such parcel on the Conceptual Plan or the site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by the local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 29. "Voting Member" shall mean and refer to the representative selected by the Members of each Neighborhood to be responsible for casting all votes attributable to Units in the Neighborhood for election of directors, amending this Declaration or the By-Laws, and all other matters provided for in this Declaration and in the By-Laws. The Voting Member from each Neighborhood shall be the senior elected officer (e.g., Neighborhood Committee chairman or Neighborhood Association president) from that Neighborhood; the alternate Voting Member shall be the next most senior officer.

ARTICLE II PROPERTY RIGHTS

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association.

Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, members and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the community pursuant to Article VIII hereof, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Fieldstone desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Fieldstone.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Association, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Voting Member, as defined in Article I, representing the Neighborhood of which the Unit is a part.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one (1) Person holds the interest in such Unit required for membership,

the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2, of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

- (i) two (2) years after expiration of the Class "B" Control Period pursuant to Article III of the Bylaws; or
- (ii) when, in its discretion, the Declarant so determines.

Section 3. Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Article I. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium. Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

Each Neighborhood Association or Committee, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which shall be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Article X.

The senior elected officer of each Neighborhood Association or the Neighborhood Committee shall serve as the Voting Member for such Neighborhood and shall cast all votes attributable to Units in the Neighborhood on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the By-Laws. The Voting Member may cast all such votes as he/she, in his/her discretion, deems appropriate but with consideration of the wishes of the Neighborhood Committee Association. Notwithstanding the above, each Voting Member shall cast only one (1) equal vote for election of directors.

Initially, each portion of the Properties which is separately designated as a "pod" on the Conceptual Plan shall constitute Neighborhoods unless the Declarant in a written, recorded

instrument shall provide otherwise. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood or to combine two (2) Neighborhoods into one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood Association or Neighborhood Committee may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) or more Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhoods. A Neighborhood division requested by the Neighborhood or by the developer of the Neighborhood shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

ARTICLE IV MAINTENANCE

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Areas, including, but not limited to, drainage systems, recreation area open space, ponds, entrance features, parkways, median strips, utilities, traffic control devices, the pedestrian system, all private streets within the Properties, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. In the discharge of its responsibilities, the Association shall comply fully with approvals of the City of Bloomington Plan Commission or such other governmental unit having planning and zoning jurisdiction over the properties.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility excluding the Exclusive Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood (s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association may, in the discretion of its Board, assume the maintenance responsibilities of a Neighborhood set out in this Declaration or in any Supplemental Declaration or declaration subsequently recorded which creates any Neighborhood Association upon all or any portion of the Properties. In such event, all costs of such maintenance shall be assessed only against the Units within the Neighborhood to which the services are provided. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain property which it does not own, including, without limitation, property dedicated to the public including public rights-of-way, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to a Neighborhood Association or Neighborhood Committee pursuant to any additional declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the owner thereof in accordance with Article X, Section 4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Neighborhood's Responsibility. Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, buildings and amenities within the Neighborhood, the costs of maintenance of any right-of-way and green space between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood Association having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to a declaration of covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood Association fails to perform its maintenance responsibility as required herein and in any additional declaration, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Article X, Section 4 of this Declaration.

ARTICLE V
INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, and if not reasonably available, then at a minimum, fire and extended coverage, in such form as the Board of Directors deems appropriate for one hundred (100%) percent of the replacement cost of all structures located on Units within the Neighborhood and/or common property of the Neighborhood Association, and charge the costs thereof to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment, as defined in Article I hereof.

Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, if any.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have such policy limits as the Board shall determine to be commercially reasonable.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1; provided, in the discretion of the Board of Directors, premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood benefitted thereby. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for

the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Indiana which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Association, its Members, and Mortgagees providing construction financing on the Common Area; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Bloomington, Indiana, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;
- (ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

- (iii) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;
- (iv) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;
- (v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- (vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors, and officers, liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgement but, if reasonably available, may not be less than three (3) months' assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal. The Board shall require each business or individual contracting with the Association to provide services to carry general liability and workmans compensation coverage and further to provide the Board with a certificate of insurance verifying such coverage in amounts as the Board shall reasonably require.

Section 2. Individual Insurance. By virtue of taking title to a Unit which is subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article V for insurance on the Common Area, unless the Association at the request of the Neighborhood Committee or the Neighborhood Association for the Neighborhood in which the Unit is located carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the unit of all debris and return it to substantially the natural state

in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the unit in a neat and attractive condition consistent with Community-Wide Standard.

A Neighborhood Association may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units subject to its jurisdiction and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area or to the common property of any Neighborhood Association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five (75%) percent of the total vote of the Neighborhood Association whose common property is damaged, if common property of a Neighborhood Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood Association shall be repaired or reconstructed; provided, however, this provision shall not apply to construction Mortgagees providing construction financing for such damaged property.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common area or to the common property of any Neighborhood Association shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments, provided, if the damage or destruction involves the common property of a Neighborhood Association, only the Owners of Units in the affected Neighborhood Association shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VI NO PARTITION

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VII CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3) of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration, and Voting Members representing at least two-thirds (2/3) of the total Association vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VIII ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or December 31, 2025, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the Office of the Recorder of Monroe County, Indiana, an amendment to this Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Voting Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that described on Exhibit "B", and following the expiration of the right in Section 1, any property described on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the Class "A" votes of the Association (other than those held by Declarant), present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the Office of the Recorder of Monroe County, Indiana, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" hereof.

ARTICLE IX RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances or permit the law enforcement agency or agencies having jurisdiction over the properties to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. The Association shall permit the Declarant reasonable authority to designate sites within the Properties for fire, police, water, and sewer facilities.

ARTICLE X ASSESSMENTS

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood; and (c) Special Assessments as described in Section 5 below.

