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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

STOP

FOR WHITE OAK ESTATES OF HIGHLAND, BLOCK ONE IN THE TOWN OF HIGHLAND, LAKE COUNTY, INDIANA



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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR WHITE OAK ESTATES OF HIGHLAND, BLOCK ONE
IN HIGHLAND, LAKE COUNTY, INDIANA**

This Declaration is made as of the _____ day of _____, 1996, by ATG Development Company 2, LLC, an Indiana limited liability company (hereinafter referred to as the "Declarant"), as owner of record of the real estate subject to this Declaration.

RECITALS:

1. All capitalized terms used herein shall have the meaning ascribed to them at the first time they are used herein or in the definition set forth in Article I below.
2. Declarant is the owner of record of the real estate legally described on Exhibit A attached hereto and made a part hereof (the "Property").
3. Declarant desires to provide for the preservation of the values and amenities in the Development and for the maintenance of the Property and to this end desires to subject the real estate legally described on Exhibit A attached hereto and made a part hereof to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of each Lot and each Owner thereof.
4. Declarant intends by this Declaration to impose upon the development mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential real estate within the Property made subject to this Declaration (and amendments hereto) by the recording of this Declaration.
5. In order to provide for the necessary administration, preservation, maintenance and enhancement of the Property subjected to the provisions of this Declaration, Declarant has formed (or shall form) the Association which shall be responsible for the ownership and/or maintenance of the areas described in Article VI hereof and each Owner of a Lot which is subject to this Declaration (excluding the Declarant) shall be assessed for his share of the cost thereof by the Association.
6. Declarant intends by this Declaration to impose upon the Property subjected to the provisions of this Declaration mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Property made subject to this Declaration and amendments

thereto by the recording of this Declaration. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, enhancement, preservation, use and enjoyment of the Property.

7. Declarant shall retain certain rights set forth in this Declaration. Prior to the Turnover Date, Declarant shall retain the right to appoint all members of the Board and the right to use portions of the Property for the purposes set forth in Articles XIV and XVI hereof.

NOW, THEREFORE, Declarant hereby declares that all the Property legally described on Exhibit A shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions, burdens, uses, privileges, charges and liens 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 Development or any part thereof, their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of each owner thereof.

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ARTICLE I
DEFINITIONS

The following terms, unless the context requires otherwise, shall have the following meaning when used in this Declaration:

A. "Architectural Control Committee" or "Committee" shall mean the three (3) member committee which shall review all plans, specifications or other material prepared for the construction, renovation, modification, alteration or reconstruction of improvements to any real estate subject to this Declaration, and which shall administrate and enforce certain covenants, conditions and restrictions set forth herein.

B. "Assessments" shall mean Assessments for Common Expenses provided for herein. The Assessment shall be levied against Owners of Lots for such purposes as are authorized by this Declaration or by the Board of Directors from time to time. Assessments shall be General Assessments or Special Assessments as further defined in Article VII.

C. "Association" shall mean The White Oak Estates of Highland Property Owners Association, Inc., or an organization of similar name, formed, or to be formed by Declarant as an Indiana not-for-profit corporation, and its

successors and assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Indiana law. The Association shall be organized and governed in accordance with the Articles of Incorporation, By-Laws and Rules and Regulations, attached hereto as Exhibits D, E and C, respectively.

D. "Building Line" shall mean the line that establishes the minimum permitted distance of a Lot between the front line of a "Residential Unit" and the street right-of-way line.

E. "Declaration" shall mean this instrument and shall include such amendments, if any, to this instrument as may from time to time be adopted as permitted by the terms hereof.

F. "Common Area" shall mean all real and personal property now or hereafter owned by the Association, designated by Declarant for the Association (including the Common Area defined in this Declaration) or subject to an easement in favor of the Association for the common use and enjoyment of the Owners. The initial Common Area to be owned by the Association shall be conveyed to the Association or designated by the Declarant for the Association prior to the conveyance of a subdivision interest to any Owner. Common Area shall include, without limitation, cul-de-sac centers, landmark identification signage with landscaping features (if installed by Declarant on the Property or on other real estate), median strips, the Storm Water Facilities, and such other or further items as shall be designated as Common Area by Declarant or shall be shown as Common Area or subject to an easement for stated purposes on the various Plats or Plans filed with the Recorder of Lake County from time to time with respect to portions of the Development, whether in conjunction with the recordation of a Supplemental Declaration or otherwise.

G. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, 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.

H. "Declarant" shall mean ATG Development Company 2, LLC, an Indiana limited liability company, its successors and assigns. Any such successor or assignee shall be deemed a Declarant and entitled to exercise all or any rights of Declarant as provided in Article XIV hereof.

I. "Development" shall mean the Lots, the improvements on the Lots, and all other improvements within the Property.

J. "Eligible Holder" shall mean a holder, insurer or guarantor of a first Mortgage on a Residential Unit who has requested notice of certain matters from the Association as hereinafter and in the Association's By-Laws provided.

K. "Lot" shall mean a portion of the Development intended for any type of independent ownership and use by a single family as may be set out in this Declaration and any amendments thereto, and as shall be shown on the Plats or Plans. Where the context indicates or requires, the term Lot includes any and all structures on the Lot.

L. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

M. "Mortgage" shall mean any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

N. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

O. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Development, but excluding any party holding the fee simple title merely as security for the performance of any obligation. If a Lot is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner. Owner shall include the Declarant.

P. "Plats" and "Plans" shall mean those plats of survey of all or any portion of the Development which have been or hereafter may be recorded in the Office of the Recorder of Lake County, Indiana, as the same may be amended or supplemented by replats or otherwise.

Q. "Property" shall mean and refer to the real property legally described on Exhibit A of this Declaration.

R. "Residential Unit" shall mean a structure situated upon a portion of the Development intended for any type of independent ownership for use and occupancy as a residence by a single family. For the purposes of this Declaration, a Residential Unit shall come into existence when substantially complete or upon the issuance of a certificate of occupancy by the appropriate agency of Lake County or other local governmental entity.

S. "Storm Water Facilities" shall mean the privately owned storm water retention and detention pond and related facilities located on the real estate conveyed or to be conveyed to the Association as part of the Common Area, as legally described on Exhibit B attached hereto and made a part hereof. The Storm Water Facilities are designed to service the Property, the other real estate legally described on Exhibit B-1 attached hereto and made a part hereof, and other real estate.

T. "Town" shall mean the Town of Highland, Indiana.

U. "Turnover Date" shall mean the date on which the right of Declarant to select and designate all of the members of the Board of Directors is terminated pursuant to Article XIV hereof.

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USE AND CONSTRUCTION RESTRICTIONS
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A. USE OF LOTS. Lots shall be used only for the construction of a Residential Unit, to be occupied only by a single family, and an attached private garage containing no less than two (2) parking spaces and no more than four (4) parking spaces for the sole use of the owners or occupants of the Residential Unit. Storage sheds are not permitted on any Lot.

B. CONSTRUCTION APPROVAL PRIOR TO CONSTRUCTION AND CONSTRUCTION TIME LIMIT. All Residential Units shall be of new construction. No modular or other buildings substantially constructed off-site shall be moved onto any of the Lots. No Residential Unit, and no other structure of any kind, character, or description shall be commenced, erected or maintained on any of the Property until the plans and specifications have been submitted to and approved by the Architectural Control Committee as provided in Article IV. Each Residential Unit shall be erected and completed to that extent necessary to obtain a certificate of occupancy from the Town of Highland within two hundred seventy (270) days from the date of issuance of the building permit for such Residential Unit. The aforesaid time limit shall not have been violated if a certificate of occupancy cannot be issued solely due to an act or omission within the control of the Declarant. The installation of landscaping (including sodding) and the sprinkler system required by Section II.I. hereof shall also be completed within said two hundred seventy (270) day period. The construction of any Residential Unit on any Lot must be commenced within thirty-six (36) months from the date of conveyance of the title to the Lot to the Lot Owner.

C. **FRONT AND REAR SET BACK.** No Residential Unit shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the subdivision Plat and in no event shall a Residential Unit be located on any Lot nearer than thirty feet (30') to the front lot line or nearer than twenty feet (20') to the rear lot line.

D. **SIDE LOT LINES.** The side lot lines from which Residential Units, driveways, or permitted accessory structures shall be located shall not be less than twenty percent (20%) of the width of the Lot at the building line with a minimum of seven and five-tenths (7.5) feet allocated as the least dimension of the narrowest side lot line. No Residential Unit shall be located on any Lot nearer than twenty feet (20') to any side street line. There shall be a minimum of two feet (2') of yard between each side lot line of a Lot, and the paving material of a driveway.

E. **HEIGHT AND DENSITY.** No Residential Unit shall exceed thirty-five feet (35') in height. No Residential Unit on any Lot shall occupy more than thirty percent (30%) of area of the Lot.

F. **MINIMUM FLOOR AREA.** For purposes of minimum floor area requirements imposed by this Declaration, all Lots within the Development shall conform to the following requirements.

1. All Residential Units constructed within the Development shall comply with the following:

a. All one-story Residential Units shall have a minimum first floor area of one thousand five hundred (1,500) square feet above grade level, not including any part of that area or floor of such Residential Unit which is below grade, in whole or in part.

b. All two-story Residential Units shall have a minimum total floor area of two thousand (2,000) square feet above grade level, not including any part of that area or floor of such Residential Unit which is below grade, in whole or in part.

c. All bi-level and tri-level Residential Units shall have a minimum total floor area of one thousand eight hundred (1,800) square feet above grade level, not including any part of that area or floor of such Residential Unit which is below grade, in whole or in part.

d. All quad-level Residential Units shall have a minimum total floor area of one thousand eight hundred (1,800) square feet above grade level, not including any part of that area or floor of such Residential Unit which is below grade, in whole or in part.

e. All one and one-half story Residential Units shall have a minimum total floor area of one thousand eight hundred (1,800) square feet above grade level, not including any part of that area or floor of such Residential Unit which is below grade, in whole or in part.

The foregoing minimum floor areas do not include porches, decks, breezeways, garages or basements, or those livable areas that are a part of a structure detached from the principal Residential Unit.

G. SIDEWALKS. Each Lot Owner shall be responsible for installing, at the Lot Owner's expense, a sidewalk across the Owner's Lot along each publicly dedicated street within the Development bordering such Lot, thereby requiring a sidewalk along both sides of corner Lots which border publicly dedicated streets within the Development.

H. MAIL BOXES. The Declarant shall select and designate a standard mailbox and post for the Development, including the designation of design, size, appearance, color and quality of material, which shall be installed and paid for by each Lot Owner. All repairs and replacements to any such mailbox shall be consistent in design, size, appearance, color and quality of material with the mailbox and post designated by the Declarant. The location and placement of mailboxes and posts shall be as determined by the United States Postal Service, the Town of Highland, or other federal, state or local agency having authority therefor, and to that end each Lot Owner and its successors and assignees shall be granted and have an irrevocable license to install a mailbox upon any portion of the Property so determined as appropriate.

