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RESTRICTIVE COVENANTS
VILLAGE GREEN PHASE II, UNIT I
LAKE COUNTY, INDIANA

This development, as described in "Exhibit A" which is attached hereto and made apart hereof, is subject to these Restrictive Covenants to insure proper use and appropriate development of Village Green Phase II, Unit I, to protect all owners against use as may depreciate the value of their property, to guard against the erection of buildings built of improper or unsuitable materials, to insure adequate and reasonable development of Village Green Phase II, Unit I, and the use and enjoyment of the property, and to encourage the erection of attractive improvements. These provisions are for the mutual benefit and protection of the owners, present or future, of the lots in this development.

The Owner hereby adopts and establishes certain covenants, conditions, restrictions, easements, and servitudes that shall run with all parts of the Subdivision and shall be binding upon and insure to the benefit of the Owner and every one of the Owners' successors in title to any real estate in the Subdivision. The covenants, conditions, restrictions, easements and servitudes so adopted and established (which are hereinafter sometimes referred to as the "the Restrictions") are as follows:

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I. RESIDENTIAL CHARACTER OF THE SUBDIVISION

Section 1.1 In General, Every lot in the Subdivision is a residential lot and shall be used exclusively for residential purposes to only one family. No structure of a temporary character will be permitted.

Section 1.2 Prohibition of Residential Use of Accessory Outbuilding, etc. No accessory outbuildings shall be erected on any of the lots prior to the erection thereon of a single-family dwelling house and no such accessory outbuilding shall be used as a dwelling house on any of the lots.

Section 1.3 Prohibition of Residential Use of Partially Completed Dwelling House. No dwelling house on any of the lots shall be occupied for residential purposes until a Town of Lowell occupancy permit has been issued for it.

II. RESTRICTIONS CONCERNING SIZE AND PLACEMENT OF DWELLING HOUSES AND OTHER STRUCTURES AND MAINTENANCE THEREOF

Section 2.1 Living Areas Required. The living area of every dwelling house that shall be constructed or placed on any lot in the Subdivision (which area shall be computed by excluding the areas of garages, basements, attics, crawl spaces patios, decks and unenclosed porches) shall be not less than:

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- MAY 17 2007 (i) one story dwelling with basement, crawl or slab not less than 1,400 square feet of ground coverage;
- (ii) Tri-level dwellings a minimum of 500 square feet on the main floor with lower level and upper levels having a 600 square foot minimum; Bi-levels shall have a minimum of not less than 1,400 square feet on the main level;

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- (iii) Two story dwelling not less than 1,600 square feet of total living area;
- (iv) No Bi-levels with drive under garages are allowed;
- (v) Ground coverage is defined as the total foundation area supporting all living areas;
- (vi) Living area is defined as living room, bedroom, kitchen, dining room, family room, closets, utility rooms, entryways and bath usage. To qualify as living area the interior finish must be of a manner and quality of materials in keeping with the other rooms.

Section 2.2 A garage that has a minimum capacity of two cars and a maximum of three cars shall be attached to each dwelling house.

Section 2.3 Setback requirements:

(i) Dwellings. Except as may be otherwise shown in the plat, no part of any dwelling house structure that shall be constructed or placed on any numbered lot in the subdivision shall be less than:

- (aa) Eight feet from each side line of the lot, with the aggregate width of both side yards on any lot being not less than twenty percent (20%) of the width of the lot;
- (bb) Thirty feet from the front line of the lot or;
- (cc) There shall be a rear yard setback of 30 feet;
- (dd) No pole barn or storage barns may be permitted unless approved by the Architectural Control Committee (provision for the creation of which is made in subparagraph 2 (f) of the Restrictions below). Accessory outbuildings, excluding garages, shall contain no more than 150 square feet of floor space with a maximum ceiling height of 9 feet, and must match home exterior in material and color approved by the Architectural Control Committee.

(ii) Satellite Dishes. All satellite dishes (size & location) must be approved by the Architectural Control Committee. They must be concealed as approved by the Architectural Control Committee and must not be located on the front of any house or in the case of corner lots they may not be on the front or side facing any street.

(iii) Particular rules of application of setback requirements.

(aa) If the lot line with respect to which setback measurement must be made is a curve, the lot line shall be viewed from the interior of the lot, and if the lot line, thus viewed, is a convex curve, the measurement shall be made along a line perpendicular to a tangent of the curve that intersects at least one of the side lines of the lot at a right angle; if the lot line, thus viewed is a concave curve, the measurement shall be made along a line perpendicular to the longest chord of the curve that intersects at least one of the side lines of the lot at a right angle.

(bb) If the line with respect to which a setback measurement is to be made is a meandering line, the average length of the two lot lines that intersect said meandering line shall be determined and, using that average length, an imaginary straight line shall be drawn through the meandering line and the setback measurement shall be made along a line perpendicular to such imaginary line.

(cc) The term “rear lot line” defines the boundary line of the lot that is farthest from, and substantially parallel to, the line of the street on which the lot abuts, except that on corner lots it may be determined from either street line.