Base Assessments shall be levied equally on all Units which, on the date of the adoption of the budget are platted and of record in the office of the Recorder of Monroe County, Indiana or in the case of multifamily dwellings under common ownership, have been issued a building permit, and which are located upon the Properties. Either the Declarant or, if the Declarant has conveyed to a Parcel Developer, the Parcel Developers shall pay 100% of the Base Assessment levied upon the Units which have been platted but have not yet been conveyed to an Owner other than the Declarant or a Parcel Developer. The Base Assessment shall be adjusted at least semi-annually to reflect additional Units which have been platted or permitted and included within the Properties and subjected to this Declaration. Neighborhood Assessments shall be levied equally on all platted Units of record within the Neighborhood for whose benefit Neighborhood Expenses are incurred as provided in Section 3 below. Special Assessments shall be levied as provided in Section 4 below. Each owner by acceptance of a deed or recorded contract of sale to any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate determined by the Board but not to exceed 18% per annum as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made. Each such assessment, together with interest,

costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee, Nominee of the Mortgagee, or third party purchaser who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer or management agent of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty (\$50.00) Dollars for the issuance of such certificate.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or with any order or directive of any municipal or other governmental authority.

So long as the Declarant has an option unilaterally to subject additional property to this Declaration, in lieu of paying Base Assessments on its unsold Units the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Section 2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared.

The Base Assessment to be levied for the coming year against each Unit subject to assessment under Section 7 below shall be computed by dividing the budgeted Common

Expenses (after deducting the ten percent (10%) portion of the annual budget which is to be paid by the Owners of the Commercial Properties as provided in the Covenant to Share Costs attached hereto as Exhibit "D") by the total number of Units located within the Properties which either have been platted and placed of record in the office of the Recorder of Monroe County, Indiana, or, in the case of multifamily Units under common ownership, have been issued building permits. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Voting Members by the vote of Voting Members or their alternates representing at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such membership exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Article II, Section 4, of the By-Laws.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Computation of Neighborhood Assessments. It shall be the duty of the Board, at least thirty (30) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association of each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. The Neighborhood Association or Committee for each Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby; and levied as a Neighborhood Assessment. The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood. Meetings of Neighborhood Committees, if called, shall be conducted in accordance with Article V, Section 3 of the By-Laws.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments from time to time; provided, such assessment shall have the affirmative vote or written consent of Voting Members or their alternates representing at least fifty-one (51%) percent of the Class "A" vote in the Association and the affirmative vote or written consent of the Class "B" Member, if such exists. The obligation to pay Special Assessments shall be computed on the same basis as for Base Assessments. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer of the Neighborhood Association or Neighborhood Committee and an opportunity for a hearing.

Section 5. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) No right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid

Common Expenses and attorney's fees may be maintained without foreclosing or waiving the lien securing the same.

Section 6. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 2 of this Article.

Section 7. Date of Commencement of Assessments. The assessments provided for herein shall commence as to each Unit on the first day of the first month following (i) the date of conveyance of the Unit by Declarant, or (ii) the effective date of the first budget, whichever is later. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 8. Subordination of the Lien to Institutional First Mortgages. The lien of assessments, including interest, late charges, and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any institutional first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure of an institutional first Mortgage, or transfer to an institutional first Mortgagee or third party pursuant to a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding an institutional first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 9. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments

- (a) all Common Area; and
- (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

ARTICLE XI
ARCHITECTURAL STANDARDS

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with the requirements of this Article, and until the approval of the appropriate entities has been obtained.

Section 1. New Construction Committee. The New Construction Committee (NCC) shall have exclusive jurisdiction over all original construction on any portion of the Properties. The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and renew procedures, all as part of the Community Development Code and Land Use Standards ("CDC-LUS"). Copies shall be available from the New Construction Committee for review. The guidelines and procedures shall be those of the Association, and the NCC shall have sole and full authority to prepare and to amend the CDC-LUS. It shall make the CDC-LUS available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall conduct their operations strictly in accordance therewith.

Until one hundred (100%) percent of the Properties have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, which shall consist of at least three (3), but no more than five (5), persons. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC in the same manner as provided in Section 2 of this Article for the Modifications Committee. If no NCC is established the Board shall carry out the function of the NCC until such time as an NCC is established.

Section 2. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto; provided, however, the MC may delegate this authority to the appropriate board or committee

of any Neighborhood Association subsequently created or subsequently subjected to this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. If no MC is established, the Board shall carry out the functions of the MC until such time as the MC is established.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with the CDC-LUS. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

Section 3. No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 4. Variance. The NCC may authorize variances from compliance with any of the provisions of the CDC-LUS when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. No variance shall be final until it is also approved by the Board. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

237 491

ARTICLE XII
USE RESTRICTIONS

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant, or the Association), all as may more particularly be set forth in this Declaration, amendments hereto or subsequently recorded declarations creating Neighborhood Associations subject to this Declaration. The declaration or other creating document for any Neighborhood Association may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. This authority shall include, without limitation, the power to regulate the speed and flow of traffic on private roads within the Properties. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a Majority of the total Class "A" votes in the Association and by the vote of the Class "B" member, so long as such membership shall exist.

Section 1. Signs. No sign of any kind shall be permitted or displayed to the public view within the properties except that one sign of not more than five (5) square feet advertising a Unit for sale or rent or signs used by a builder to advertise the Unit during construction.

Section 2. Parking and Garages. ~~Vehicles shall be parked only in the garages, parking tracts, or in the driveways, if any,~~ serving the Units or in appropriate spaces or designated areas in which parking may or may not be assigned and then subject to such reasonable rules and regulations as the Board of Directors, or the Neighborhood Committee or Neighborhood Association having concurrent jurisdiction over parking areas within a Neighborhood, may adopt. The Declarant and/or the Association may designate certain on-street parking areas for visitors or guests. Commercial vehicles, tractors, mobile homes, trailers (either with or without wheels), campers, camper trailers, and boat trailers shall be parked only in areas designated by the Board, or the Neighborhood Committee or Neighborhood Association having jurisdiction over a particular parking area within a Neighborhood. The ~~outdoor storage of boats and recreational~~ vehicles is prohibited upon the Properties.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit. Every Owner shall cause all occupants of his or

her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats or other usual and common household pets may be permitted in a Unit. No pets are permitted to roam free; those which, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Additional covenants affecting the property within any Neighborhood may impose more stringent restrictions on animals and pets.

Section 5. Nuisance. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substances, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 7. Antennas. No exterior antennas, aerials, satellite dishes, (except for miniature satellite dishes less than two (2) feet in diameter), or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit, without the prior written consent of the Board or its designee. The Declarant and/or the Association shall have the right, without obligation, to erect any aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any master system or systems be utilized by the Association and require any such exterior apparatus.