I. LANDSCAPING. Each front yard and side yard shall be landscaped with sod grass. Only the back yards may be seeded. Each Lot Owner shall install an underground sprinkler system to service the sodded areas. Each Lot Owner who has not commenced the construction of a Residential Unit on the Owner's Lot within two (2) years from the date of conveyance of title to the Lot to such Owner shall clear, till and seed the Lot, and thereafter shall keep the Lot mowed and trimmed in a manner as required by the ordinances of the Town of Highland.

Each Lot Owner shall be required to plant in the front or side yard areas of the subject Lot at least six (6) deciduous trees with a minimum diameter of two and one-half (2 1/2) inches in width and a minimum of eight (8) feet in height above grade, and a minimum of twenty (20) shrubs. Shorter, ornamental trees may be used to satisfy this requirement upon the approval of the Architectural Control Committee. Two (2) of the six (6) trees shall be planted in the parkway area of the Lot to satisfy the requirements of the Town of Highland.

The following additional requirements shall supplement the foregoing landscaping requirements in this Section II.1.:

1. All deciduous trees must be of a seedless variety (silver maples and box elders, for example, are not permitted).
2. Two (2) of the minimum required seedless deciduous trees shall be shade trees.
3. Deciduous seedless shade trees, of a variety capable of being trimmed free of limbs a distance of seven feet (7') above grade level when mature, shall be used to meet and satisfy the Town of Highland Code requirement for the planting of trees on the parkway area (between curb and sidewalk) of each Lot. The species and size of each tree required to be planted in the parkway areas of a Lot shall be approved in advance by the Architectural Control Committee. Owners of corner Lots shall meet the Town of Highland Code requirements for the planting of trees in parking areas along both sides of the Lot bordering publicly dedicated streets.
4. A minimum of four (4) of the required shrubs shall be evergreens having a minimum height of eighteen inches (18"), or shall be of a flowering variety.
5. All hedges located in the front yards of a Lot shall be composed of a variety of shrub that is capable of being trimmed perpetually to a height not to exceed three feet (3'), and all such hedges shall be trimmed as often as is necessary to insure that same shall never exceed three feet (3') in height.

For purposes of the landscaping requirement provisions of this Declaration, the term "front yard" shall include that yard area of a Lot between the street (both streets in the case of a corner Lot) and a straight line extension to each side of that portion of the front of the Residential Unit thereon, that both faces the street (both streets in the case of a corner Lot), and is the greatest distance from the street, and the term "side yard" shall include that yard area of a

Lot between such front yard area, as hereinabove defined, and a straight line extension to each side of that portion of the rear of the Residential Unit thereon, that is most nearly parallel to the front of the Residential Unit used to define the front yard, and is the greatest distance from the street. Front yards and side yard areas that cannot be determined by reference to the Residential Unit in accordance with the foregoing due to the architectural configuration of the Residential Unit or for any other reason, shall be established for that Lot by the Architectural Control Committee, and such determination shall be final.

J. **FENCING.** All fencing shall be deemed to be structures subject to the approval of the Architectural Control Committee under Article IV of this Declaration, provided, nevertheless, that no fencing shall be approved by the Architectural Control Committee which :

1. Is greater than six feet (6') in height from grade,
2. Is proposed to be located on any earthen berm constructed by Declarant or located adjacent to and abutting any landscaped area of the Common Area, or located adjacent to and abutting any storm water retention or detention pond, unless said fencing is constructed of iron and stone or brick,
3. Is not proposed to be architecturally integrated into a formal landscape design, or
4. Does not meet the standards for approval under Article IV.

K. **DRIVEWAYS.** All driveways must be constructed of concrete, asphalt or paver stones and construction of a driveway must be completed within ninety (90) days after occupancy of a Residential Unit on the Lot. Driveways of brick, cobblestone, or other materials or a combination of materials may be installed only upon approval of the Architectural Control Committee. There shall be a minimum of two feet (2') of yard between each side lot line of a Lot, and the paving material of a driveway.

L. **SATELLITE DISHES; POOLS.** No satellite dishes larger than eighteen inches (18") in diameter shall be permitted on any part of the Property or the Lots; provided, however, an eighteen inch (18") diameter satellite dish may be installed where appropriate landscaping or other cover renders the satellite dish invisible from the public rights-of-way. No above-ground pools shall be permitted on any Lots.

M. STORAGE AND PARKING OF VEHICLES. There shall be no outside storage or parking upon any Lot, street, alley, right of way or other thoroughfare within the Development for a period in excess of twenty-four (24) hours, of any commercial vehicle, truck, tractor, mobile home or trailer (with or without wheels), camper, camper trailer, boat or other water craft, boat trailer, or any other transportation device of any kind, except within the parking spaces in the Lot Owner's garage (with the door closed), two (2) automobiles in the driveway, and for visitor's temporarily parking in spaces and in accordance with any rules and regulations designated and promulgated by the Association. No Lot Owner shall repair or restore any vehicle of any kind upon any Lot, street, alley, right of way or other thoroughfare except for emergency repairs and except within enclosed garages.

N. SIGNS. No advertising signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any Lot or other portion of the Property. No business activities of any kind whatsoever shall be conducted in any Residential Unit or on any portion of the Property; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, of the Declarant, its agents and assigns, during the construction and sale of Lots. These restrictions shall not apply to the Association, its successors and assigns, in furtherance of its powers and purposes as set forth in this Declaration.

O. PERMANENT STRUCTURES. No structure of a temporary character, such as a trailer, tent, shack, garage, barn or other outbuilding shall be used as a Residential Unit, or on the Property at any time as a permanent or temporary residence. Provided, however, the Declarant may maintain a temporary office unit or trailer on the Property for the purpose of construction, development, marketing and maintenance of the Property.

P. UNDERGROUND UTILITIES. No lines or wires for communication or the transmission of electric current or power or gas shall be constructed, placed or permitted to be placed anywhere on the Property other than within buildings or structures or attached to their walls unless the same shall be contained in conduits or approved cables constructed, placed, and maintained underground.

Q. NAMEPLATES, EXTERIOR LIGHTS, TELEVISION OR RADIO ANTENNAE. There shall be not more than one nameplate on each Lot. A nameplate shall not be more than 96 square inches in area, and contain the name of the occupant and/or the address of the Residential Unit. It may be located on the door of the Residential Unit or the wall adjacent thereto, or upon the wall of an accessory building or structure, or free-standing in the front or side yard.

No exterior light fixtures, other than those fixtures approved in writing by the Architectural Control Committee, shall be installed on the exterior of any Residential Unit or other improvement on any Lot.

No television or radio antennae shall be erected or used unless installed on the rear roof area of a building structure. No television or radio antennae shall be visible from the public right of way. Flag poles not exceeding 25 feet in height are permitted. Flag poles in excess of 25 feet in height shall only be permitted upon the approval in writing of the Architectural Control Committee.

R. COACHLIGHTS. Each Residential Unit shall have at least one (1) coachlight prominently displayed in the area normally designated as the front yard of the Lot. Such coachlight shall be operational from dusk to dawn. The type and location shall be identified on the plans and specifications submitted for the approval of the Architectural Control Committee as set forth in Article IV.

S. GARBAGE, TRASH, STORAGE AND OTHER REFUSE DISPOSAL. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened to or stored so as to conceal them from the view of neighboring Lots and streets. All rubbish, trash or garbage shall be regularly removed from all Lots and shall not be allowed to accumulate on the Lots. No owner of a Lot shall burn or permit the burning of garbage or other refuse. No Lot Owner, or builder or contractor for such Lot Owner, shall dump construction debris, dirt, sand, trash or rubbish on any Lot, street or other area on the Property. Each Lot Owner shall be responsible for the appropriate removal of all such construction debris, dirt, sand, trash and rubbish, and Declarant shall not have any liability or responsibility therefor.

T. PETS. No horses, cattle or any other livestock shall be kept or maintained on any part of the Property. Dogs shall not be left unattended by a Lot Owner outside of a Residential Unit. Permitted pets shall be kept subject to any Rules and Regulations adopted by the Association for the keeping of pets. Pets shall not be kept, bred or maintained for any commercial purposes. Pets shall not be allowed in any dedicated public area or on any other Lot except on a leash or lead. The Lot Owner shall be responsible for removing all offal immediately from all parts of the Property including such Owner's Lot.

U. REGULATIONS. Rules and Regulations concerning use of the Property and the Lots may be promulgated by the Association; provided, however, that copies of such Rules and Regulations are furnished to each Lot Owner prior to the time that the same become effective. The initial Rules and Regulations which shall be deemed effective until amended by the Association are attached hereto and made a part hereof as Exhibit C.

V. STATE AND LOCAL LAWS. The use and construction restrictions and conditions set out herein shall be in addition to and not in place of all use and construction restrictions and conditions established by state or local laws. All Lots, Residential Units, and other buildings constructed on the Property shall conform to all state and local laws in addition to the covenants, conditions and restrictions set out herein.

ARTICLE III

PROPERTY RIGHTS

A. LOT OWNER'S RIGHTS AS TO THE COMMON AREA AND OTHER PROPERTY DEDICATED TO THE TOWN. Lot Owners shall have no property or other rights in and to the Common Area, or in and to any other property dedicated to the Town or to any public utility for public or other purposes, other than those required as a matter of law and ordinance, it being the express intention hereby that the obligations of the Association with regard to the Common Area have been imposed upon the Association and the Property as an accommodation to the Town of Highland for the collective benefit and well being of the future residents in the Development and of the public.

B. NO PARTITION. There shall be no partition of any Lot or of any of the Property from the provisions of this Declaration.

ARTICLE IV

ARCHITECTURAL CONTROLS

A. COMPOSITION AND CONTROL OF ARCHITECTURAL CONTROL COMMITTEE. An Architectural Control Committee is hereby established, and shall be composed of that person or those persons designated and appointed from time to time to serve as or on the Architectural Control Committee by the Declarant. Notwithstanding the provisions of Article V.D. hereof, the Architectural Control Committee shall be and remain at all times under the control and governance of the Declarant, in the sole discretion of the Declarant, subject only to the further provisions of this Article IV, until such time as Declarant shall have conveyed title by deed to the last Lot. Accordingly, and until such time, the Association shall have no right to control or effect the composition of the Architectural Control Committee in any manner whatsoever, even though and notwithstanding the fact that Declarant may no longer have the right or authority to select and designate all of the directors of the Association as a result of the operation and application of the provisions of Article V.D., it being

the express intent hereof that until such time as aforesaid, the Architectural Control Committee shall not be associated or affiliated with the Association in any manner. At such time as Declarant shall have conveyed title by deed to the last Lot as aforesaid, the Architectural Control Committee shall then and thereafter become and be a committee of the Board of Directors of the Association, obligated hereby to exercise architectural control of the Development in the manner and to the extent set forth in Article IV, B., C., and D. hereof, and the Rules and Regulations as amended from time to time. Accordingly, until such time as Declarant shall have conveyed title by deed to the last Lot as aforesaid, the Association shall be prohibited from in any manner whatsoever exercising or attempting to exercise any form of architectural control within the Development. Notwithstanding the foregoing, the Declarant may, in its sole discretion, turn control of the Architectural Control Committee over to the Association at any time prior to the time that such is otherwise required hereunder.