(dd) A corner lot shall be deemed to have a front line on each street on which the lot abuts, and such lot need only have one rear yard as defined by 2 (c) (iii).

Section 2.4 Fences.

All fences must be approved and constructed as designated by the Architectural Control Committee. No part of any fence or wall shall be constructed or placed within the “front yard” of any numbered lot in the Subdivision, that is to say, within the part of the lot that lies between the line of the street on which the lot abuts and the front of the dwelling house exclusive of porches, decks and garages and which meets the required setbacks from the front line of the lot. No part of any fence or wall constructed or placed in the rear yard of any lot shall exceed five (5) feet in height and shall be composed of PVC. Pool enclosures shall not exceed five (5) feet in height to comply with State Statutes. The Architectural Control Committee shall have full discretion to approve or deny proposed fences or pool enclosures in conformity with these covenants.

Section 2.5 Brick.

(i) No residential structure shall have less than 40% of stone or face brick on the front elevation thereof. Vinyl siding must be approved with the plans for the new home. Developer reserves the right to make exception to the provision where this requirement would materially affect the architectural value of the proposed structure. Further, Developer reserves the right to limit the style of a home on any given lot within the subdivision and to limit the number of any given style of home within a particular Phase or Unit within the subdivision. No two (2) of the same style homes shall be constructed within 250 feet or three (3) lots from each other or whichever is less.

(ii) All plumbing stacks and roof protrusion shall be located at the rear of the roof structure. No exterior antennas shall be attached to any roof or exterior of any structure nor in the front, back or side yards.

(iii) All roofs shall be constructed with architectural shingles and all roof pitches shall be at least 6/12 or greater.

Section 2.6 Architectural Control Committee.

(i) No dwelling house, outbuilding, swimming pool or other above ground structure shall be constructed, placed, altered, nor building permit obtained on any lot in the Subdivision unless the Builder, plans and specifications showing the nature, kind, shape, height, materials, and location thereof shall have been submitted to, and approved in writing by, the Architectural Control Committee prior to the start of construction as to the quality of workmanship and materials, harmony of design with existing structures, and as to location

with respect to topography and finish grade elevations: a minimum of the following must be submitted to the Architectural Control Committee.:

- A. all construction plans and specifications;
- B. a plat showing the location of the structure or structures on the lot or lots;
- C. a plat showing a landscape plan.

A structure is defined as including, but not limited to, any building, fence, wall, walk, outdoor light, deck, pool, patio, playground equipment attached to ground, basketball goals, trampolines, shed, driveway or pond.

(ii) The Architectural Control Committee shall consist of three members appointed by the developer and may be replaced from time to time as the developer may choose. In the event of death or resignation of a member of the Committee, the Developer shall have the right to designate a successor. The Developer may, at any time it deems appropriate, assign the right of appointment for any one or more members of the committee to the property owners association. The Architectural Control Committee, by a two-thirds vote, may make exceptions to these Restrictive Covenants in event of hardship, provided that said exception will not be materially detrimental of the Development or the property therein.

(iii) The Committee's approval or disapproval as required in these covenants shall be in writing. Neither the Developer nor the Architectural Control Committee, nor any member thereof, shall be liable for any damages, loss or prejudice suffered or claimed by any owner or contractor who submits such plan 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 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 property within Village Green, Phase II.

Each lot owner submitting plans to the Architectural Control Committee, or any member thereof, shall defend and hold the Developer, Committee and/or the property owners association harmless from all damages, loss or prejudice suffered or claimed by any party, including attorneys' fees and court costs incurred for any reason.

(iv) Approval Process. Each lot owner must submit the following items to the Architectural Control Committee and receive the Committee's written approval of these items before construction can be started:

- A. Drawings showing all four elevations and masonry areas.
- B. Floor Plans showing square footage.

- C. Site plan showing placement of home on lot and location of driveway and walkways.
- D. Landscape plan showing foundation planting and two front yard shade trees (site and landscape plan can be combined).
- E. Masonry sample and color samples for siding, roof and exterior trim.

(v) A landscape plan for any structure must be submitted before approval to construct any structure will be considered by the Architectural Control Committee. The landscape plan for the home should include the normal foundation plan (front and side of home) and appropriate erosion control methods and, in addition, should also show two (2) shade trees to be planted within the parkway. These two trees must have a trunk diameter of at least 2 ½ inches and must be Cleveland Pear trees (or Autumn Blaze Maple tree on alternating blocks). Corner lots shall have four (4) trees planted in the parkway two (2) on each street side, also Cleveland Pear trees (or Autumn Blaze Maple tree on alternating blocks). Trees must be planted in conformity with these regulations and the requirements of Lake County, Indiana, within thirty (30) days following occupancy, weather permitting. The Developer shall alternate blocks between these trees.