Section 8. Basketball Equipment, Clotheslines, Garbage Cans, Tanks, Etc. All clotheslines, garbage cans, above-ground tanks, and other similar items shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be regularly removed from the Properties and shall not be allowed to accumulate thereon.

Section 9. Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No Unit shall be made subject to any type of timeshare or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years.

Section 10. Guns. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 11. Pools. No above-ground pools shall be erected, constructed or installed on any Unit.

Section 12. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties without prior written approval of the Board. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration. Private irrigation wells are prohibited on the Properties. Provided, however, this Section 12 shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article VIII, Section 1. Wells and tap-ins to the water system are prohibited without the written permission of Monroe County and of the Association.

Section 13. Tents, Trailers and Temporary Structures. Except as may be permitted by the NCC during initial construction within the Properties, no tent, basement, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

Section 14. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby

reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic systems are prohibited on the Properties.

Section 15. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 16. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 17. Lakes, Water Bodies and Wetlands. All lakes, ponds, and streams within the Properties, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, swimming, motorized boating, playing, or use of personal flotation devices, shall be permitted. No piers or docks shall be constructed on any portion of lakes, streams or ponds, nor attached to the shoreline or banks thereof. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties. Nothing shall be done which disturbs or potentially disturbs wetlands within the Properties in any manner. No dredging or filling shall be undertaken on any property adjacent to any water body or wetland.

Section 18. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 19. Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such

activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program.

Section 20. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Term. The covenants and restriction of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant will continue to have the unilateral right to amend this Declaration so long as it still owns property described in Exhibits "A" or "B" for development as part of the Properties, and so long as the amendment has no material adverse effect upon any right of any Owner. No amendment required by any governmental agency will be deemed material. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing fifty (50%) percent of the total votes of the Association, including fifty (50%) percent of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Office of the Recorder of Monroe County, Indiana.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary

provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as common expense, maintain adequate general liability and officers', and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units or any Unit, including such Unit as contains commercial uses, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B", the Association, and the designees of each (which may include, without limitation, Monroe County, Indiana, and any utility), blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems,

security, and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including but not limited to, water, sewers, meter boxes, telephones, gas and electricity.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to Monroe County, Indiana, or to any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Declaration.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 7. Right of Entry. The Association shall have the right, but not the obligation, to enter into any unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other condition upon request by the Board.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Voting Members. In the case of such a vote, and notwithstanding anything contained in

this Declaration or the Articles of Incorporation or By-Laws of the Association to the contrary, a Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five (75%) percent of all Members of the Neighborhood represented by the Voting Member. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to property taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceeding as provided above.

Section 10. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Neighborhood Association and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provision of any articles of incorporation, By-Laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Neighborhood Association shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

Section 11. Use of the Words "Fieldstone" or Fieldstone Community Association. No person shall use the words "Fieldstone" or "Fieldstone Community Association" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "Fieldstone" or "Fieldstone Community Association" in printed or promotional matter where such term is used solely to specify that particular property is located within Fieldstone.

Section 12. Easement for Access Over Private Streets. There is hereby reserved to the general public an easement for ingress, egress, and access over all private streets within the Properties, subject to such rules and regulations as may be promulgated by the Board of Directors.

Section 13. Nonresidential Properties: Easement and Covenant to Share Cost. The Properties may contain certain nonresidential areas, including, without limitation, retail, neighborhood business, and institutional properties, which are not dedicated to the public and are neither Units nor Common Property as defined in this Declaration (hereinafter "Nonresidential Properties"). The owners of such properties shall not be Members of the Association and shall not be entitled to vote, nor shall they be subject to assessment under Article X of this Declaration. The owners of Nonresidential Properties shall be obligated to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility and shall be subject to assessment by the Association therefore, all as more particularly provided in that certain Declaration of Easements and Covenants to Share Costs attached hereto as Exhibit "D" and incorporated

herein by this reference. The owners of the Nonresidential Properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

Section 14. Security. Fieldstone Community Association, Inc., will strive to maintain Fieldstone as safe, secure residential environment. HOWEVER, NEITHER FIELDSTONE COMMUNITY ASSOCIATION, INC., NOR DECLARANT, SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE FIELDSTONE COMMUNITY ASSOCIATION, INC. AND DECLARANT, AND COMMITTEES ESTABLISHED BY ANY THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO UNITS, AND TO THE COVENANTS OF UNITS AND FURTHER ACKNOWLEDGE THAT DECLARANT, HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, GUEST, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

ARTICLE XIV MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provision contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who has provided a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affect a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Law of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Voting Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of their subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provision of any declaration subsequently recorded on any portion of the Properties regarding assessment for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and the Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any right of the first

Mortgagee of any unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 4. Notice to Association. Upon request, each Owner shall be obligated to furnish the Association the name and address of the holder of any Mortgage encumbering such Owner's unit.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate changing the provisions of this Article, Declarant may, without approval of the Owners, cause an amendment to this Article to be recorded to reflect such changes.

Section 6. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Indiana corporate law for any of the acts set out in this Article.

Section 7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action of the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE XV DECLARANT'S RIGHTS

Any or all of the special right and obligation of the Declarant may be transferred to the other Person, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Office of the Recorder of Monroe County, Indiana. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provision contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portion of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models, sales offices, and for lodging and entertainment, respectively, of sales prospects and other business invitees.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

So long as Declarant continues to have rights under this paragraph, all sales, promotional, and advertising material, and all forms for deeds, contracts for sale and other closing documents for the subdivision and sale of property in the Properties by any Parcel Developer shall be subject to the prior approval of Declarant, which approval shall not be unreasonably withheld. Declarant shall deliver notice to any parcel Developer of Declarant's approval or disapproval of all such materials and documents and, if Declarant fails to so notify any Parcel Developer within such thirty (30) day period, Declarant shall be deemed to have waived any objections to such materials and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) thirty (30) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 4th day of January, 1996.

STANDARD DEVELOPMENT, LLC

By:

John J. Quinn

John J. Quinn, Exec. VP & CFO
Standard Management Corporation
Member, Standard Development, LLC

By:

Brett E. Davis

Brett E. Davis, President
Brett Davis Development Corporation
Member, Standard Development, LLC

C
COUNTY OF Marion)
STATE OF Indiana)SS:

237 503

C
I, Carla J. James a notary public in and for the State and County aforesaid, do certify that John J. Quinn, the Exec. VP & CFO of Standard Management Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

C
Given under my hand and official seal this 8th day of January, 1996.