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B. ~~APPROVAL REQUIRED BY ARCHITECTURAL CONTROL COMMITTEE.~~ No Residential Unit, building, fence, wall, deck, improvement or other structure shall be commenced, erected or maintained on the Property or on any Lot, nor shall any exterior addition, change or alteration therein be made, nor shall any restoration or reconstruction of any Residential Unit, building, fence, wall, deck, improvement or other structure commence after casualty, damage or otherwise, until the plans and specifications, plot lay-out, exterior elevations, landscaping plan and grading plan, which shall show the nature, kind, shape, height, materials, color scheme and location on Lot of the improvement(s) to be made shall have been submitted to and approved in writing as to the harmony of external design and location in relationship to the surrounding structures, topography and lot lines by the Architectural Control Committee.

All plans and specifications, plot lay-out, exterior elevations, grading plans, landscaping plans and other material shall be filed in the office of the Declarant for referral to the Architectural Control Committee. A report in writing setting forth the decisions of the Architectural Control Committee and the reasons therefor shall be transmitted to the applicant by the Architectural Control Committee within thirty (30) days after the date of filing the required material by the applicant. In the event (a) the Architectural Control Committee fails to approve or disapprove within thirty (30) days after submission of the final plans, specifications and other material as required in this Declaration; or (b) no suit to enjoin construction has been filed within thirty (30) days after commencement of such construction, approval shall not be required and the related requirements of this Declaration shall be deemed to be complied with.

C. REPAINTING OR REBUILDING IN ACCORDANCE WITH ORIGINAL PLAN. No permission or approval from the Architectural Control Committee shall be required to repaint the exterior of a Residential Unit in accordance with an originally approved color scheme, or to rebuild or reconstruct 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 or her Residential Unit, or to paint the interior of his or her Residential Unit any color desired.

Notwithstanding any provision of this Declaration to the contrary, Declarant shall not be required to receive approval or permission from the Architectural Control Committee in connection with the original improvement of the Property.

D. POWER OF DISAPPROVAL. The Architectural Control Committee shall have the right in its sole discretion, to refuse to approve any part or all of the required materials submitted pursuant to Section IV.B. hereof. Without limiting its right to refuse to grant approvals based upon other conditions, the Architectural Control Committee may refuse to grant approvals required under this Article when any one of the following conditions are present:

1. The plans, specifications, drawings or other materials submitted either demonstrate that the proposed improvement does not otherwise comply with this Declaration, or is insufficient for the Architectural Control Committee to determine whether the proposed improvement otherwise complies with this Declaration.

2. The overall design or color scheme of a proposed improvement, repainting or modification is not in harmony with the aesthetics and materials of the Development. The standard of aesthetics shall be judged by objective considerations such as (1) the harmony of proposed colors with those of existing improvements; (2) the harmony of a proposed landscaping plan with those already existing; and (3) the harmony of the style of a proposed improvement or modification with the general style of improvements already existing. Specific requirements and guidelines regarding design, color scheme and materials used in proposed improvements include, without limitation, the following:

a. A flat roof shall not be incorporated into the design or construction of any improvement or modification.

b. Non-masonry siding shall be cedar or redwood, except that vinyl or aluminum material may be used for soffit and fascia. Laminated wood or pressed wood siding may not be used.

c. At least thirty percent (30%) of the siding of an improvement, whether before or after modification, must be masonry. The thirty percent (30%) figure shall be in relation to all sides of an improvement. The term "masonry" as used herein shall mean brick of a minimum depth of three inches (3").

d. Chimneys must be all masonry, if and to the extent that any part thereof protrudes from or is external to the exterior wall of the Residential Unit. Chimneys which are visible only as a protrusion through the roof of a Residential Unit may be constructed of and faced with either masonry or brick veneer, which are otherwise acceptable to the Architectural Control Committee as to design and color scheme. The term "masonry" as used herein shall mean brick of a minimum depth of three inches (3").

e. Notwithstanding any provision of this Article IV to the contrary, an improvement with dryvit or predominantly dryvit siding and dryvit chimney shall be permissible.

f. Darker colors that blend with existing surroundings (improvements and landscapes) are aesthetically more desirable than lighter colors. When a lighter color stands in marked contrast to the color schema used by the nearest existing improvement, a darker color must be employed. Accent colors are subject to the preceding color rules.

The Architectural Control Committee shall determine compliance with the foregoing standards in its sole discretion. The Architectural Control Committee may waive compliance with the foregoing standards in cases in which such compliance is or would be inconsistent with the general style or design of the proposed improvement (for example, by way of illustration, the thirty percent (30%) brick siding standard described in Subparagraph c. above may be inconsistent with the general design and style of a Victorian home and may be waived by the Architectural Control Committee). The Architectural Control Committee may waive compliance with the standards in its sole discretion.

E. LIABILITY AND RESPONSIBILITY. Neither the Declarant, the Association, nor the Architectural Control Committee, nor any member thereof, shall be liable for any damage, loss or prejudice suffered or claimed by any Lot Owner or contractor who submits such plans and other materials required by this Article on account of (a) any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions; (b) any structural or other defects in any work done according to such plans and specifications; (c) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (d) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, and (e) the development of any real estate within the Development. Any person submitting plans to the Architectural Control Committee shall hold the Declarant, the Association, the Architectural Control Committee, and any member thereof, harmless from all damage, loss or prejudice suffered or claimed by any third party, including attorney's fees incurred.

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ARTICLE V

ASSOCIATION ORGANIZATION, AND MEMBERSHIP AND VOTING RIGHTS

A. ASSOCIATION ORGANIZATION. The Association has been (or shall be) organized as an Indiana not-for-profit corporation, and is (or shall be) organized and shall be governed by the terms and provisions of the Articles of Incorporation and By-Laws attached hereto respectively as Exhibits D and E.

B. MEMBERSHIP AND MEMBERSHIP MEETINGS. Every Owner shall be deemed to be a Member in the Association. No Owner, whether one or more persons, shall have more than one (1) membership per Lot owned. For the purpose of determining membership, such ownership will be deemed to have vested upon delivery to the owner of a duly executed deed by the Declarant, or as to subsequent owners, upon delivery to the Association of a certified copy of a duly executed deed or other instrument establishing a change of record title to a Lot. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The membership shall be appurtenant to and may not be separated from ownership of a Lot. Nothing herein contained shall be interpreted so as to exclude the Declarant from membership while it or its successors in interest, if any, owns one or more Lots, or any part of the Property.

The first annual meeting shall not be held until such time as the rights of the Declarant to appoint all of the Directors and to thereby control the Association shall have expired as provided in Section V.D. of this Declaration or at such earlier time or times as may be determined by the Declarant. The next annual meeting shall be set by the Board of Directors so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent annual meetings shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board of Directors. Subject to the foregoing, the annual meeting of the Members shall be held at a date and time as set by the Board of Directors. Subject to the foregoing, the Members shall, at each annual meeting, elect the Board of Directors of the Association in accordance with the provisions of the By-Laws and transact such other business as may properly come before the meeting.

C. VOTING RIGHTS. The Association shall have one (1) class of membership.

Members shall be entitled on all issues to one (1) vote for each Lot owned; there shall be only one (1) vote per Lot. When more than one (1) person or entity owns a Lot, the vote for such Lot shall be exercised as those persons or entity themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advise, the Lot's vote shall be suspended in the event more than one (1) person or entity seeks to exercise it.

Any Owner of a Lot which is leased may, in the lease or other written instrument assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

D. NUMBER, TERM AND SELECTION OF BOARD OF DIRECTORS. The initial Board of Directors shall consist of three (3) directors appointed by the Declarant who may but need not be Owners or Members of the Association, and who shall serve those terms of office as established by the By-Laws. The Declarant shall have the right to select and designate all of the directors, and accordingly therefore the right to operate and control the Association, until the Turnover Date. Thereafter, directors shall be elected as otherwise required by the Articles of Incorporation and By-Laws of the Association and must be Members of the Association.

Notwithstanding any other provision of this Declaration, the Articles of Incorporation, or the By-Laws, from and after the date of the recording of the Declaration until the Turnover Date, the Association shall be governed by the Board of Directors appointed from time to time by Declarant. Such Board of

Directors so appointed shall exclusively hold all rights and powers which a Board of Directors of the Association would have under this Declaration, the Articles of Incorporation, or the By-Laws, except as specifically limited herein. Such Board of Directors may appoint from time to time from among the Owners of Lots, one or more committees to advise and assist it in the performance of its functions. The rights and powers of such Board of Directors shall be limited as follows:

(a) All Assessments shall be made in accordance with this Declaration.

(b) Such Board shall have no power to reallocate the voting power among the Members in any manner contrary to this Declaration.

(c) Such Board shall not take any action requiring the vote or consent of any Mortgagee unless the vote or consent of such Mortgagee is obtained.

Declarant shall have the right to waive, on behalf of the Association, the annual meetings and annual accounting provided for in this Declaration, so long as Declarant retains control of the Association. At the time of turnover of control by Declarant, a meeting of the Association will be called, at which time the rights and powers of the Declarant-appointed Board of Directors shall terminate and the Association shall thereafter be governed in accordance with the other provisions of this Declaration, the Articles of Incorporation and the By-Laws. Each Member shall be deemed to have given to Declarant an irrevocable proxy to vote on any and all matters on which such Member is entitled to vote under this Declaration, or under the Articles of Incorporation or the By-Laws of the Association. The proxy hereby granted to Declarant shall be deemed to be coupled with an interest and irrevocable. Such proxy shall terminate as of the Turnover Date as set forth above.

E. NOTICE TO ASSOCIATION OF CONVEYANCE OF LOTS. Each Member who sells his Lot shall require his purchaser to provide to the Association a copy of the instrument of conveyance. In addition, each Member upon such sale shall endorse to his purchaser his Certificate of Membership in the Association and shall deliver to his purchaser copies of all documentation received by the seller at the time of the initial purchase. The Association shall thereafter issue a new certificate in the name of the purchaser.

F. CONTROL AND MANAGEMENT OF THE COMMON AREA. The Association shall be responsible for the exclusive management and control of the Common Area for which it has responsibilities under Article VI.

G. 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, will accept any real or personal property, leasehold or other property interests within the Property conveyed to it by the Declarant.

H. PERFORMANCE AND ENFORCEMENT OF MEMBERS OBLIGATIONS. Upon the failure or refusal by any Member to meet an obligation under this Declaration, the Association shall upon the vote of a majority of the Board of Directors, make demand upon such Member by written notice to meet such obligation within ten (10) days. After the third (3rd) such written notice, the Association shall undertake to perform such obligation on behalf of such Member, and all of the costs and expenses thereof, including attorneys' fees, shall be assessed to such Owner as a Special Assessment under Section VII.C., a lien for which shall be perfected and enforced as provided for in Section VII.A. and D. Without in any manner intending to limit the generality of the foregoing, the Association shall, pursuant to the foregoing procedure, perform the obligation of an Owner under Section II.G. and Section II.C. upon such Owner's failure or refusal to perform such obligation.

I. 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.

**MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON AREA
BY THE ASSOCIATION**

A. MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON AREA. The Association shall have the following responsibilities at the cost of the Association, with respect to the maintenance, repair and replacement of the following areas, structures and facilities that are hereby deemed a part of the Common Area:

I. To mow and to otherwise maintain, repair and replace all cul-de-sac centers, median strips and all other lawn and landscaped areas within the Property that are not or shall not be conveyed as Lots to Owners or are not or shall not be maintained by the Town of Highland, Indiana, and all structures located thereon.