Any tree not planted in the parkway must be at least 2 ½ inches in diameter and must be one of the following types:

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|-------------------|---------------------------------|
| 1. Red Maple | 6. Green Ash |
| 2. Tulip Poplar | 7. Sweet Bay Magnolia |
| 3. White Ash | 8. Snow White Flowering Dogwood |
| 4. Eastern Redbud | 9. Sunburst Honey Locust |
| 5. Sweet Gum | |

All lots shall be professionally landscaped within 45 days of issuance of an occupancy permit by the Town of Lowell, weather permitting. Landscaping shall include sodded front and side yards (to the rear of structure). Rear yards may be hydro seeded, seeded or any combination thereof. A landscaped border of no less than 36 inches shall be maintained around the front elevation of the home which shall consist of twelve (12) shrub/flower plantings and stone aggregate base.

(vi) Each owner of a lot in the Development shall install a post-type front yard light at the time a home is constructed upon the lot. The light must be controlled by an electric eye so that it will be lighted from dusk to dawn. No other all-night outdoor lights are permitted. All yard lights and their locations must be approved by the Architectural Control Committee. Said light shall be a uniform light to be designated by the developer. In addition all owners shall install a uniform mail box as prescribed by the developer.

(vii) Both in-ground and above-ground swimming pools are permitted; however, above-ground pools must be attractively concealed from view. All pools must have all local government agencies' approvals and must be installed as per local codes and ordinances. Pool must have guarded fence and childproof entry.

- (f) **Diligence in Construction.** Every building whose construction or place on any lot in the Subdivision is begun shall be completed within six (6) months after the issuance of a building permit. An extension of this time may be granted by the Architectural Control Committee at its sole discretion through a written application to the Committee from the builder or lot owner.

All driveways or other entrances to any lot in the subdivision from dedicated streets shall be concreted no later than thirty (30) days after occupancy. An extension may be granted by the Architectural Control Committee for reason of adverse weather conditions.

All front porches flooring shall be made of concrete; if hand rails and posts are made of a wood product they must be maintained with a paint or stain.

All landscaping, including seeding and/or sod, shown on the initial plans and specifications of the home as approved by the Architectural Control Committee shall be completed by the owners within thirty (30) days of occupancy. If needed, adequate erosion control measures shall be applied by the homeowner upon seeding, including but not limited to silt-fence along the property lines. An extension may be granted by the Architectural Control Committee for reasons of adverse weather conditions.

- (h) **Prohibition of Used Structures.** All structures constructed or placed on any lot in the Subdivision shall be constructed with a substantial quantity of new materials and no used structures shall be relocated or placed upon any such lot.

- (i) **Concealment of Trash Receptacles.** Every outdoor receptacle for ashes, trash, rubbish, or garbage shall be so placed as not to be visible at any time except the times when refuse collections are being made.

- (j) **Ditches and Swales.** It shall be the duty of every owner of every lot on which any part of an open storm drainage ditch or swale is situated to keep such continuously unobstructed and in good repair, and to provide for the installation of such culverts upon said lot as may be reasonably necessary to accomplish the purposes of this subsection. If necessary, owners shall install culverts between the road right-of-way and their lots in conformity with specifications and recommendations of the Architectural Control Committee.

- (k) **Maintenance of Lots and Improvements.** The owner of any lot in the lot Development shall at all times maintain the lot and any improvements situated thereon in such a manner as to prevent the lot or improvements from becoming unsightly and specifically such owner shall:

- A. Keep lot mowed to a grass length of not more than four (4) inches.

- B. Remove all debris or rubbish (both during and after construction); unnecessary building materials, piles of fill or piles of trash are prohibited.
- C. Prevent the existence of any other conditions that reasonably tends to detract from or diminish the aesthetic appearance of the Development.
- D. Vacant lots may not be used to store materials or personal items.
- E. Seasonal decorations shall be removed within 30 days of the Holiday and in the case of Christmas/New Years, the 30 days shall run from January 1st. Any signs or decoration for events such as births, birthdays or anniversaries shall be removed within 10 days after such event.

In the event an owner of any residential lot in the Development shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Developers or Association, five (5) days written notice shall be given to the lot owner, and, if the lot owner shall not have brought said lot into satisfactory condition, such Developer or Association shall have the right directly or indirectly by employment of a third party to enter upon said lot and to repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon and the lot owner shall be responsible for the cost of the same. This cost may be filed as a lien upon the property in accordance with the laws of Indiana and may be foreclosed in the same manner as is the case of a foreclosure of mortgage liens against real estate all without relief from valuation and appraisal laws and said liens shall not expire for a period of five (5) years. Any expenses incurred in collection of the fees billed to such lot owner, shall be the expenses of the lot owner including but not limited to court costs and attorney fees.