C
Carla J. James
NOTARY PUBLIC
Carla J. James
Printed Name

C
My County of Residence: Marion
My commission expires: May 26, 1998

C
COUNTY OF Marion)
STATE OF Indiana)SS:

C
I, Ilona M. Hajdu a notary public in and for the State and County aforesaid, do certify that Brett E. Davis, President of Brett Davis Development Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

C
Given under my hand and official seal this 8th day of January, 1996.

C
Ilona M. Hajdu
NOTARY PUBLIC
Ilona M. Hajdu
Printed Name

C
My County of Residence: Marion
My commission expires: 8-9-98

976511538-011-5-96

EXHIBIT "A"

Land Initially Submitted

A part of the west half of Section 2, Township 8 North, Range 2 West, Monroe County, Indiana, and more particularly described as follows:

COMMENCING at a railroad spike found at the northwest corner of said west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East (assigned bearing basis) 726.00 feet along the north line of said west half to a PK Nail found at the POINT OF BEGINNING; thence SOUTH 88 degrees 20 minutes 22 seconds East 325.08 feet along said north line; thence SOUTH 01 degrees 39 minutes 38 seconds West 589.31 feet; thence 117.31 feet along a 310.00 foot radius non-tangent curve to the right whose chord bears SOUTH 72 degrees 44 minutes 12 seconds East 116.61 feet; thence SOUTH 61 degrees 53 minutes 44 seconds East 86.20 feet; thence 78.38 feet along a 170.00 foot radius tangent curve to the left whose chord bears SOUTH 75 degrees 06 minutes 14 seconds East 77.69 feet; thence 270.78 feet along a 655.00 foot radius non-tangent curve to the right whose chord bears NORTH 12 degrees 27 minutes 19 seconds East 268.85 feet; thence NORTH 22 degrees 06 minutes 56 seconds East 131.29 feet; thence 198.98 feet along a 500.00 foot radius tangent curve to the left whose chord bears NORTH 12 degrees 52 minutes 19 seconds East 197.67 feet; thence NORTH 01 degrees 28 minutes 17 seconds East 95.85 feet to the aforementioned north line of the west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East 108.34 feet along said north line to a PK Nail found at the northwest corner of land of Bower; thence SOUTH 01 degrees 44 minutes 04 seconds West 50.00 feet along the west line of said land of Bower; thence NORTH 88 degrees 20 minutes 22 seconds West 28.11 feet; thence SOUTH 01 degrees 28 minutes 17 seconds West 45.58 feet; thence 230.81 feet along a 580.00 foot radius tangent curve to the right whose chord bears SOUTH 12 degrees 52 minutes 19 seconds West 228.90 feet; thence SOUTH 26 degrees 28 minutes 49 seconds West 131.32 feet; thence 314.05 feet along a 585.00 foot radius tangent curve to the left whose chord bears SOUTH 08 degrees 55 minutes 08 seconds West 310.29 feet; thence SOUTH 83 degrees 32 minutes 23 seconds West 70.00 feet; thence SOUTH 28 degrees 06 minutes 16 seconds West 126.50 feet; thence NORTH 47 degrees 29 minutes 00 seconds West 72.27 feet; thence NORTH 62 degrees 56 minutes 08 seconds West 180.18 feet; thence SOUTH 85 degrees 42 minutes 41 seconds West 56.85 feet; thence SOUTH 66 degrees 19 minutes 51 seconds West 51.14 feet; thence SOUTH 45 degrees 02 minutes 30 seconds West 63.20 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 122.75 feet; thence SOUTH 63 degrees 21 minutes 22 seconds West 48.12 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 115.95 feet; thence NORTH 05 degrees 35 minutes 20 seconds East 193.87 feet; thence NORTH 11 degrees 09 minutes 57 seconds West 111.99 feet to a 5/8" rebar found at the southeast corner of land of Wiley; thence NORTH 00 degrees 00 minutes 00 seconds East 330.00 feet along the east line of said land of Wiley to the Point of Beginning, containing 7.71 acres, more or less.

EXHIBIT "B", Page 1 of 3

Land Subject to Annexation

A part of the West half of Section 2, Township 8 North, Range 2 West, Monroe County, Indiana, more particularly described as follows:

COMMENCING at the northwest corner of Section 2 marked by a railroad spike; thence SOUTH 88 degrees 20 minutes 22 seconds EAST (assumed basis of bearings) along the north line of Section 2, 726.00 feet to a P.K. nail and the true point of beginning; thence continuing SOUTH 88 degrees 20 minutes 22 seconds EAST, a distance of 832.88 feet to a P.K. nail; thence leaving said north line SOUTH 01 degree 44 minutes 04 seconds WEST, a distance of 332.11 feet to an Iron pipe; thence SOUTH 88 degrees 13 minutes 54 seconds EAST, a distance of 264.15 feet to an Iron pipe; thence NORTH 01 degree 42 minutes 28 seconds EAST, a distance of 332.61 feet to a P.K. nail on the north line of said Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds EAST along said North line, 309.00 feet to a P.K. nail; thence SOUTH 01 degree 42 minutes 28 seconds WEST, a distance of 330.00 feet to a 5/8" rebar with yellow cap; thence SOUTH 88 degrees 20 minutes 22 seconds EAST, a distance of 272.00 feet to a 5/8" rebar with yellow cap; thence SOUTH 01 degree 42 minutes 28 seconds WEST, a distance of 165.00 feet to a 5/8" rebar with yellow cap; thence SOUTH 88 degrees 20 minutes 22 seconds EAST, a distance of 132.00 feet to a 5/8" rebar with yellow cap; thence SOUTH 01 degree 50 minutes 51 seconds EAST, a distance of 1794.61 feet to a stone; thence SOUTH 87 degrees 33 minutes 58 seconds EAST, a distance of 53.79 feet to a 5/8" rebar with yellow cap at the center of Section 2; thence SOUTH 00 degrees 01 minute 05 seconds WEST, along the east line of the West half of Section 2, 2302.82 feet to a 5/8" rebar with yellow cap; thence NORTH 88 degrees 45 minutes 22 seconds WEST, a distance of 258.26 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 337.34 feet to a 5/8" rebar with yellow cap; thence NORTH 88 degrees 45 minutes 20 seconds WEST, a distance of 60.00 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 331.90 feet to a 5/8" rebar with yellow cap; thence NORTH 88 degrees 45 minutes 20 seconds WEST, a distance of 270.03 feet to a 5/8" rebar with yellow cap; thence SOUTH 00 degrees 00 minutes 00 seconds EAST, a distance of 260.57 feet to an iron pipe at the northeast corner of Howie Addition; thence NORTH 88 degrees 45 minutes 20 seconds WEST, a distance of 671.00 feet to a 5/8" rebar with yellow cap; thence SOUTH 00 degrees 00 minutes 00 seconds EAST, a distance of 746.00 feet to a P.K. nail on the south line of Section 2; thence NORTH 88 degrees 45 minutes 20 seconds WEST along said South line 682.12 feet to a railroad spike; thence leaving said south line NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 210.00 feet to an iron rod; thence NORTH 88 degrees 45 minutes 20 seconds WEST, a distance of 690.00 feet to a P.K. nail set on the west line of said Section 2; thence NORTH 00 degrees 00 minutes 00 seconds WEST, along said west line 2118.81 feet to a railroad spike; thence SOUTH 89 degrees 59 minutes 33 seconds EAST, a distance of 419.00 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 520.00 feet to a 5/8" rebar with yellow cap; thence NORTH 89 degrees 59 minutes 33 seconds WEST, a distance of