II. To maintain, repair and replace landmark identification signage and associated landscape features, if installed by Declarant on the Property or on other real estate.

III. To maintain, repair and replace the Storm Water Facilities, to the extent that such is not now or hereafter becomes the responsibility of the Town or any other governmental body or agency. The Storm Water Facilities shall service the Property, the other real estate legally described on Exhibit B-1 attached hereto and made a part hereof, and other real estate.

IV. To maintain, repair and replace such other real and personal property now or hereafter owned by the Association, designated by Declarant for the Association or subject to an easement in favor of the Association for the common use and enjoyment of the Owners.

B. RIGHT TO TRANSFER ASSOCIATION PROPERTY, RIGHTS AND OBLIGATIONS TO THE TOWN. The Board of Directors of the Association may, by a vote of a majority thereof, and without the vote, consent or approval of any Member of the Association or Owner, convey, transfer and assign to the Town of Highland, Indiana, all real and personal property owned by the Association with respect to the Storm Water Facilities, and all rights and obligations relating thereto. Such conveyance shall be effective upon the Association's receipt of a certified copy of a resolution of the Town Council of the Town accepting the conveyance, transfer and assignment of such real and personal property with respect to the Storm Water Facilities, and assuming said rights and obligations related thereto. The conveyance of the Storm Water Facilities shall not alter or modify the obligations of the Association with respect to the remainder of the Common Area or any other obligations of the Association as set forth in this Declaration.



COVENANT FOR ASSESSMENTS

A. **CREATION OF ASSESSMENTS.** There are hereby created Assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section VII.F. hereof. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these General Assessments for Common Expenses. General Assessments for Common Expenses shall be allocated equally among all Lots within the Association and shall be for expenses determined by the Board to be for the benefit of the Association as a whole. All such Assessments, together with

interest at the rate of twelve percent (12%) per annum, costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each Assessment is made.

Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot 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 to the extent expressly assumed, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the mortgage shall be liable for unpaid Assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Assessment for delinquents.

The Association is specifically authorized to enter into subsidy contracts with Declarant or other entities for the payment of some portion of the Common Expenses.

The Assessments levied by the Association shall be used exclusively for the purpose of meeting all of its obligations under this Declaration, for the maintenance, repair and replacement of the Common Area and for the general management and operation of the Association in a manner consistent with this Declaration and the Articles of Incorporation and By-Laws. Such Assessments may include, but are not limited to, the cost and charges to the Association of all taxes, insurance, maintenance, repair and replacement costs of the Common Area, as may from time to time be authorized by the Board of Directors, and other facilities, activities and charges required by this Declaration or that the Board of Directors shall determine to be necessary or desirable to meet the primary purpose of the Association.

B. COMPUTATION OF ASSESSMENT. It shall be the duty of the Board, at least sixty (60) days before the beginning of the budget year (the budget year shall be from January 1 through December 31) and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming budget year. Subject to the provisions of Section VII.E. hereof, the budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general expenses. The Board shall cause a copy of the budget, and the amount of the Assessments to be levied against each Lot for the following budget year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessments shall become effective when adopted by the Board of Directors.

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

C. SPECIAL ASSESSMENTS. In addition to the Assessments authorized in Section VII.A., the Association may levy a Special Assessment or Special Assessments in any year applicable to that year for the purpose of paying, in whole or in part, the cost of any construction of, or the reconstruction or replacement of, a capital improvement which is or shall be a part of the Common Area, including the necessary fixtures and personal property related thereto; provided, however, such Special Assessment shall have the vote or written assent of fifty-one percent (51%) of a quorum of Members entitled to vote at a meeting called for the purpose. Special Assessments for said capital improvements shall be allocated equally among all the Lots within the Association. In addition to the assessments authorized in Section VII.A. and the Special Assessments authorized in the foregoing provisions of this Section VII.C., the Association may also levy a Special Assessment in the exercise of its obligations under Section V.H. and/or as a sanction against any Member to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of the Declaration, the Amendments thereto, the Articles of Incorporation, the By-Laws, and the Rules and Regulations, which Special Assessment may be levied upon the vote of the Board.

D. LIEN FOR ASSESSMENTS. When a notice of the lien has been recorded, such Assessment shall constitute a perfected lien on each Lot 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 or deed of trust with first priority over other Mortgage or deeds of trust) 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 Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period 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 Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for

unpaid Assessments, and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. After notice and hearing, the Board of Directors may temporarily suspend the voting rights of a Member who is in default of payment of any assessment.

E. CAPITAL BUDGET AND CONTRIBUTIONS. In the event that the Association becomes the owner of any capital asset, or is charged with the duty for the upkeep, maintenance and repair of a capital asset, the Board of Directors shall annually prepare a capital budget which shall 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 shall be fixed by the Board and included within the budget and Assessment as provided in Section VII.B. hereof. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

F. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. The annual Assessments provided for herein shall commence as to all Lots on the first day of the conveyance of title to an Owner of the first Lot. 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 months then remaining in that budget year.

G. SUBORDINATION OF THE LIEN TO FIRST DEEDS OF TRUST AND FIRST MORTGAGES. The lien of the Assessments, including interest, late charges subject to the limitations of Indiana law, and costs (including attorneys' fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage 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 Lot from lien rights for any Assessments thereafter becoming due. Where the Mortgagee of a first Mortgage of record or other purchaser of a Lot obtains title, his successors and assigns shall not be liable for the share of the Common Expenses or Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Lots, including such acquirer, his successors and assigns.

H. INITIAL ASSESSMENT PAYMENT. Upon acquisition of record title to a Lot from Declarant, each Owner shall pay to Declarant an amount equal to the amount of the initial General Assessment for that Lot as set forth in Section VII.B. hereof (prorated to an amount for the period of time from the date of the Owner's acquisition of such record title, to the next December 31, the end of the budget year). This amount shall be deposited by the Declarant into the purchase and sales escrow and disbursed therefrom to the Association.

ARTICLE VIII

ASSOCIATION INSURANCE

The insurance which shall be carried by the Association shall be governed by the following provisions:

A. AUTHORITY TO PURCHASE. The Board shall have the authority to purchase and obtain insurance coverage. All insurance policies shall be purchased by the Association for the benefit of the Association and its Members. If the insurance companies issuing said policies agree, such policies shall provide that the insurer waives its rights of subrogation as to any claims against Lot Owners, the Association, the Members thereof and their respective servants, agents, contractors and guests. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner. Such policies and endorsements shall be deposited with the Association and held as part of the records of the Association.

B. POLICIES TO BE SECURED BY THE ASSOCIATION. The Board shall have the authority to and shall obtain, as a Common Expense, the following insurance coverage:

1. The structures and other insurable improvements upon and a part of the Common Area and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined annually by the insurance company providing the coverage. Such coverage shall afford protection against:

a. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement.

b. Such other risks as from time to time customarily shall be covered with respect to structures and other improvements similar in construction, location and use, including, but no limited to, vandalism, malicious mischief, windstorm and water damage.

2. Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in or about the Common Area and/or with respect to the Association's maintenance obligations set forth in Article VI hereof, in such amounts and such forms as the Board shall deem desirable.

3. Workmen's compensation policy to meet the requirements of law.

4. Fidelity bond or bonds indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any director, officer, employee of the Association or of any other person handling the funds of the Association, the Board or the Owners in such amount as the Board shall deem desirable, but may not be less than three (3) months Assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

5. Directors' and Officers' liability insurance, as set forth in Section XII.D.

6. Such other insurance in such reasonable amounts as the Board shall deem desirable.

The premiums for such insurance shall be Common Expenses.

C. PREMIUMS. Premiums upon insurance policies purchased by the Association shall be paid by the Association and shall be Common Expenses. The policies may contain reasonable deductibles, and the amount thereof shall be added to Common Expenses attributable to insurance premiums. Cost of insurance coverage obtained by the Association shall be included in the General Assessment, as defined in Section VII.A. hereof.

D. USE OF PROCEEDS. Proceeds received from insurance policies shall be payable to the Association, and shall be used by the Association to repair or replace the property damaged. In the event the proceeds are

insufficient, the Association may levy Special Assessments to cover such deficiency. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance after payment of all costs of the reconstruction or repair for which the proceeds of the policies were received, such balance shall be retained by the Association and regarded as miscellaneous revenue to the Association.

E. **INSURANCE ADJUSTMENTS.** Each Member shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under insurance policies purchased by the Association.

ARTICLE IX
Document is
INDIVIDUAL OWNER INSURANCE
NOT OFFICIAL!

By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners that each individual Owner shall carry all-risk casualty insurance. Each individual Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the individual Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct, the individual Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction. The Architectural Control Committee may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

ARTICLE X

AMENDMENT

The Declaration and the Articles of Incorporation, By-Laws, and Rules and Regulations may be amended in the following manner:

A. **DECLARATION.** Notwithstanding any provision of this Declaration to the contrary, so long as Declarant controls at least fifty percent (50%) of the votes of the Association, Declarant alone may amend this Declaration. After such sale, and subject to Articles III, XIII and Article XIV hereof, amendments to

the Declaration shall be proposed and adopted as follows, provided, however, that no amendment may revoke, remove, or modify any right or privilege of the Declarant, without the Declarant's written consent:

1. **NOTICE.** Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the Notice of any meeting of the Board of Directors or Owners at which a proposed amendment is considered.

2. **RESOLUTION.** Except as provided in sub-section 5. hereof, a resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Members of the Association, and after being proposed and approved by either of such bodies, must be approved by the other. Directors and Lot Owners not present at the meeting considering such amendment may express their position in writing or by proxy. An amendment must be adopted by not less than seventy-five percent (75%) of the total number (not a meeting quorum) of Directors and fifty-five percent (55%) of the total membership (not a meeting quorum) of the Association.

3. **RECORDING.** The amendment shall not be effective until a certified copy thereof is recorded in the Office of the Recorder of Lake County, Indiana. A copy of any such amendment shall also be sent to each Owner and his Mortgagee by registered or certified mail; provided, however, the mailing of such amendment shall not constitute a condition precedent to the effectiveness of such amendment.

4. **EXCEPTIONS.** The provisions contained in this Article shall not apply or govern acts of the Declarant taken pursuant to the provisions of Sections X.A.5 or Article XVI hereof.

5. **AMENDMENTS BY DECLARANT.** Notwithstanding any other provision of the Declaration, and in addition to any other right to amend elsewhere set forth herein, the Declarant alone may amend this Declaration, or the Articles of Incorporation, By-Laws, and Rules and Regulations, without the consent of the Owners, the Association, the Board of Directors or any Mortgagee, or any other Person, (1) to correct scrivener's errors, minor defects or omissions, or (2) to comply with the requirements of Indiana law, or (3) to comply with the requirements of any governmental agency, public authority, or title insurance company, or (4) to comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans

Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by each such entity, or (5) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Residential Units. This subparagraph 5. shall constitute an irrevocable special power of attorney to Declarant on behalf of all Owners, Mortgagees, and any and all other Persons having an interest of any kind in the Property, for so long as Declarant owns any Lot or until the expiration of five (5) years from the date on which this Declaration is recorded, whichever occurs first. The amendment shall be signed by the Declarant and it shall become effective upon the recording of a copy thereof in the Office of the Recorder of Lake County, Indiana. A copy of such amendment shall also be sent to all Owners and their Mortgagees in the manner provided in sub-section 3. hereof.