III. PROVISIONS RESPECTING DISPOSAL OF SANITARY SEWAGE, STORM WATER, ETC.

- Section 3.1 Septic tanks are prohibited. No septic tank, or outside toilet may be constructed, placed or used on any lot in the development. No installation for the disposal of sanitary sewage or installation of water well shall be constructed or operated unless the installation shall meet all the requirements of every governmental health authority having jurisdiction and shall have been approved, in writing, by the Architectural Control Committee.
- Section 3.2 Storm Drainage. Neither the discharge from any sump pump nor any storm water coming on any lot in the Development shall be allowed to flow into any sanitary sewage facility within the subdivision.
- Section 3.3 EASEMENTS:
 - (a) In general. Certain easement rights have been reserved in the real estate that constitutes the subdivision. These easement rights are of a commercial character. No permanent building shall be placed on said easements, but the same real estate may be used for gardens, shrubs, landscaping, and other purposes; provided that such use or uses do not interfere with the use of said easements for their intended purposes. No easement shall prevent any other utility from crossing any such easement with its facilities for the purpose of extending, repairing or maintaining utility services to any property or properties.

(b) Rules for Determination of Location of Easements in Certain Cases. The rules prescribed in subparagraph 2 (c) (iii) of the Restrictions, above, for the establishment of setback lines that must be measured from curved or meandered lines may be applied, whenever necessary, in defining the location of any easement that is to encumber a strip of land contiguous to a curved or meandered line.

(c) Provisions Governing Road Cuts. The Developer or the Architectural Control Committee shall have power to make rules, regulations and conditions governing road cuts, including among other powers, the granting of permission to make such cuts, the power to require the repairing of the road after cuts are made and to require a bond to cover compliance with the rules, regulations and conditions.

IV. RULES GOVERNING BUILDING ON SEVERAL CONTIGUOUS LOT HAVING ONE OWNER

Single Ownership of Several Contiguous Lots. Whenever two contiguous lots in the Development shall be owned by the same person(s), he/she may obtain permission to use the lots as a site for a single dwelling house upon application to the Architectural Control Committee. Such permission may be granted at the discretion of the Architectural Control Committee.

V. CERTAIN ACTIVITIES PROHIBITED

- Section 5.1 In General. No activities prohibited, defined as, or held to be a nuisance under Indiana Law shall be carried on within the Development. No noxious or offensive activities shall be carried out on any lot in the Development, or shall anything be done on any of said lots be or become an unreasonable annoyance or nuisance to any owner of another lot in the Development.
- Section 5.2 Signs. No "for sale" sign shall be displayed in the Development, except by the Developer. Other signs shall be permitted only under prior written approval of the Architectural Committee.
- Section 5.3 Animals. No animals shall be kept in the Subdivision, except the usual, handheld and non-dangerous household pets. No farm animals, including horses and other such animals, shall be permitted at any time. Pets activity must be confined to the boundaries of the owners' property. The Architectural Control Committee shall have the authority to make reasonable rules and regulations regarding the control of household pets, including, but not limited to, the removal of animal waste. No dog runs or outdoor kennels shall be allowed. All animals must be kept indoors unless supervised by the owner.
- Section 5.4 Vehicle Parking. No vehicles shall be permitted to park on any of the streets in the subdivision. No unlicensed, stripped-down, partially wrecked, or junk motor vehicle be parked in any driveway. No commercial vehicles, including but not limited to trucks, except a legally plated truck under 7000 pounds, conventional pickup truck or van, shall be parked

in any driveway. The Architectural Control Committee shall have the power to make reasonable rules and regulations for the enforcement of this restriction.

- Section 5.5 Weapons. The use of firearms or archery equipment within the subdivision is strictly forbidden. No hunting, target practice, or any other use of firearms or other weapons shall be allowed.
- Section 5.6 Disposal of Garbage, Trash and Other Like Household Refuse. No owner of any lot in the Development shall burn or permit the burning out-of-doors of garbage, trash, or other like household refuse. All other burning of nature's debris shall be permitted in an approved incinerator. Nor shall such owner accumulate or permit the accumulation out-of-door of such refuse on his lot.
- Section 5.7 Fuel Storage Tanks and Other or Trash Receptacles. Fuel storage tanks are prohibited within the Development. Every receptacle for ashes, trash, rubbish, or garbage shall be placed and kept as not to be visible from any street within the Development at any time except on the day when refuse collections are being made.
- Section 5.8 Clothes Lines both temporary and permanent. All outdoor clothes lines are prohibited.
- Section 5.9 Restriction of Construction of Model Houses, etc. No owner of any lot in the Development shall build, or permit the building, thereon of any dwelling house that is to be used as model house or exhibit unless prior written permission to do so shall have been obtained from the Architectural Control Committee.
- Section 5.10 Vehicles, Boats, Campers, or similar Recreational Vehicles. Storage of recreational vehicles (including but not limited to campers, motor-homes, trailers or pop ups) boats, jet skis, snowmobiles or similar recreational vehicles is not permitted unless parked in a garage.
- Section 5.11 No individual shall maintain more than two "garage" or similar sale in any one calendar year.