EXHIBIT "B", Page 2 of 3

Land Subject to Annexation

179.00 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 400.00 feet to a 5/8" rebar with yellow cap; thence NORTH 89 degrees 59 minutes 33 seconds WEST, a distance of 239.94 feet to a P.K. nail on the west line of Section 2; thence NORTH 00 degrees 00 minutes 00 seconds WEST, along said West line 60.00 feet to a P.K. nail; thence SOUTH 89 degrees 59 minutes 33 seconds EAST, a distance of 252.63 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 58 seconds WEST, a distance of 190.19 feet to a 5/8" rebar with yellow cap; thence NORTH 83 degrees 05 minutes 28 seconds WEST, a distance of 28.80 feet to an iron rod; thence NORTH 01 degree 04 minutes 11 seconds EAST a distance of 99.85 feet to a post; thence SOUTH 89 degrees 47 minutes 57 seconds WEST, a distance of 20.93 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 02 minutes 42 seconds EAST, a distance of 100.20 feet to a 5/8" rebar with yellow cap; thence NORTH 89 degrees 44 minutes 32 seconds EAST, a distance of 256.24 feet to a post; thence NORTH 00 degrees 02 minutes 10 seconds EAST, a distance of 900.29 feet to a 5/8" rebar with yellow cap; thence SOUTH 88 degrees 20 minutes 22 seconds EAST, a distance of 264.00 feet to a 5/8" rebar with yellow cap; thence NORTH 00 degrees 00 minutes 00 seconds WEST, a distance of 330.00 feet to the point of beginning, containing 239.71 acres more or less.

Excepting therefrom:

A part of the west half of Section 2, Township 8 North, Range 2 West, Monroe County, Indiana, and more particularly described as follows:

COMMENCING at a railroad spike found at the northwest corner of said west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East (assigned bearing basis) 726.00 feet along the north line of said west half to a PK Nail found at the POINT OF BEGINNING; thence SOUTH 88 degrees 20 minutes 22 seconds East 325.08 feet along said north line; thence SOUTH 01 degrees 39 minutes 38 seconds West 589.31 feet; thence 117.31 feet along a 310.00 foot radius non-tangent curve to the right whose chord bears SOUTH 72 degrees 44 minutes 12 seconds East 116.61 feet; thence SOUTH 61 degrees 53 minutes 44 seconds East 86.20 feet; thence 78.38 feet along a 170.00 foot radius tangent curve to the left whose chord bears SOUTH 75 degrees 06 minutes 14 seconds East 77.69 feet; thence 270.78 feet along a 655.00 foot radius non-tangent curve to the right whose chord bears NORTH 12 degrees 27 minutes 19 seconds East 268.85 feet; thence NORTH 22 degrees 06 minutes 56 seconds East 131.29 feet; thence 198.98 feet along a 500.00 foot radius tangent curve to the left whose chord bears NORTH 12 degrees 52 minutes 19 seconds East 197.67 feet; thence NORTH 01 degrees 28 minutes 17 seconds East 95.85 feet to the aforementioned north line of the west half of Section 2; thence SOUTH 88 degrees 20 minutes 22 seconds East 108.34 feet along said north line to a PK Nail found at the northwest corner of land of Bower; thence SOUTH 01 degrees 44 minutes 04 seconds West 50.00 feet along the west line of said land of Bower; thence NORTH 88 degrees 20 minutes

EXHIBIT "B", Page 3 of 3

Land Subject to Annexation

22 seconds West 28.11 feet; thence SOUTH 01 degrees 28 minutes 17 seconds West 45.58 feet; thence 230.81 feet along a 580.00 foot radius tangent curve to the right whose chord bears SOUTH 12 degrees 52 minutes 19 seconds West 228.90 feet; thence SOUTH 26 degrees 28 minutes 49 seconds West 131.32 feet; thence 314.05 feet along a 585.00 foot radius tangent curve to the left whose chord bears SOUTH 08 degrees 55 minutes 08 seconds West 310.29 feet; thence SOUTH 83 degrees 32 minutes 23 seconds West 70.00 feet; thence SOUTH 28 degrees 06 minutes 16 seconds West 126.50 feet; thence NORTH 47 degrees 29 minutes 00 seconds West 72.27 feet; thence NORTH 62 degrees 56 minutes 08 seconds West 180.18 feet; thence SOUTH 85 degrees 42 minutes 41 seconds West 56.85 feet; thence SOUTH 66 degrees 19 minutes 51 seconds West 51.14 feet; thence SOUTH 45 degrees 02 minutes 30 seconds West 63.20 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 122.75 feet; thence SOUTH 63 degrees 21 minutes 22 seconds West 48.12 feet; thence NORTH 26 degrees 39 minutes 21 seconds West 115.95 feet; thence NORTH 05 degrees 35 minutes 20 seconds East 193.87 feet; thence NORTH 11 degrees 09 minutes 57 seconds West 111.99 feet to a 5/8" rebar found at the southeast corner of land of Wiley; thence NORTH 00 degrees 00 minutes 00 seconds East 330.00 feet along the east line of said land of Wiley to the Point of Beginning, containing 7.71 acres, more or less.