B. ARTICLES OF INCORPORATION, BY-LAWS, AND RULES AND REGULATIONS. The Articles of Incorporation, By-Laws and Rules and Regulations of the Association shall be amended in the manner provided by such documents or by law.

ARTICLE XI

TERM AND TERMINATION

The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) 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 sixty-seven percent (67%) of the then Lot Owners and their Mortgagees, has been recorded in the Office of the Recorder of Lake County, Indiana, within the year preceding and the beginning of each successive period of ten (10) years, agreeing to terminating the same. Notwithstanding the foregoing, 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.

The Declaration shall be terminated, if at all, under any circumstances other than the foregoing, only by the agreement of all the Lot Owners and their respective Mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner required for the conveyance of real property, and recorded in the Office of the Recorder of Lake County, Indiana.

ARTICLE XII

GENERAL PROVISIONS

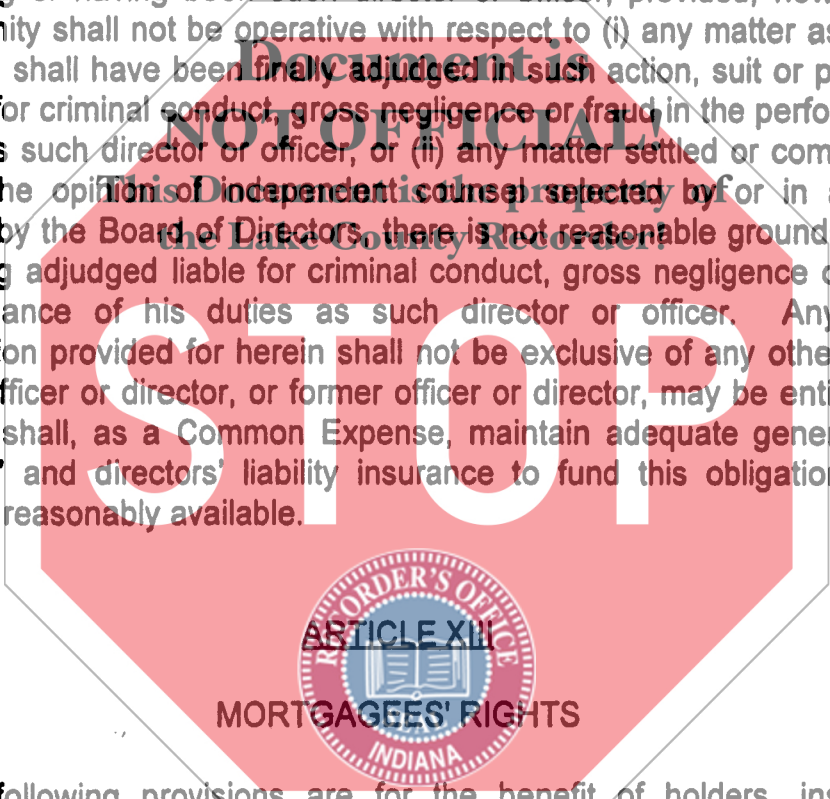
A. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect or invalidate any of the other provisions, which other provisions shall remain in full force and effect.

B. ENFORCEMENT. The Association, or any Lot Owner, shall have the right to enforce any provision of this Declaration by any proceeding at law or in equity. Any Lot Owner found to be in violation by a court of competent jurisdiction of any provision of this Declaration shall also be liable for reasonable attorneys' fees incurred by the Association, or incurred by any Lot Owner, in prosecuting such action. The amount of such attorneys' fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Lot, enforceable as other Assessment liens herein established. Failure by the Association or by any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Neither Declarant, nor the Architectural Control Committee shall be liable for damages of any kind to any person or entity for failing either to abide by or carry out any of the covenants, conditions, restrictions and regulations created by this Declaration.

C. NO DEDICATION TO PUBLIC USE. Nothing contained in this Declaration shall be construed or deemed to constitute a dedication, express or implied, of any part of the Property to or for any public use or purpose whatsoever.

D. INDEMNIFICATION. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director 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 or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, or any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct,

gross negligence or fraud. The Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners of the Association, or arising out of their status as directors or officers, unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include an indemnification against all costs and expenses (including, but not limited to, attorneys' fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director or officer may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board of Directors, there is not reasonable grounds for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.



The following provisions are for the benefit of holders, insurers, or guarantors of first Mortgages on Lots in the Development. To the extent applicable, necessary, or proper, the provisions of this Article XIII apply to both this Declaration and to the By-Laws of The White Oak Estates of Highland Property Owners Association, Inc. Where indicated, these provisions apply only to "Eligible Holders," as hereinafter defined; provided, however, voting percentages set forth herein are subject to and controlled by higher percentage requirements, if any, set forth elsewhere in this Declaration for specific actions.

A. **NOTICES OF ACTION.** An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot number), (herein an "Eligible Holder"), will be entitled to timely written notice of:

1. any proposed termination of the Association;
2. any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first mortgage held, insured or guaranteed by such Eligible Holder;
3. any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the mortgage of such Eligible Holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days;
4. This lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
5. any proposed action which would require the consent of Eligible Holders, as required in Subparagraph B of this Article.

B. **AMENDMENTS TO DOCUMENTS.** The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage or condemnation pursuant to Section B.1. and 2. of this Article XIII.

1. The vote of at least sixty-seven percent (67%) of the Members and of the Declarant so long as they own any part of the Property and the approval of the Eligible Holders to which at least sixty-seven percent (67%) of the votes of Lots subject to a mortgage appertain, shall be required to terminate the Association.
2. The vote of at least sixty-seven percent (67%) of the Members and of the Declarant so long as they own any part of the Property and the approval of Eligible Holders to which more than fifty percent (50%) of the votes of Lots subject to a mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-

Laws, or Articles of Incorporation of the Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- a. voting;
- b. Assessments, assessment liens or subordination of such liens;
- c. reserves for maintenance, repair, and replacement;
- d. insurance or fidelity bonds;
- e. responsibility for maintenance and repair of the Common Area;
- f. boundaries of any Lot;
- g. leasing of Lots;
- h. imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;
- i. establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- j. any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first mortgages on Lots.

C. MORTGAGEE'S RIGHT TO CURE. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area.

ARTICLE XIV

DECLARANT'S RIGHTS

A. CONTROL BY DECLARANT. Notwithstanding any of the other provisions of this Declaration or the By-Laws to the contrary, and in addition to any other right or privilege given or granted or reserved to Declarant under this

Declaration, the first and all subsequent Board of Directors shall consist solely of three (3) individuals designated by Declarant, which individuals may but need not be Owners or Members until the first to occur of any of the following (the "Turnover Date"):

(a) Thirty (30) days after Declarant has conveyed to purchasers for value all of the Lots proposed for the Property;

(b) The expiration of five (5) years from the date of the recording of this Declaration; or

(c) The date on which the Declarant elects to terminate its sole control by the delivery of written notice of such election to the Owners.

B. ABSENCE OF WARRANTY. The Declarant specifically disclaims any warranty or representation in connection with the Property or this Declaration except as specifically set forth herein; and no Person shall rely upon any warranty or representation not specifically set forth therein. Any estimates of Assessments, whether oral or written, are believed to be accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

C. ASSESSMENT EXEMPTION. Declarant may elect in writing to the Association, at any time, to be exempt from any Assessment levied by the Association on any or all Lots owned by the Declarant, for the period of time beginning on the date of the recording of this Declaration, and ending on the first day of the twenty-fourth (24th) month following the month in which the closing of the sale of the first Lot by Declarant occurs.

D. RIGHT TO AMEND DECLARATION. The Declarant shall have the right to amend the Declaration, and the Articles of Incorporation, By-Laws, and Rules and Regulations, in accordance with Articles X and XIV hereof.

E. TRANSFER OF RIGHTS. Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, 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 Official Records of Lake County, Indiana.

ARTICLE XV

LIMITATION ON DECLARANT'S LIABILITY

Notwithstanding anything to the contrary herein, it is expressly agreed, and each Owner, by accepting title to a Lot and/or Residential Unit and becoming an Owner acknowledges and agrees, that neither Declarant (including without limitation any assignee of interest of Declarant hereunder) nor any partner, director, officer or shareholder of Declarant (or any partner, officer, director or shareholder in any such assignee) shall have any personal liability to any Owner or other person, arising under, in connection with, or resulting from (including without limitation resulting from action or failure to act with respect to) this Declaration except, in the case of Declarant (or its assignee), to the extent of its interest in the Property; and, in the event of a judgment no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon such other assets of the judgment debtor.

**This Document is the property of
the Lake County Recorder!**

ARTICLE XVI

DECLARANT'S RESERVED EASEMENTS

A. Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege, and easement with respect to any portion of the Property and the Development, for the benefit of Declarant, its successors, and assigns over, under, in, and/or on the Development, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use, and enjoyment and/or otherwise dealing with the Development and any other property now owned or which may in the future be owned by Declarant (such other property is herein referred to as "Additional Property"). The reserved easement shall constitute a burden on the title to all or any portion of the Development and specifically includes, but is not limited to:

(1) the right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, or in all or any portion of the Development; and the right to tie into any portion of the Development with driveways, parking areas, streets, drainage systems and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace relocate, maintain, and repair any device which provides utility or similar

services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over all or any portion of the Development; and

(2) the right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient, or incidental to the construction and sale by Declarant of residences in all or any portion of the Property or Development or in any portion of the Additional Property.

(3) no rights, privileges, and easements granted or reserved herein shall be merged into the title of any property within the Development, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quitclaim deed from Declarant releasing such right, privilege, or easement by express reference thereto with respect to all or any portion of the Development.