VI. VILLAGE GREEN HOMEOWNERS' ASSOCIATION, INC.

- Section 6.1 All Owners shall be members of the Village Green Homeowners' Association which shall provide for maintenance and operation of the Common Areas and in general to maintain and promote the desired character of the Development in accordance with these covenants.
- Section 6.2 (a) The association shall have a Board of up to five (5) but not less than three (3) directors who shall be elected by the Members of the Association at such intervals as the Articles of Incorporation and By-Laws of the Association shall provide, except
- (i) that vacancies in the Board occurring between regularly scheduled annual meetings of the Members may be filled by the Board if so provided by the Articles of Incorporation or By-Laws and (ii) that the first Board and subsequent Boards (until the Turnover Date) shall be appointed by the Declarant. Except for directors of the Board appointed by the Declarant, all directors shall be Members of the Association. The Declarant

may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors and continue to exercise its right to appoint the remaining directors of the Board until the Turnover Date.

(b) The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board and who shall manage and conduct the affairs of the Association under the direction of the Board. The Board shall have the authority to appoint such committees as it may from time to time deem appropriate. Except as expressly provided otherwise by the corporate charter or By-Laws, all power and authority to act on behalf of the Association, both pursuant to this Declaration and otherwise, shall be vested in the Board and its officers under the direction of the Board, and shall not be subject to the approval of the Members. The directors and officers of the Association shall not be liable to the Owners or any other person, firm, or corporation for any mistake of judgment or any acts or omissions made in good faith as such directors or officers.

Section 6.3 The Declarant shall, through the Board appointed by it in accordance with Section 6.2, exercise control over all Association matters, until the first to occur of the following: (a) the date which is twenty (20) years from the date of this Declaration, (b) the date of the sale and conveyance of legal title to all of the Lots in all units to Owners other than Declarant or an assignee of Declarant, or (c) the Declarant elects voluntarily to turn over to the Members the authority to appoint the Board, which election shall be made by the Declarant executing and recording in the Office of the Recorder of Lake County, Indiana an instrument setting forth its intention to so turn over its authority hereunder. The date upon which the authority to appoint the Board passes to the Members is hereinafter referred to as the "Turnover Date". On or prior to the Turnover Date, the Declarant shall convey to the Association, and the Association shall accept, the Common Areas to be owned by the Association hereunder and the Association shall maintain the Common Areas as required hereunder. The recording of a deed from the Declarant for all or a portion of the Common Areas shall be sufficient evidence of said conveyance.

Section 6.4 (a) Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or any of its successors in interest owns one or more Lots.

(b) From and after the Turnover Date, each Member shall be entitled to one (1) vote for each Lot owned by him on each matter submitted to a vote of Members; provided, however, that where there is more than one Owner of a Lot, such co-owners of a Lot shall only be entitled to one vote for each lot owned.

Section 6.5 The Association, through the Board, shall have the power and duty to;

(a) Own, maintain and otherwise manage the Common Areas and all Improvements thereon and all other property acquired by the Association or which the Association, pursuant

to easement or license agreement, is permitted or required to maintain, or which the Association agrees to maintain, including any obligation or agreement (including any which may be entered into with the County of Lake, the Town of Lowell, or other governmental agency) to maintain the Common Areas, the entrance, landscape mounding and berms, and any landscaping located in cul-de-sac island in the dedicated roads or streets which are within the Property and to maintain any signage and lighting located thereon;

(b) Contract with independent contractors to perform all or any part of the duties and responsibilities of the Association;

(c) Establish and maintain a Contingency and Replacement Reserve in an amount to be determined by the Board;

(d) Maintain, at the expense of the defaulting Owner, all drainage areas and facilities located on the Property in accordance with the reasonable and acceptable engineering requirements of the Association, the Town of Lowell, or County of Lake in the event that one or more Owners fail to do so;

(e) Provide for the maintenance of Common Areas, landscaping, signs, monuments, fencing, retaining walls, water systems, lighting and other improvements located on the Common Areas or on other property acquired by the Association or which the Association, pursuant to easement or license agreement, is permitted or required to maintain, or which the Association agrees to maintain;

(f) At its option, complete the construction or maintenance of any lot, Dwelling, or other improvement, the construction of which is not being performed in a diligent, timely or workmanlike manner;

(g) At its option, mow, care for, maintain and remove rubbish from any vacant or unimproved portions of the Property and to do any other things necessary or desirable in the judgment of the Board to keep any vacant or unimproved portions of the Property neat in appearance and in good order. The foregoing rights shall not apply to any Lot or other portion of the Property owned by Declarant;

(h) Make such improvements to the Common Areas and provide such other facilities and services as may be deemed desirous from time to time by the Board acting in accordance with its Articles of Incorporation and By-Laws, provided, however, that any such action so authorized shall always be for the express purpose of keeping the Development a highly desirable residential community; and

(i) Exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members in this Declaration in the Articles of Incorporation or the By-Laws.