Said tract containing 232.00 acres, more or less, after exception.

BY-LAWS OF
FIELDSTONE COMMUNITY ASSOCIATION, INC.
TABLE OF CONTENTS

Article I		
Name, Principal Office, and Definitions		1
Section 1. <u>Name</u>		1
Section 2. <u>Principal Office</u>		1
Section 3. <u>Definitions</u>		1
Article II		
Association: Membership, Meetings, Quorum, Voting, Proxies		1
Section 1. <u>Membership</u>		1
Section 2. <u>Place of Meetings</u>		1
Section 3. <u>Annual Meetings</u>		1
Section 4. <u>Special Meetings</u>		1
Section 5. <u>Notice of Meetings</u>		2
Section 6. <u>Waiver of Notice</u>		2
Section 7. <u>Adjournment of Meetings</u>		2
Section 8. <u>Voting</u>		2
Section 9. <u>Proxies</u>		3
Section 10. <u>Majority</u>		3
Section 11. <u>Quorum</u>		3
Section 12. <u>Conduct of Meetings</u>		3
Section 13. <u>Action Without A Meeting</u>		3
Article III		
Board of Directors: Number, Powers, Meetings		3
A. <u>Composition and Selection</u>		3
Section 1. <u>Governing Body: Composition</u>		3
Section 2. <u>Directors During Class "B" Control</u>		3
Section 3. <u>Right to Disapprove Actions</u>		4
Section 4. <u>Number of Directors</u>		4
Section 5. <u>Nomination of Directors</u>		5
Section 6. <u>Election and Term of Office</u>		5
Section 7. <u>Removal of Directors and Vacancies</u>		6
B. <u>Meetings</u>		7
Section 8. <u>Organizational Meetings</u>		7
Section 9. <u>Regular Meetings</u>		7
Section 10. <u>Special Meetings</u>		7
Section 11. <u>Waiver of Notice</u>		7
Section 12. <u>Quorum of Board of Directors</u>		8
Section 13. <u>Compensation</u>		8
Section 14. <u>Conduct of Meetings</u>		8
Section 15. <u>Open Meetings</u>		8
Section 16. <u>Action Without A Formal Meeting</u>		8
C. <u>Powers and Duties</u>		8
Section 17. <u>Powers</u>		8
Section 18. <u>Management Act</u>		10
Section 19. <u>Accounts and Reports</u>		10

EXHIBIT "C", Page 2 of 14

Section 20. <u>Borrowing</u>	11
Section 21. <u>Rights of the Association</u>	11
Section 22. <u>Enforcement</u>	12
ARTICLE IV	
<u>Officers</u>	13
Section 1. <u>Officers</u>	13
Section 2. <u>Election, Term of Office, and Vacancies</u>	13
Section 3. <u>Removal</u>	13
Section 4. <u>Powers and Duties</u>	13
Section 5. <u>Resignation</u>	14
Section 6. <u>Agreements, Contracts, Deeds, Leases, Checks, Etc.</u>	14
ARTICLE V	
<u>Committees</u>	14
Section 1. <u>General</u>	14
Section 2. <u>Covenants Committee</u>	14
Section 3. <u>Neighborhood Committees</u>	14
ARTICLE VI	
<u>Miscellaneous</u>	15
Section 1. <u>Fiscal Year</u>	15
Section 2. <u>Parliamentary Rules</u>	15
Section 3. <u>Conflicts</u>	15
Section 4. <u>Books and Records</u>	15
Section 5. <u>Notices</u>	16
Section 6. <u>Amendment</u>	16
CERTIFICATION	17

BY-LAWS
OF
FIELDSTONE COMMUNITY ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be Fieldstone Community Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Indiana shall be located in Monroe County. The Association may have such other offices, either within or outside the State of Indiana, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Fieldstone Community Association, Inc. (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

EXHIBIT "C", Page 3 of 14

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, days, and hour of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because of a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the

EXHIBIT "C", Page 4 of 14

meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

The Voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five (25%) of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing a majority of the total votes in the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III

Board of Directors: Number, Powers, MeetingsA. Composition and Selection

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Declarant, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. Subject to the provisions of Section C below, the Directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

EXHIBIT "C", Page 5 of 14

- (a) when seventy-five (75%) percent of the Units permitted by the Conceptual Plan for the property described on Exhibit "A" and "B" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;
- (b) December 31, 2025; or
- (c) when, in its discretion, the Class "B" Member so determines.

Section 3. Right to Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and the Modifications Committee, as is more fully provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board of Directors or Modifications Committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

- (a) The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and
- (b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right of disapproval to require a reduction in the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than five (5), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of

EXHIBIT "C", Page 6 of 14

Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. At least one (1) candidate shall be nominated from each Neighborhood, unless a Neighborhood has no person willing to serve or eligible for election. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own twenty-five (25%) percent of the Units permitted by the Conceptual Plan for the property described in Exhibits "A" and "B" or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Voting Members other than the Declarant shall elect one (1) of the three (3) directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own fifty (50%) percent of the Units permitted by the Conceptual PRD Plan for the property described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The Association shall call a special meeting at which Voting Members other than the Class "B" Member shall elect two (2) of the five (5) directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within thirty (3) days after termination of the Class "B" Control Period, the Association shall call a special meeting at which Voting Members other than the Class "B" Member shall elect three (3) of the five (5) directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting occurs within thirty (30) days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) At the first annual meeting of the membership after the termination of the Class "B" Control Period the Voting Members shall elect five (5) directors. So long as there are at least five (5) Neighborhoods with candidates running for election, no more than one (1) director shall be elected from any Neighborhood. Three (3) directors shall be elected to serve a term of two (2) years and two (2) directors shall be elected to serve a term of one (1) year. Upon the expiration of the initial term of office of each such director, a successor shall be elected to serve a term of two (2) years. Thereafter, all directors shall be elected to serve two (2) year terms. For the purpose of the election of directors, each Voting Member shall have one (1) equal vote, and Voting Members representing Units owned by the Class "B" Member shall be entitled to vote, except as otherwise provided above.