B. This Article XVI may not be amended without the advance written consent of Declarant.



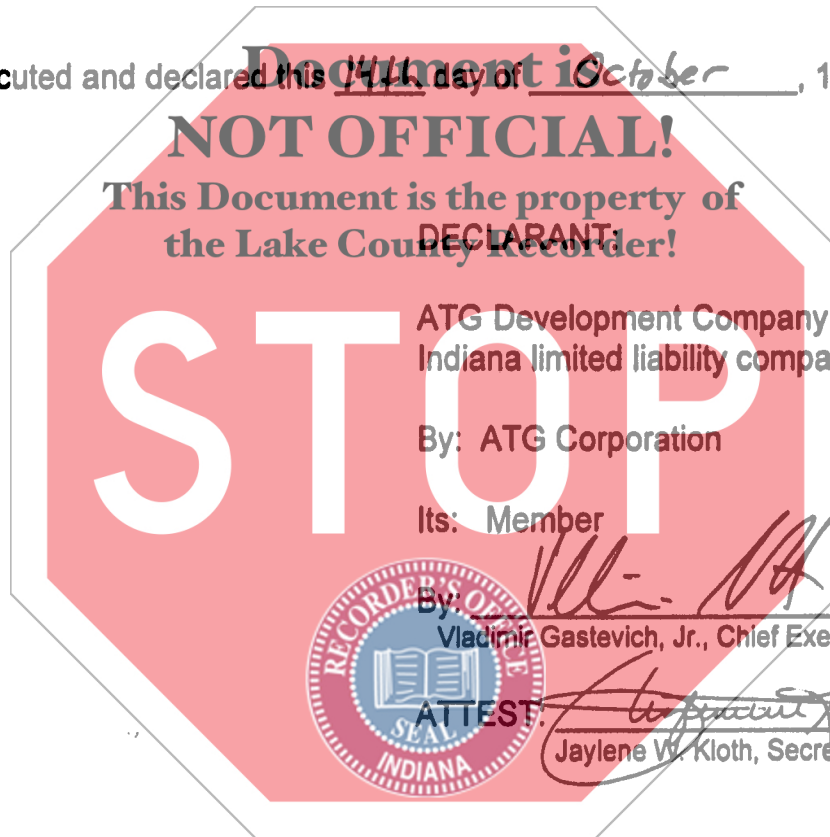
The Town of Highland, Indiana is hereby declared to be a third party beneficiary of the terms and provisions of this Declaration, and shall have the right to enforce the provisions of this Declaration by specific performance and/or by any other means available at law or in equity, and Declarant, on behalf of themselves and their successors in interest do hereby waive any and all defenses to such enforcement rights. In addition to the foregoing, Declarant hereby submits the Property to the jurisdiction of the Town, and the Town may, in addition to the foregoing, adopt such ordinances, regulations and resolutions as deemed by it to be appropriate to facilitate the enforcement of those provisions of this Declaration which provide for the private maintenance, repair and replacement of the Common Area.

ARTICLE XVIII

MAINTENANCE OF BANKS OF RETENTION AREA

For purposes of this Article XVIII, "Bank" shall mean the area of land lying between the rear lot line of an Owner's Lot and the edge of the water on that certain area designated as Retention Area on the Plat. An Owner whose Lot abuts a Bank shall maintain any Bank which adjoins his or her Lot. Such maintenance shall include, but not be limited to, the planting and regular mowing of grass.

Executed and declared this 24th day of October, 1996.



STATE of Indiana)
) SS:
COUNTY of Lake)

Before me, the undersigned Notary Public in and for said County and State, this 14TH day of OCTOBER, 1996, personally appeared VLADIMIR GASTEVICH, JR. and JAYLENE W. KLOTH, the Chief Executive Officer and Secretary, respectively, of ATG CORPORATION, as a member of ATG DEVELOPMENT COMPANY 2, LLC, and acknowledged the execution of the foregoing instrument.

Angela D. Leach
Notary Public



Document is Notary Public

NOT OFFICIAL!

Printed Name: Angela D. Leach

This Document is the property of
the Lake County Recorder!

My Commission Expires:

October 24, 1998

County of Residence:

Newton

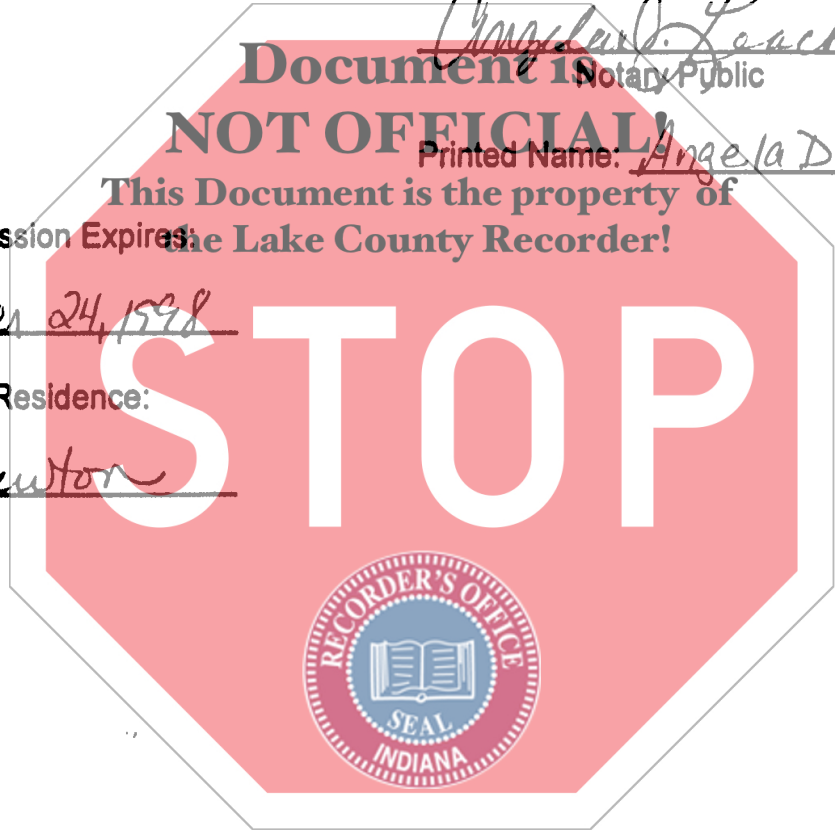


EXHIBIT A

**White Oak Estates of Highland, Block One, as shown in Plat Book 81,
Page 60, Lake County, Indiana.**



EXHIBIT B

**Retention Area, White Oak Estates of Highland, Block One, as shown in
Plat Book 81, Page 60, Lake County, Indiana.**



EXHIBIT B-1

Lots 1 through 10, White Oak Estates of Highland, Block Two, as shown in Plat Book 81, Page 59, Lake County, Indiana; and

DESCRIPTION. Part of the Northeast Quarter of the Southeast Quarter of Section 32, Township 36 North, Range 9 West of the 2nd Principal Meridian being more particularly described as follows: Commencing at the Southeast corner of said Northeast Quarter; thence North $89^{\circ} 14' 05''$ West, along the South line of said Northeast Quarter, a distance of 982.14 feet; to the point of beginning; thence continuing North $89^{\circ} 14' 08''$ West, along the South line of said Northeast Quarter, a distance of 16.81 feet; thence North $38^{\circ} 50' 55''$ West, a distance of 164.78 feet to a point of curve; thence Northwestwardly along a curve concave to the Northeast and having a radius of 470.00 feet, an arc distance of 317.13 feet; thence North $0^{\circ} 06' 03''$ West, a distance of 649.29 feet; thence South $89^{\circ} 13' 56''$ East, parallel to and 100 feet South of the North line of said Northeast Quarter, a distance of 319.90 feet; thence South $0^{\circ} 06' 03''$ East, a distance of 1182.97 feet; thence Southwestwardly along a curve concave to the Southeast and having a radius of 286.01 feet; (the chord of which curve bears South $73^{\circ} 59' 05''$ West, 137.30 feet), an arc distance of 138.63 feet; to the point of beginning, containing 8.427 acres, more or less, all in Highland, Lake County, Indiana.

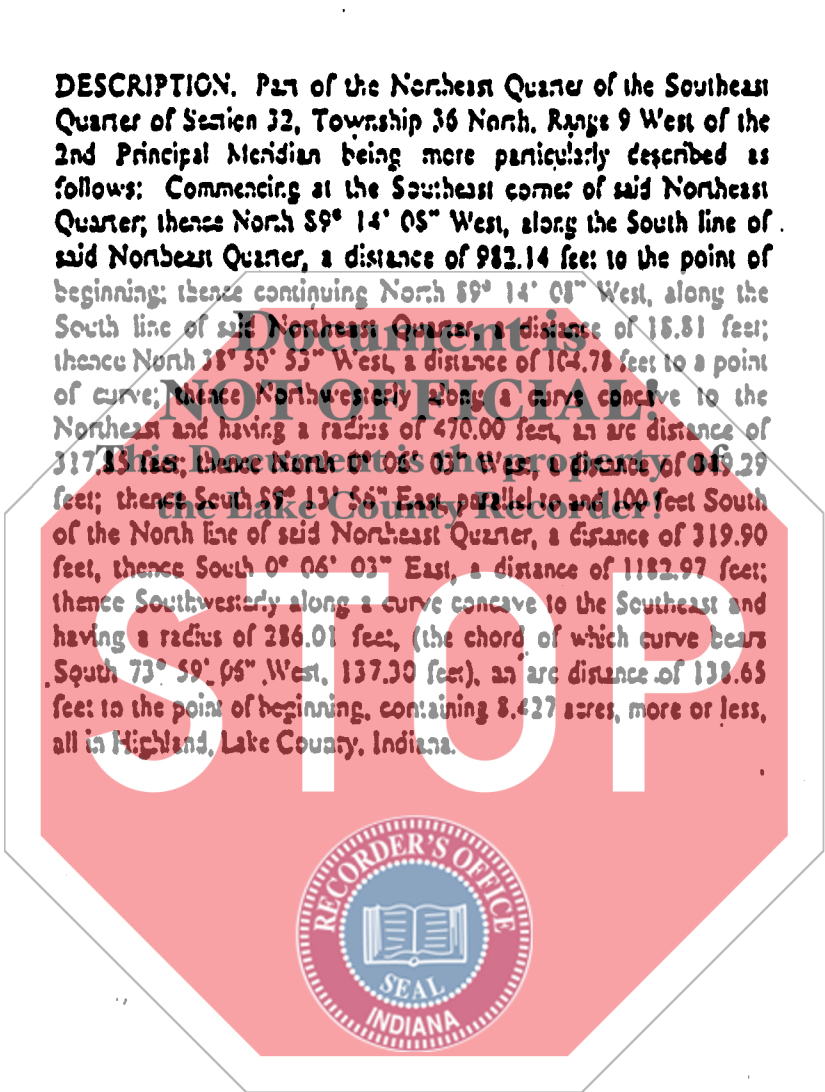


EXHIBIT C

RULES AND REGULATIONS OF THE WHITE OAK ESTATES OF HIGHLAND PROPERTY OWNERS ASSOCIATION, INC.

1. Every owner, occupant or guest of an owner or occupant shall comply with each and every provision of the Declaration and the Articles of Incorporation and By-Laws of The White Oak Estates of Highland Property Owners Association, Inc., these Rules and Regulations, and all the ordinances of the Town of Highland governing or controlling the use or occupancy of Lots located within the Property.

2. Each residence shall be occupied solely by one family.

3. Each Residential Unit located within the Property shall be occupied for residential purposes only, and no Residential Unit may be divided or subdivided into a smaller residence or Residential Unit, nor any room or portion thereof sold, transferred or leased. Nothing herein shall prohibit the owner of a Residential Unit from leasing the entire residence by written lease of no less than three (3) months duration in which the lessee expressly covenants to comply with the provisions of the Declaration, the Articles of Incorporation and By-Laws of The White Oak Estates of Highland Property Owners Association, Inc., and these Rules and Regulations. All such leases, and lessees, shall be subject to approval by the Association upon written application for same from the Owner of the Residential Unit involved, and the failure of the Association to act upon said application within fifteen (15) days, shall be deemed an approval of said lease and lessee by the Association.