Section 6.6 The Board shall also have the authority and responsibility to obtain and maintain comprehensive public liability insurance, including liability for injuries to and death of

persons, and property damage, in such limits as it shall deem desirable, and workers' compensation insurance, and other liability insurance as it may deem desirable, insuring each Owner, each member, the Association, its officers, the Board, the Declarant, and their respective employees and agents from liability and insuring the officers of the Association and the Board from liability for any good faith actions taken beyond the scope of their respective authority. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties by having a severability of interests endorsement. The premiums for such insurance shall be common expenses payable out of the proceeds of the assessments required by and collected in accordance with these covenants. The Association shall also have the authority and responsibility to obtain and maintain insurance policies covering the Common Areas against loss or damage by fire and such other hazards contained in customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable. The Association shall also have the authority to obtain such other kinds of insurance as the Association shall from time to time deem prudent and to require members to be responsible for the acts of the members' family and guests.

Section 6.7 The Board, officers of the Association, members of any committee thereof (including the Architectural Review Committee) and the employees, consultants and agents of any of them shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend the foregoing parties against all claims, suits, losses, damages, costs and expenses, including without limitation, reasonable attorney's fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. The burden of the foregoing indemnity shall be borne by the Owners at the time such loss, damage, cost or expense is incurred in the same proportion as assessments are borne by the Owners as provided in these covenants hereof. To the extent possible, the Board's and Association's liability hereunder and the Owner's indemnification obligation shall be insured by means of appropriate contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association. The Board shall have the authority, but not the obligation, to exclusively contract for garbage, refuse collection, and recycling programs within the Development so as to limit the number of refuse and collection haulers within the Development, provided, however, that said authority shall be subject to the duly adopted ordinances, including subdivision control, zoning ordinances, and building codes of the Town of Lowell, which ordinances, if adopted, will supersede the authority granted herein.

Section 6.8 (a) Until the Turnover Date, the Declarant shall have all the rights and powers herein granted to the Association and shall be authorized and empowered to exercise all power and authority of the Board.

(b) Until the Turnover Date, Declarant shall have the right, but not the obligation, to dedicate any and all streets to the Town of Lowell, or Lake County, Indiana and/or to

maintain the Common Areas and all Improvements, signs and monuments located thereon and, in its sole discretion, pay all expenses and costs arising in connection with the Common Areas, including, without limitation, the costs of improving and maintaining the Common Areas (and any Improvements, signs and monuments located thereon) and general real estate taxes payable in connection with the Common Areas to the extent that any real property taxes payable after the Turnover Date in connection with the Common Areas are attributable to the period prior to the Turnover Date. Declarant shall convey the Common Areas to the Association on or before the Turnover Date.

(c) Declarant shall be entitled at all times to conduct sales of Lots from the Property and shall have the right, for itself and its agents, employees, guests and invitees, to utilize roads, streets, Common Areas and all other portions of the Property, excluding sold Lots, for such purposes until all Lots are sold. Declarant may at all times utilize signage, lighting and establish sales offices and model homes as required to conduct its sales and marketing of the property.

The Board shall have the authority to appoint such committees as it may be from time to time find useful. Such committees may include, but are not limited to, Grievance Committee, Financial Committee, Security Committee, Common Areas Committee, Election Committee, etc. All such committees shall serve at the pleasure of the Board of Directors and the chairperson of such committee shall be appointed by the Board.

Section 6.9 The Board shall have the authority to impose reasonable restrictions on streets, lakes, ponds, and common areas within the Development, including the right to impose speed limits, traffic control signs, and other street signs, frost law type regulations, boat type and number restrictions, operator age requirements, noise restrictions, curfew type restrictions for lakes, ponds, common areas, and similar type restrictions as to the proper use of the streets, lakes, ponds, and common areas. The Board shall also have the authority to impose fines for violations of said restrictions, and said fines may be collected as provided for delinquent assessments, including interest, attorney fees, and court costs.

ARTICLE VII
ASSESSMENTS

Section 7.1 Each Owner, by taking title to a Lot, shall be deemed to have covenanted and agreed to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected from time and time as hereinafter provided. The Declarant shall in no event be required to pay such annual or special assessments as pertain to Lots which it still owns. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a lien on the Lot against which each such assessment is made. Furthermore, each such assessment, together with such interest, costs and reasonable attorneys' fees also shall be the personal obligation of the person who is the Owner of such Lot.

Section 7.2 The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents of the Property and in particular for

the improvement and maintenance of the Property, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Areas. Such uses shall include, without limitation, the costs of all general real estate taxes, insurance, repair, replacement and maintenance and other charges required or permitted by this Declaration and the cost of those items that the Board shall determine to be necessary or desirable to meet the purposes of the Association, including without limitation the establishment and maintenance of a Contingency and Replacement Reserve.