At any election of directors, each Voting Member shall be entitled to cast one (1) equal vote with respect to each vacancy to be filled. The candidates receiving the largest number of votes shall be elected. The Directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Voting Members may be removed, with or without cause, by the vote of Voting Members holding a majority of the votes entitled to be cast for this election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected solely by the votes of Voting Members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Members other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the Voting Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall serve for the remainder of the term of the director who vacated the position.

B. Meetings.

Section 8. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by that Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, however, called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days

EXHIBIT "C", Page 8 of 14

from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall require any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all directors are able through telephone connection to hear and to be heard.

Section 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Voting Member may speak.

Section 16. Action Without A Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;
- (b) making assessments to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of January, April, July and October.
- (c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

EXHIBIT "C", Page 9 of 14

- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts of behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and the improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
- (m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and all other books, records, and financial statements of the Association; and
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

Section 18. Management Act

- (a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.
- (b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days' or less written notice.

EXHIBIT "C", Page 10 of 14

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association; provided, nothing herein shall prohibit the managing agent from earning commissions for services performed by the managing agent in leasing Units on behalf of the Owners of such Units;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

Section 20. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the Articles of Incorporation, during the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Voting Members representing at least fifty-one (51%) percent of the Members other than the Declarant and the Declarant's nominees.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the period of Declarant control of the Board of Directors unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Section 22. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws or any rules and regulations duly adopted hereunder; provided, however nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote due to nonpayment of assessments. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a

EXHIBIT "C", Page 11 of 14

rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owners shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing

- (i) the nature of the alleged violation,
- (ii) the proposed sanction to be imposed,
- (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and
- (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of the parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV

Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board

EXHIBIT "C", Page 12 of 14

of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Article III, Section 22 of these By-Laws.

Section 3. Neighborhood Committees. In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty-one (51%) percent of the Owners within the Neighborhood this number may be increased to five (5).

The members of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood at an annual meeting of such Owners, at which the Owners of Units within that

Neighborhood holding at least one-third (1/3) of the total votes of Units in the Neighborhood are represented, in person or by proxy. The Owners of Units within a Neighborhood shall have the number of votes assigned to their Units in the Declaration. Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Sections 8, 9, 10, 11, 12, 13, 14, 15, and 16, of these By-Laws; provided, however, the term "Voting Member" shall refer to the Owners of Units within the Neighborhood. Each Neighborhood Committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Neighborhood.

ARTICLE VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Indiana law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Indiana law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Indiana law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules of Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

EXHIBIT "C", Page 14 of 14

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws so long as it still owns property described in Exhibits "A" or "B" to the Declaration for development as part of the Properties and so long as the amendment has no material adverse effect upon any right of any Member. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the total votes of the Association, including seventy-five (75%) percent of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Monroe County, Indiana.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Fieldstone Community Association, Inc., an Indiana corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 23rd day of January, 1996

William M. Van Voorhis
Secretary

EXHIBIT "D"

237 522

COVENANT TO SHARE COSTS

THIS DECLARATION is made this 8th day of January, 1996, by Standard Development, LLC, an Indiana limited liability company ("Declarant").

BACKGROUND STATEMENT

Declarant is the owner of all that property which is subject to the Declaration of Covenants, Conditions and Restrictions for Fieldstone Commercial Park, recorded in Miscellaneous Book _____, Page _____, in the Office of the Recorder of Monroe County, Indiana (such Declaration is herein referred to as the "Commercial Declaration" and all property subject thereto, together with any property which may from time to time be added by amendment, is herein referred to as the "Commercial Properties"). Acknowledging that the owners and occupants of the Commercial Properties will benefit from the performance by Fieldstone Community Association, Inc. ("Residential Association") of certain of its maintenance responsibilities under the Declaration of Covenants, Conditions, and Restrictions for Fieldstone, recorded in Miscellaneous Book _____, Page _____, in the Office of the Recorder of Monroe County, Indiana (herein referred to as the "Residential Declaration"), Declarant desires to provide for an equitable allocation of the costs of such maintenance between the Residential Association and the owners of the Commercial Properties. The Maintenance Property, as defined below, will provide the owners and occupants of the Commercial Properties with an aesthetically pleasing environment and attractive approach and access to their property, thereby enhancing the value of the Commercial Properties.

NOW, THEREFORE, Declarant hereby declares that all of the Commercial Property shall be held, sold, and conveyed subject to the covenants and conditions contained herein, which are made for the express benefit of the Residential Association and which shall run with the title to the Commercial Properties and shall bind all parties having any right, title, or interest in the Commercial Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of the Residential Association and each owner of any part of the Commercial Properties.

Article I
Obligation To Share Costs

Section 1. Responsibility for Assessments. Each and every Owner of any portion of the Commercial Properties, whether or not it shall be expressed in such Owner's deed, covenants and agrees to pay an annual assessment to cover a portion of repairing, replacing, insuring the Maintenance Property, as defined below. The obligation of each Owner to pay this assessment shall be a separate and independent covenant on the part of each Owner, and diminution or abatement or set off shall not be claimed or allowed by reason of any alleged failure of the Residential Association to adequately perform such maintenance

responsibilities, the sole remedy of each Owner for failure of the Residential Association to perform being suit at law or in equity.

Section 2. Maintenance Property. The Maintenance Property, as such term is used herein, shall refer to all Areas of Common Responsibility as defined in the Residential Declaration including, without limitation, grass, landscaping, entry features, all landscaped medians and rights-of-way, including any improvements thereon, drainage facilities, lakes, open space, and recreational paths, facilities, and trails located within the planned unit development known as Fieldstone which the Residential Association is obligated to maintain and/or insure under the Residential Declaration.

Section 3. Computation of Assessments. On an annual basis, the Residential Association shall determine an estimated budget for maintaining, repairing, replacing, and insuring the Maintenance Property during the upcoming year in a manner consistent with, and to the level of, the Community-Wide Standard established pursuant to the Residential Declaration, which budget shall include an appropriate amount to be placed in a reserve fund for capital repairs and replacements. Such budget shall be adjusted to reflect any excess or deficiency in the budget assessed for the immediately preceding year, as compared to actual expenses for that period.