4. No business of any kind shall be conducted from any Lot. This provisions shall not prohibit the use of telephone for business purposes of a nature incident to a business located outside of the Lot, or for the entertainment of or consultation with any business guest for any portion of a particular day. All other business activities, of whatever nature, kind, duration or extent are prohibited.

5. Signs or advertising for any reason whatsoever are prohibited, except for "For Sale" or "For Rent" signs in good taste erected in accordance with the Declaration, except for such signs as are placed by the Association for information or directional purposes, and except as may be employed by the Declarant or the Declarant during the term of development, sale and control by him of any of the Property located within the Development.

6. Each Owner shall be responsible for the maintenance, repair, and reconstruction of all improvements located on such Owner's Lot and shall keep the same in good condition and repair. All lawns, landscaping, the surfaces of driveways and walkways, and the exterior of all Residential Unit and appurtenant buildings shall be maintained and repaired on a regular basis so as to provide an attractive appearance conducive with the surrounding community environment. Weed control shall be the responsibility of Lot Owners who shall bear the expense for same and same shall be accomplished in the manner and in accordance with instructions of the Board of Directors. Upon written notice of a violation of this rule by the Association, the Owner or occupant of said Lot shall have thirty (30) days within which to correct any violation, or reach an agreement with the Association as to the correction of said violation.

7. The Owner of each Lot shall be responsible for the maintenance of parkways (side strips) located between their lot lines and edges of street pavements on which said Lots face

All equipment used in clearing, excavating or construction on any Lot that is not rubber-tired shall be loaded or unloaded only within the boundary lines of the Lot. During clearing, excavating, construction, renovation or reconstruction the Owner of the Lot on which the work is performed shall cause the roads and sidewalks within or bordering on the Lot to be kept clear of dirt and debris caused by such clearing, excavating, construction or reconstruction and shall be responsible for any damage to such roads and sidewalks.

8. No Residential Unit, building, wall, deck, improvements or other structure of any kind, character or description shall be commenced, erected or maintained on any part of the Property or on any Lot, and no exterior addition, change or alteration to such of the foregoing shall be made until the plans and specifications, plot lay-out, exterior elevations, and landscaping which shall show the nature, kind, shape, height, color, materials and location of the improvement to be made shall have been submitted to and approved in writing as to the harmony of external design and location in relationship to the surrounding structures, topography, and lot lines by the Architectural Control Committee.

All plans and specifications, plot lay-out, exterior elevations, grading plans, landscaping plans and other material shall be filed in the office of the Declarant for referral to the Architectural Control Committee. A report in writing setting forth the decisions of the Architectural Control Committee and the reasons therefor shall be transmitted to the applicant by the Architectural Control Committee within thirty (30) days after the date of filing the required material by the applicant. In the event (a) the Architectural Control Committee fails to approve or disapprove within thirty (30) days after submission of the final plans, specifications and other material as required in this Declaration; or (b) no suit to

enjoin construction has been filed within thirty (30) days after commencement of such construction, approval shall not be required and the related requirements of this Declaration shall be deemed to be complied with.

9. Garbage and trash receptacles shall not be visible from the street at any time, except as may be necessary for the orderly collection of garbage or refuse.

10. All Residential Units located within White Oak Estates of Highland, Block One shall have an address street number clearly visible from the street.

11. No owner or occupant of a residence shall keep any animal on the Lot that:

- a. Cannot be continuously kept and maintained within the Residential Unit the boundaries of the Lot on which said Residential Unit is maintained, by leash or otherwise, or
- b. Occasions any noise, odor or noxious effect beyond the confines of the Residential Unit, or
- c. Are, or are kept unsanitary, or
- d. Are potentially dangerous or unsafe by nature or kept condition, or
- e. Are prohibited by Town ordinance, State law or otherwise.

12. No material, equipment or device may be placed or used in any Residential Unit or on any Lot on which a Residential Unit is located that:

- a. Occasions loud noise, strong odor or noxious effect, or
- b. Is, or is kept, unsanitary, or
- c. Is dangerous or kept in a dangerous condition.

13. The Association shall have the right to enforce these Rules and Regulations by special assessment against any Lot owner found to be in violation hereof, which shall be collected in the manner, and to the same extent, provided for collection and enforcement of special assessments pursuant to the provisions of the Declaration. Furthermore, the Association, or any owner, shall have the additional, nonexclusive right, to enforce any provision of these Rules and Regulations in the manner, and to the same extent as provided for enforcement of the provisions of the Declaration.

14. The capitalized words and phrases used in this Rules and Regulations shall have the same definition and meaning as those set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for White Oak Estates of Highland, Block One in the Town of Highland, Lake County, Indiana.



EXHIBIT D

**ARTICLES OF INCORPORATION
(Not for Profit)**

State Form 4162 (R777-91)
Corporate Form No. 364-1 (Oct. 1984)

ARTICLES OF INCORPORATION
OF
THE WHITE OAK ESTATES OF HIGHLAND
PROPERTY OWNERS ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Act"), executes the following Articles of Incorporation:

ARTICLE I
NAME

The name of the Corporation is The White Oak Estates of Highland Property Owners Association, Inc.

ARTICLE II

PURPOSES

The purposes for which the Corporation is formed are:

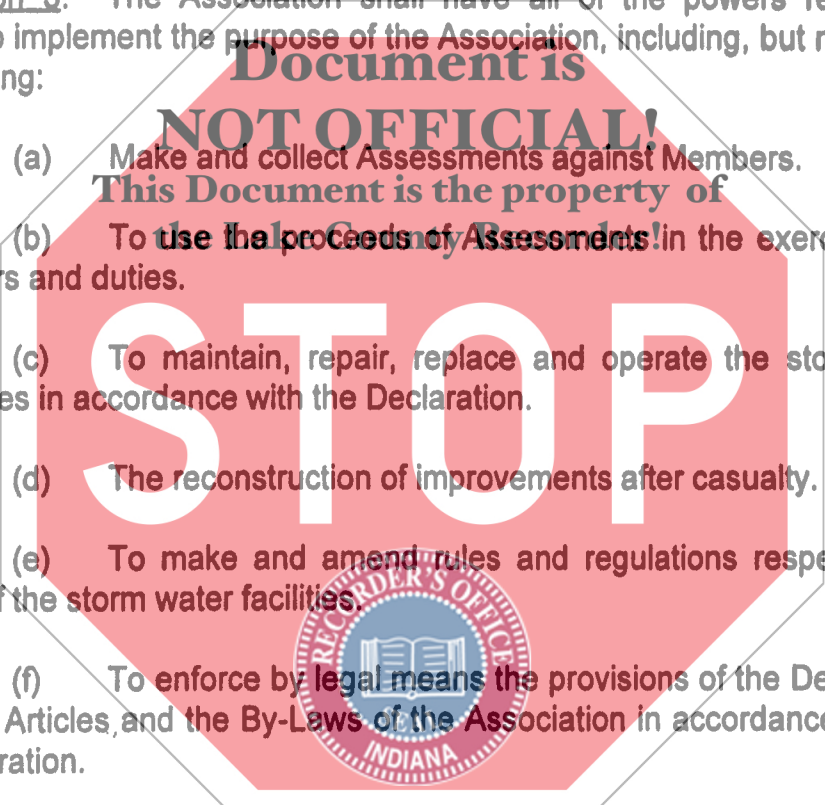
Section 1. To establish an incorporated association (hereinafter the "Association") to administer the Property and its Lots located in White Oak Estates of Highland, Block One, Town of Highland, Lake County, Indiana (the "Development"), which are subject to the Declaration of Covenants, Conditions, Restrictions and Easements For White Oak Estates of Highland, Block One in the Town of Highland, Lake County, Indiana (the "Declaration").

Section 2. This Association is organized for the purpose of providing a convenient means of administering the Property pursuant to the Declaration.

Section 3. The Association shall not engage in activities for the profit of its members, and shall conduct affairs in such fashion and for such purposes other than for pecuniary gain of its members, directors, officers, and incorporators.

Section 4. The Association shall have all of the common law and statutory powers of a corporation not-for-profit which are not in conflict with the terms of these Articles.

Section 5. The Association shall have all of the powers reasonably necessary to implement the purpose of the Association, including, but not limited to the following:

- 
- (a) Make and collect Assessments against Members.
 - (b) To use the proceeds of Assessments in the exercise of its powers and duties.
 - (c) To maintain, repair, replace and operate the storm water facilities in accordance with the Declaration.
 - (d) The reconstruction of improvements after casualty.
 - (e) To make and amend rules and regulations respecting the use of the storm water facilities.
 - (f) To enforce by legal means the provisions of the Declaration, these Articles, and the By-Laws of the Association in accordance with the Declaration.
 - (g) To contract for the management of the Association and delegate to such contractor all powers and duties of the Association except such as are specifically required by the Declaration to have the approval of the Board of Directors or of the Members of the Association.
 - (h) All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held only for the benefit of the Members in accordance with the provisions of the Declaration.
 - (i) The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

(j) To carry insurance for the protection of Members and the Association against casualty and liabilities.

(k) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

Section 6. All rights, powers and descriptions of purposes established by the Articles of Incorporation, shall be subject to the Declaration and all provisions contained therein as if fully set forth in the Articles, and shall further be subject to Indiana law governing not for profit corporations.

ARTICLES III
Document is NOT OFFICIAL!
TYPE OF CORPORATION

The Corporation is a mutual benefits corporation.

ARTICLE IV
RESIDENT AGENT AND PRINCIPAL OFFICE

Section 1. Resident Agent. The name and address of the Corporation's Resident Agent for service of process is:

Vladimir Gastevich
One Professional Center
Suite 315
Crown Point, IN 46307

Section 2. Principal Office. The post office address of the principal office of the Corporation is:

One Professional Center
Suite 304
Crown Point, IN 46307

ARTICLE V

MEMBERSHIP

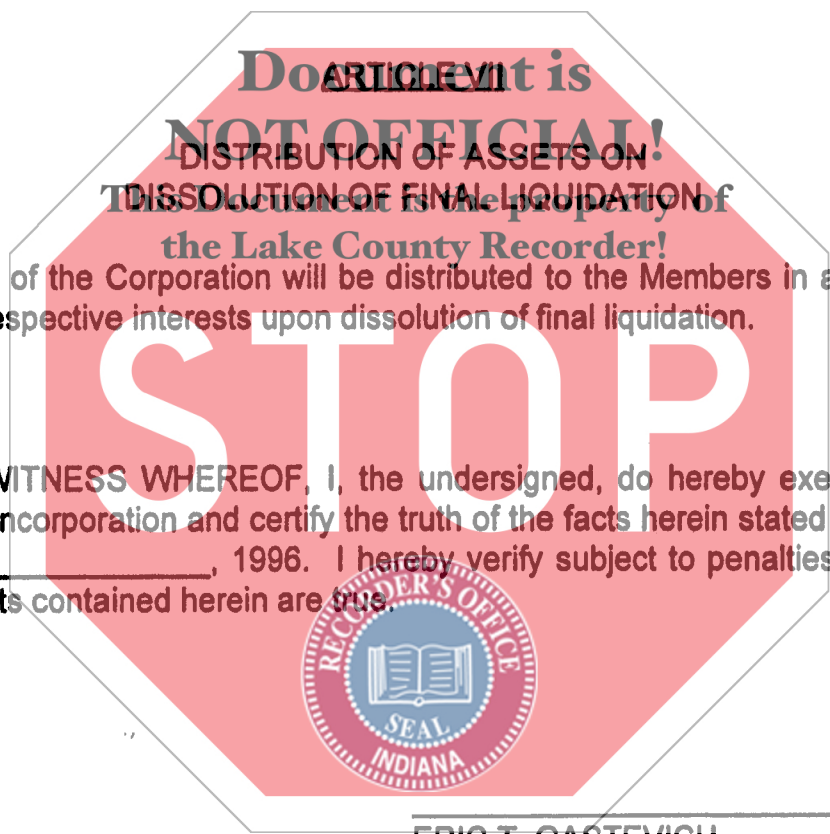
The Corporation will have members.