Section 7.3 Each year on or before November 1, the Board shall estimate the total amount of expenses necessary to pay the cost of wages, materials, taxes, insurance services, supplies and any other necessary or desirable items or services which will be required during the ensuing calendar year (January 1 – December 31) for items or services authorized by the Board, together with a reasonable amount necessary to fund the Contingency and Replacement Reserve, and shall, on or before December 1, make available to all Owners who so request the amount of such estimate (“Estimated Cash Requirement”). Such Estimated Cash Requirement shall be prepared on a line-item basis. The Estimated Cash Requirement shall be assessed among all of the Owners excepting the Declarant. On or before January 1 of the ensuing fiscal year, each Owner shall be obligated to pay to the Board, or as it may direct, the annual assessment made pursuant to this Section; provided, however, that prior to January 1, 2005, the annual assessment to be imposed shall not exceed the sum of One Hundred Dollars (\$100.00) per Lot per annum. On or before the date of the annual meeting of each calendar year, the Board shall make available to all Owners who so request an itemized accounting of the expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments and/or charges on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment or nonpayment of any assessment and/or charges thereon.

Section 7.4 (a) The Board shall build up and maintain a reserve for the replacement of capital improvements, other authorized capital expenditures and for unforeseen expenditures (the “Contingency and Replacement Reserve”). Capital improvements and expenditures which may become necessary during the year shall be charged first against the Contingency and Replacement Reserve.

(b) If the Contingency and Replacement Reserve proves inadequate for any reason, including nonpayment of any Owner’s assessment, the Board may, at any time, levy a special assessment, which shall be assessed among the Owner, excepting Declarant; Lots shall be assessed for special assessment the same as for annual assessment as set forth in Section 7.3. The Board shall serve notice of any such special assessment on all such Owners by a statement in writing giving the amount and reasons therefore, and such special assessment

shall become effective and fully payable ten (10) days after the delivery or mailing of any such notice of assessment.

Section 7.5 The failure or delay of the Board to prepare or serve the Estimated Cash Requirement on any Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay his share of such Estimated Cash Requirement as herein provided, as and when the Estimated Cash Requirement shall be determined, and, in the absence of the preparation of the Estimated Cash Requirement, the Owner shall continue to pay his share of such Estimated Cash Requirement at the then existing annual rate established for the previous calendar year, subject to adjustment at such time as the Estimated Cash Requirement has been prepared and the Owners have been notified thereof.

Section 7.6 The Board shall keep full and correct books of account in chronological order of the receipts and expenditures pertaining to the Common Areas and any other property with respect to which it may have rights hereunder, specifying and itemizing the maintenance and repair expenses of such property and any other expenses so incurred. Such records and the vouchers authorizing the payments described therein shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a Mortgage, by appointment, at such reasonable time or times during normal business hours, and upon payment of reasonable fees which the Board may impose to cover administrative costs, when requested by an Owner or by the holder of a Mortgage. Upon five (5) days' prior written notice to the Board, any Owner shall be furnished a statement of his or her account, which statement shall set forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 7.7 Any assessments or other charges which are not paid when due shall be delinquent. If the assessment or charge is not paid within thirty (30) days after the due date, the assessment shall bear interest from and after the due date at the lesser of the rate of eighteen percent (18%) per annum or the highest rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot, and interest, costs and reasonable administrative, collection and/or attorneys' fees incurred in any such action shall be added to the amount of any such overdue assessment. The amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be and become a lien or charge against the Lot of any such Owner when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of mortgage liens against real estate. The directors of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey any interest so acquired. The Association shall not be required to accept any member who's membership is based upon ownership of a lot for which delinquent assessments, fees, costs, or charges remain outstanding, whether or not there is an enforceable lien against the lot and whether or not said assessments, fees, costs, or charges were incurred by the present owner or a prior owner.

Section 7.8 The lien of assessments and/or charges provided for herein shall be subordinate to the lien of any Mortgage now or hereafter placed on the Lots. In the event of the issuance of a deed

pursuant to the foreclosure of such prior Mortgage or in lieu of such foreclosure, the grantee of such deed shall take title free and clear of any lien for assessment authorized by the Declaration so long as any such lien shall have arisen prior to the date of recording of any such deed.

Section 7.9 Whenever two (2) or three (3) "Contiguous Lots" in the Development shall be owned by the same Owner, and such Owner shall desire to use two (2) or three (3) of said lots as a site for a single dwelling house, said Owner shall apply in writing to the Architectural Review Committee for permission so the use said lots. If written permission of such a use shall be granted, the lots constituting the site for such single dwelling house shall be treated as a single lot for the purposes of applying this Declaration so said lots, so long as the lots remain improved with a single dwelling house. In the event ownership of said lots is ever separated, the Owner shall be liable to pay to the Association back assessments which were not paid due to the contiguous lot status for a period not to exceed five (5) years any such permission, however, shall be subject to all requirements of all governmental units having jurisdiction over the property.

Section 7.10 (a) In addition to maintaining the common areas, the Association may provide clean up and maintenance of any unit or parcel of real estate requiring the same, when necessary in the opinion of the board to preserve the beauty, quality and value of the development. Provided, however, that prior to providing such maintenance, the Association shall give 10 days written notice to the Owner of any such unit or parcel of real estate of the need for such clean up and/or maintenance. Maintenance as used in this paragraph shall include but not be limited to paint repair, roof repair and replacement, gutters, downspouts, exterior building surfaces and yard clean up such as grass cutting, shrub trimming and general yard clean up and maintenance.