Ten (10%) percent of the annual budget, as adjusted (hereinafter "Commercial Basis"), shall be used as the basis for computing the total annual assessment obligation for the Commercial Properties. The total annual assessment payable by each Owner of any portion of the Commercial Properties shall be determined by the following formula:

$$\frac{\text{Total Land and Building Points Assigned to Commercial Owner}}{\text{Total Land and Building Points Assigned to all Commercial Properties}} \times \text{Commercial Basis} = \text{Assessment}$$

For purposes of the above formula, each Unit (as defined in the Commercial Declaration) within the Commercial Properties shall be assigned one (1) point for each One Thousand (1,000) square feet of land ("land points") and one (1) point for each One Hundred (100) square feet of gross floor area comprising the Unit ("building points"). Total land and building points shall be added together to determine the numerator of the fraction in the above formula.

Section 4. Payment of Assessments. Within thirty (30) days of receipt of notice of an annual assessment, each Owner of any portion of the Commercial Properties shall pay to the Residential Association the entire amount due. Any assessment delinquent for a period of more than thirty (30) days shall incur a late charge in such amount as the Residential Association may from time to time reasonably determine. If the assessment is not paid when due, a lien, as herein provided, shall attach to the property of the delinquent Owner within the Commercial Properties, as applicable, and, in addition, the lien shall include the late charge,

interest (not to exceed the maximum lawful rate) on the principal amount due and all late charges from the date first due and payable, all costs for collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event, that the assessment remains unpaid after ninety (90) days, the Residential Association may institute suit to collect such amounts and to foreclose its lien. The lien provided for in this Article shall be in favor of the Residential Association, acting through its Board and on behalf of its members, and the Residential Association shall have the power to bid at any foreclosure sale or to acquire, hold, lease, mortgage, or convey foreclosed property.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent assessments. The initial annual assessment to be levied shall be reduced pro rata based upon the number of months remaining in the fiscal year adopted by the Residential Association after the month in which all or a portion of the Commercial Properties is first conveyed by Declarant.

Article II General

Section 1. Notice. Any notice provided for in this Declaration shall be served personally or shall be mailed by registered or certified mail to the president or secretary of the Residential Association or to the Owner of any portion of the Commercial Properties at the address of such property or such other address as is registered with the Residential Association, as applicable. All such notices shall, for all purposes, be deemed delivered (a) upon personal delivery to the party or address specified above; or (b) on the third (3rd) day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

Section 2. Unilateral Annexation By Declarant. As the Owner thereof or, if not the Owner thereof, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time until January 1, 2010 to subject additional real property to the Commercial Declaration and to the provisions of this Declaration by filing for record a Supplemental Declaration subjecting such property to the Commercial Declaration. Any such Supplemental Declaration shall be effective upon the filing for record of a Supplemental Declaration unless otherwise provided therein. This Declaration shall not preclude the annexation of property that, at the time that this Declaration is recorded, is not owned by Declarant. As long as covenants applicable to the real property previously subjected to this Declaration are not changed and as long as rights of the then Owners are not adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any real property annexed by Declarant.

The rights reserved unto Declarant to subject additional land to this Declaration shall not and shall not be implied or construed so as to impose any obligation upon Declarant to subject any of such additional land to this Declaration. If such additional land is not subject to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to

impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent Owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

Section 3. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Commercial Properties subject to their Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Residential Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any portion of the Commercial Properties; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on any portion of the Commercial Properties; provided, however, any such amendment shall not adversely affect the title to any property unless the Owner thereof shall consent thereto in writing. Further, so long as the Declarant has an option unilaterally to subject additional property to either the Commercial Declaration or the Residential Declaration as provided in those instruments, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner or occupant hereunder, nor shall it adversely affect title to the property of any Owner without the consent of the affected Owner or occupant.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the directors of the Residential Association, and Owners of property assigned a majority of the total land and building points assigned to the Commercial Properties as whole, and, so long as the Declarant has an option unilaterally to subject additional property to either the Commercial Declaration or the Residential Declaration as provided in those instruments, the consent of the Declarant. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

Any procedural challenge to an amendment must be made within six (6) months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

Section 4. Duration. The provisions of this Declaration shall run with and bind the land and shall be and remain in effect for a period of thirty (30) years after the date that this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless such extension is disapproved by at least a majority of the directors of the Residential Association, Owners of property assigned a majority of the total land and building points assigned to the Commercial Properties as a whole, and, so long as

the Declarant has an option unilaterally to subject additional property to the Residential Declaration or the Commercial Declaration as provided in those instruments, the consent of Declarant. Every purchaser or grantee of any interest in any portion of the Commercial Properties, by acceptance of a deed or other conveyance therefor, agrees that the provisions of this Declaration may be extended and renewed as provided in this Section.

Section 5. Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of every Owner of any portion of the Commercial Properties, and shall also inure to the benefit of the Residential Association.

Section 6. Interpretation. This Declaration shall be governed by and construed under the laws of the State of Indiana.

Section 7. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 8. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

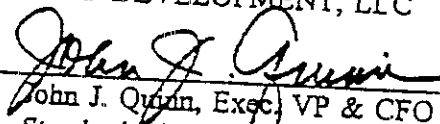
Section 9. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 10. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

The undersigned has executed this Declaration as of the date first above written.

STANDARD DEVELOPMENT, LLC

By:



John J. Quinn, Exec. VP & CFO

Standard Management Corporation

Member, Standard Development, LLC

By:

Brett E. Davis
Brett E. Davis, President
Brett Davis Development Corporation
Member, Standard Development, LLC

237-527

COUNTY OF Marion)
STATE OF Indiana)SS:

I, Carla J. James, a notary public in and for the State and County aforesaid, do certify that John J. Quinn, the Exec. VP & CFO of Standard Management Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

Given under my hand and official seal this 8th day of January, 1996.
Carla J. James
NOTARY PUBLIC
Carla J. James
Printed Name

My County of Residence: Marion
My commission expires: May 26, 1998

COUNTY OF Marion)
STATE OF Indiana)SS:

I, Ilona M. Hajdu, a notary public in and for the State and County aforesaid, do certify that Brett E. Davis, President of Brett Davis Development Corporation, a Member of Standard Development, LLC, an Indiana limited liability company, is signed to the writing above, bearing date on the 8th day of January, 1996, has acknowledged the same before me in my county aforesaid.

Given under my hand and official seal this 8th day of January, 1996.
Ilona M. Hajdu
NOTARY PUBLIC
Ilona M. Hajdu
Printed Name

My County of Residence: Marion
My commission expires: 5-9-98
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