ARTICLE VI

INCORPORATOR

Section 1. Name and Post Office Address of the Incorporator. The name and post office address of the incorporator of the Corporation:

Eric T. Gastevich
One Professional Center
Suite 304
Crown Point, IN 46307



The assets of the Corporation will be distributed to the Members in accordance with their respective interests upon dissolution of final liquidation.

IN WITNESS WHEREOF, I, the undersigned, do hereby execute these Articles of Incorporation and certify the truth of the facts herein stated this _____ day of _____, 1996. I hereby verify subject to penalties of perjury that the facts contained herein are true.



ERIC T. GASTEVICH

This instrument prepared by Vladimir Gastevich, One Professional Center, Suite 315, Crown Point, IN 46307.

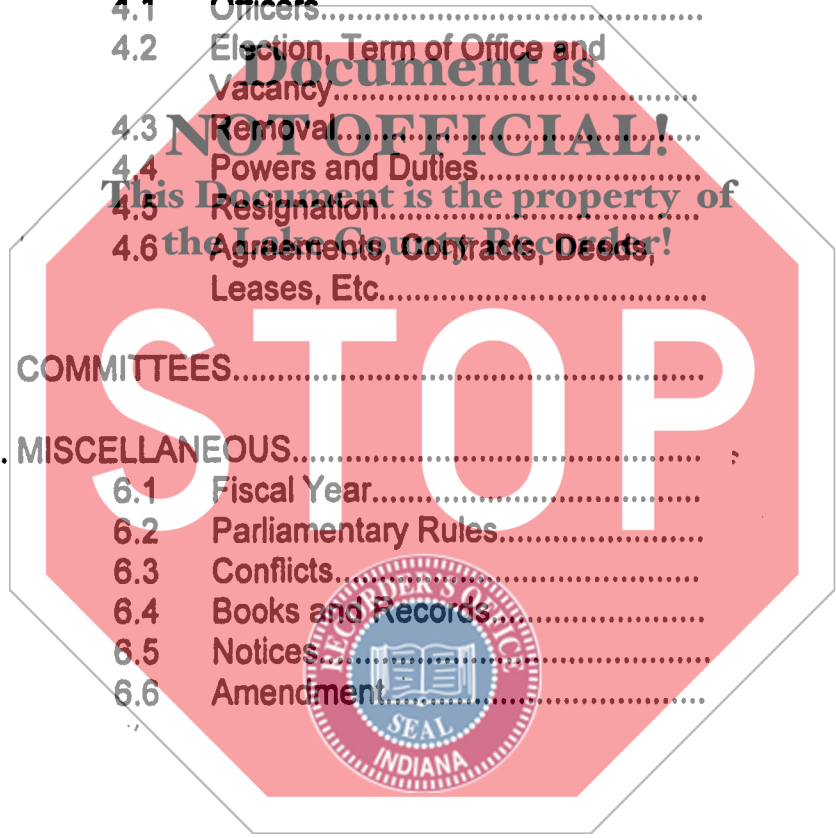
EXHIBIT E



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BY-LAWS
OF
THE WHITE OAK ESTATES OF HIGHLAND
PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

NAME, OFFICE AND DEFINITIONS

1.1 **Name.** The name of the Association shall be The White Oak Estates of Highland Property Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 **Principal Office.** The principal office of the Association in the State of Indiana shall be located as determined by the Board of Directors. The Association may have such other offices, either within or without the State of Indiana, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 **Definitions.** The capitalized words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, Restrictions and Easements of White Oak Estates of Highland, Block One in the Town of Highland, Lake County, Indiana (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

ARTICLE II

MEMBERSHIP, MEETINGS AND VOTING

2.1 **Membership.** The Association shall have one (1) class of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

2.2 **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.

2.3 Annual Meetings. The first annual meeting shall not be held until such time as the right of the Declarant to appoint all of the Board of Directors and to thereby control the Association shall have expired as provided in the Declaration, or at such earlier time or times as may be determined by the Declarant. The next annual meeting shall be set by the Board of Directors so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board of Directors. Subject to the foregoing, the annual meeting of the Members shall be held at a date and time as set by the Board of Directors. Subject to the foregoing, the Members shall, at each annual meeting, elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

2.4 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 at least ten percent (10%) 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.

2.5 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally or by mail, to each 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 Member at his address as it appears on the records of the Association, with postage thereon prepaid.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be

deemed a waiver by such Member of notice of the time, date and place thereof, unless such 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 a 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 vote.

2.7 Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, 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 such adjourned meeting at which 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 the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

The 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 Members to leave less than a quorum, provided that at least twenty-five percent (25%) of the total votes of the Association remains present in person or by proxy, and provided further than any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

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

2.9 Proxies. At all meetings of Members, each Member may vote in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed in writing with the Secretary before the appointed time of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member or upon the expiration of eleven (11) months from the date of the proxy.

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

2.11 Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of thirty percent (30%) of the Members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

2.12 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 thereat.

2.13 Action Without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which 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 entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members.

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ARTICLE III

BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 3.2, 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.

3.2 Directors During Declarant Control. The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until such time as is specified in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by the Declarant need not be Owners or residents in the Property. After the period of Declarant appointment, all Directors must be Members of the Association.

3.3 Number of Directors. The number of Directors in the Association shall be three (3).

3.4 Nomination of Directors. Except with respect to Directors selected by the Declarant, 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 two (2) 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 Members to serve from the close of such annual meeting until the close of the next annual meeting, 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 Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members to solicit votes.

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

At the first annual meeting of the membership after the termination of the Declarant's right to select all of the Board of Directors and at each annual meeting of the membership thereafter, Directors shall be elected. All Directors shall be elected at-large. All Members of the Association shall vote upon the election of Directors.

The term of each Director's service shall be for a period of three (3) years and extending thereafter until his successor is duly elected and qualified or until he is removed, provided, however, that the terms of the members to the initial Board of Directors shall be for periods of three (3) years, two (2) years, and one (1) year, such that there shall be only one vacancy each year on the Board of Directors occasioned by the expiration of the director's term.

3.6 Removal of Directors and Vacancies. Unless the entire Board is removed from office by the vote of the Members, an individual Director shall not be removed prior to the expiration of his or her term of office, except by the votes of a majority of Members.

In the event of death or resignation of a Director, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

3.7. Voting Procedure for Directors. The first election of the Board shall be conducted at the first meeting of the Association. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

B. Meetings.

3.8 Organization Meetings. The first meeting of the members 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 the Board.

3.9 Regular Meetings. Regular meetings of the Board of Directors may be held as such time and place as shall be determined from time to time by a majority of the Directors. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary 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 or sent to the Director's address or telephone number 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 seventy-two (72) hours before the time set for the meeting.

3.11 Waiver of Notice. The transactions of any meetings 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 notice, a consent to holding the meeting, or an approval of the 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.

3.12 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. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13 Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association.

3.14 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

3.15 Open Meeting. All meetings of the Board of Directors shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

3.16 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.17 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.

3.18 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 of Incorporation or these By-Laws directed to be done and exercised exclusively by the Members.

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 related 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 be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Member to the Common Expenses;
- (b) making Assessments to defray the Common Expenses, establishing the means and methods of collecting such Assessments, and establishing the period of the installment payments of the annual Assessment;
- (c) providing for the operation, care, upkeep, and maintenance of any Common Area;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and any Common Area, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material 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;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of any 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 Members 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 to Members;

(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. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Members and Mortgagees, their duly authorized agents, accountants, or attorneys during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Members.

(m) make available to any prospective purchaser of a Lot, any Member, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the By-Laws, Rules and Regulations, and all other books, records, and financial statements of the Association.

(n) permit utility suppliers to use portions of any Common Area reasonably necessary to the ongoing development or operation of the Property; and

(o) assume as a Common Expense the entire obligation and responsibility for the payment of assessments due with respect to the Storm Water Facilities Association which may be made and become otherwise due and owing from any Member.

3.19 Management Agent.

(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 subsections (a), (b), (f), (g), and (i) of Section 3.18 hereof. 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.

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

- (a) cash basis accounting shall be employed;
- (b) accounting and controls should conform with established AICPA guidelines and principles, which require, without limitation, (i) a segregation of accounting duties, (ii) disbursements by check requiring two (2) signatures, and (iii) cash disbursements limited to amounts of Twenty-five Dollars (\$25.00) and under;
- (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;
- (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; and
- (f) commencing at the end of the month in which the first Lot is sold and closed, quarterly financial reports shall be prepared for the Association containing:
 - (i) an Income and Expense Statement reflecting all income and expense activity for the preceding three (3) months on a cash basis;
 - (ii) a Balance Sheet as of the last day of the Association's fiscal year and an Operating Statement for said fiscal year, which shall be distributed within ninety (90) days after the close of a fiscal year;
 - (iii) a Delinquency Report listing all Owners who have been delinquent during the preceding three (3) month period in paying the monthly installments of Assessments and who remain delinquent at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the Assessment shall be considered to be delinquent on the fifteenth (15th) day of each month.); and

(iv) an annual report consisting of a least the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet as of the end of the fiscal year; (2) an operating (income) statement for the fiscal year; and (3) a statement of changes in financial position for the fiscal year. If said report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

3.21 Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of any Common Area and facilities without the approval of the Members of the Association; provided, however, the Board shall obtain membership approval in the same manner provided in the Declaration for Special Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities or facilities, and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.22 Rights of the Association. With respect to any Common Areas or other Association responsibilities owned, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Directors of the Association.

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The Board of Directors may elect 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 of Directors. Any two (2) or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2 Election, Term of Office and Vacancy. 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 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.

4.3 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.

4.4 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 be specifically 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.

4.5 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.

4.6 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 the President and Treasurer or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V

COMMITTEES

Committees 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 are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and 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.

ARTICLE VI

MISCELLANEOUS

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

6.2 Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, 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.

6.3 Conflicts. If there are conflicts or inconsistencies 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.

6.4 Books and Records. **Document is the property of the Lake County Recorder!**

(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 Property as the Board shall prescribe.

(b) 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 copies of documents at the expense of the Association.

6.5 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 registered or certified mail, return receipt requested, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the last known residence address of the 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 the notice in writing to the Members pursuant to this Section.

6.6 Amendment. Declarant may amend the By-Laws in accordance with the Declaration. These By-Laws may be amended otherwise only by the affirmative vote (in person or by proxy) or written consent of Members representing two-thirds (2/3) of the total votes of the Association (not a majority of a quorum).