(b) The cost of such maintenance shall be assessed against the unit or parcel of real estate upon which such maintenance is performed or in the opinion of the board against unit or parcel of real estate benefiting from the same. The assessment shall be a portion among the parcels involved in the manner determined to be appropriate by the board. The exterior maintenance assessments shall not be considered a part of the annual or special assessments. Any exterior maintenance assessments shall be a lien on the unit or parcel of real estate and the personal obligation of the owner and shall become due and payable in all respects, together with interest, reasonable attorney fees and cost of collection as provided for the other assessments of the Association and shall be subordinate to the mortgage liens as provided for herein.

(c) For purposes performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon the property (but may not enter any building located on the property) of any unit or parcel or the exterior of any improvements thereon at reasonable hours any day except Sundays and legal holidays.

VIII. CAPTIONS

The captions preceding the various paragraph and paragraphs and sub paragraphs of the Restrictions are for convenience of reference only, and one of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

IX. DURATION OF THE RESTRICTIONS.

The foregoing covenants and Restrictions are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, at which time said covenants and Restrictions shall be automatically extended for successive period of ten (10) years unless an instrument signed by a majority of the then owners of the lots have been recorded agreeing to change said covenants in whole or in part.

X. REMEDIES/ENFORCEMENT.

If any violation of any of the Restrictions shall occur or be threatened, the party to whose benefit the particular Restriction inures may proceed at law to recover damages for, or in equity to prevent the occurrence or continuation of, the violation. The remedies hereby specified are cumulative, and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of any of the Restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the reoccurrence or continuance of said violation or the occurrence of a different violation. The prevailing party shall have the right to recover Court costs and reasonable attorney fees in any action to enforce the provisions of these restrictions.

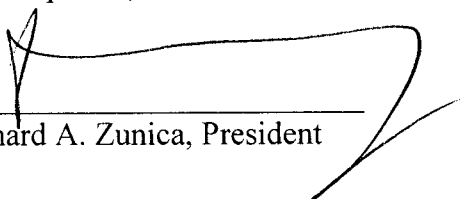
XI. SEVERABILITY

Every one of the Restrictions is hereby declared to be independent of, and severable from, the rest of the Restrictions and of and from every other one of the Restrictions.

XII. The Developer/Declarant reserves the right to add "Additional Property" or "Annexed Property" to the provisions of this Declaration and any property so added by the Declarant shall inure to the benefits and be subject to restrictions of this Declaration the same as if originally included herein. The recording of this Declaration or a Declaration substantially similar to this Declaration shall be sufficient evidence of this property being added to this Declaration, excepting only any changes which may be made in the Declaration, excepting only any changes which may be made in the Declaration regarding said "Additional Property" or "Annexed Property".

IN WITNESS WHEREOF, the Declarants have caused this Declaration to be executed this 20th day of March, 2007.

Divi Development, Inc.

By: 
Richard A. Zunica, President

STATE OF INDIANA)
)SS:
COUNTY OF LAKE)

Before me a Notary Public in and for said County and State personally appeared Richard A. Zunica, President of Divi Development, Inc. and acknowledged the execution of the foregoing Restrictions.

WITNESS my hand and Notarial Seal this 20th day of March, 2007.



My Commission Expires: 02-11-09
Resident County: Lake

I AFFIRM UNDER THE PENALTIES FOR PERJURY THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT UNLESS REQUIRED BY LAW.



This Instrument Prepared By:
Richard A. Zunica, #1504-45
162 Washington Street
Lowell, IN 46356
(219) 696-0100

EXHIBIT A
LEGAL DESCRIPTION

Part of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 22, Township 33 North, Range 9 West of the Second Principal Meridian being more particularly described as follows: Beginning at the Southwest corner of Lot 1, Indian Meadows, Unit No. 1, an Addition to the Town of Lowell as recorded in Plat Book 81, page 68 in the Office of the Recorder of Lake County, Indiana; thence North 88 Degrees 29' 54" West, along the North line of Indian Heights, Unit No. 8, to the Town of Lowell as Recorded in Plat Book 41, page 132, and the North line, extended Westerly, of Indian Heights, Unit No. 9, an Addition to the Town of Lowell as Recorded in Plat Book 52, page 63, both recorded in the Office of the Recorder of Lake County, Indiana, said lines also being the South line of the North Half of said Section 22, a distance of 1742.36 feet; thence North 01 Degree 30' 06" East, a distance of 325.00 feet; thence South 88 Degrees 29' 54" East, along a line 325.00 feet North of and parallel to the South line of the North Half of said Section 22, a distance of 1733.49 feet, to a point on the West line, extended North, of said Indian Meadow, Unit No. 1; thence South 00 degrees 03' 39" East, along said West line, a distance of 325.12 feet to the Point of Beginning, containing 12.967 acres, more or less, all in Lake County, Indiana.

