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2008 065110

STATE OF INDIANA
LAKE COUNTY
RECORDER'S OFFICE
2008 SEP 17 10:09:27
MICHAEL A. BROWN
RECORDER

After Recording Mail To:
Greg A. Bouwer
KORANSKY & BOUWER, P.C.
425 Joliet Street, Suite 425
Dyer, Indiana 46311

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RECORDER'S STAMP

*DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CENTENNIAL OF CEDAR LAKE COMMUNITY*

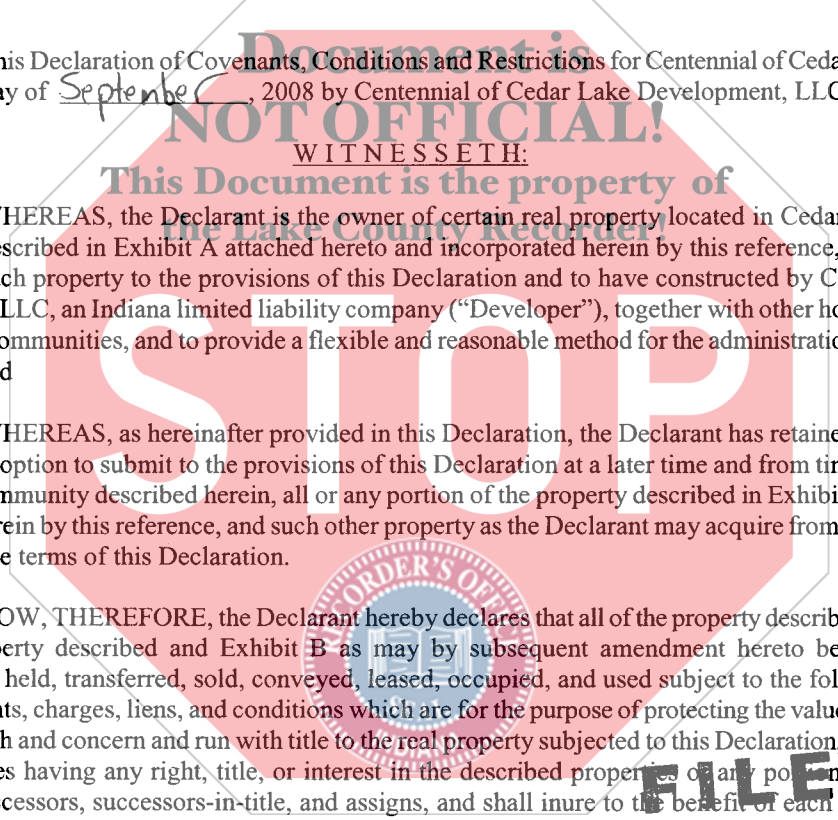
This Declaration of Covenants, Conditions and Restrictions for Centennial of Cedar Lake Community is made this 16th day of September, 2008 by Centennial of Cedar Lake Development, LLC ("Declarant").

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property located in Cedar Lake, Indiana, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference, and the Declarant desires to subject such property to the provisions of this Declaration and to have constructed by Centennial of Cedar Lake Development, LLC, an Indiana limited liability company ("Developer"), together with other homebuilders, if any, various residential communities, and to provide a flexible and reasonable method for the administration and maintenance of such property; and

WHEREAS, as hereinafter provided in this Declaration, the Declarant has retained and reserved the right, privilege, and option to submit to the provisions of this Declaration at a later time and from time to time as a part of the residential community described herein, all or any portion of the property described in Exhibit B attached hereto and incorporated herein by this reference, and such other property as the Declarant may acquire from time to time and/or wish to subject to the terms of this Declaration.

NOW, THEREFORE, the Declarant hereby declares that all of the property described in Exhibit A and any additional property described and Exhibit B as may by subsequent amendment hereto be subjected to this Declaration shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the real property subjected to this Declaration, and which shall be binding on all parties having any right, title, or interest in the described properties or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof and where provided herein, shall benefit the property on which certain Community Areas are located.



SEP 17 2008

PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

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ARTICLE I
DEFINITIONS

1.01 **Definitions.** When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

(a) "Additional Property" shall mean and refer to the real property described in Exhibit B attached hereto and all improvements thereon, together with such other additional property and all improvements thereon as Declarant shall acquire from time to time and shall desire to subject to the terms of this Declaration and by amendment to Exhibit B hereto recorded in the Office of the Recorder of Lake County, Indiana, include within the property described in Exhibit B.

(b) "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Centennial of Cedar Lake Community Association, Inc., an Indiana not-for-profit corporation, as amended from time to time.

(c) "Association" or "Community Association" shall mean and refer to Centennial of Cedar Lake Community Association, Inc., an Indiana not-for-profit corporation.

(d) "Association Delegates" shall mean those delegates representing Members at the Association meetings, as described more fully in Article IV hereof.

(e) "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Community Association.

(f) "By-Laws of the Association" or the "By-Laws" shall mean and refer to those By-Laws of Centennial of Cedar Lake Community Association, Inc., which govern the administration and operation of the Association, as the same may be amended from time to time, a copy of which is attached hereto as Exhibit C.

(g) "Community Area" shall mean and refer to all real and personal property now or hereafter owned and/or maintained by the Association for the common use and enjoyment of the Owners. Included within the Community Area may be the following, if any: stormwater management facilities, entry monuments, retention area(s), landscaped areas not platted as lots, areas platted as outlots, walking trails, and community fencing, except to the extent any of the foregoing have been publicly dedicated. The designation of any land and/or improvements as Community Area shall not mean or imply that the public at large acquires any easement of use or enjoyment therein. Declarant may, but shall not be required to, designate and/or convey other property to the Association. The legal description of the Community Area existing as of the date hereof is attached hereto as Exhibit D and such additional parcels of land as may be subjected to the terms of this Declaration in accordance with Article II.

(h) "Community Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

(i) "Declarant" shall mean and refer to Centennial of Cedar Lake Development, LLC, its successors and assigns.

(j) "Declarant Rights" shall mean any and all rights, powers and privileges reserved, granted or otherwise provided for herein which may be exercised by, or which benefit only, the Declarant.

(k) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Centennial of Cedar Lake Community and all amendments thereof filed for record in the Office of the Recorder of Lake County, Indiana.

(l) "Developer" shall mean Centennial of Cedar Lake Development, LLC, an Indiana limited liability company, its successors and assigns as may be designated in a recorded instrument.

(m) "Development", with an initial capital letter, shall mean and refer to the Property and all improvements located or constructed thereon, and any portion of the Additional Property submitted to the provisions hereof pursuant to Section 2.02.

(n) "Dwelling", with an initial capital letter, shall mean and refer to any improved property intended for use as a single-family dwelling, whether detached or attached, located within the Development.

(o) "Lot" shall mean and refer to any unimproved portion of the Property (and a subdivided lot of record) upon which it is intended that a Dwelling (or Dwellings, in the event condominium units are constructed) shall be constructed. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof and a certificate of occupancy has been issued by the Town. Upon such completion, such parcel and the improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.

(p) "Member" shall mean an Owner who holds membership in the Association pursuant to Section 4.01 of this Declaration.

(q) "Mortgage", with an initial capital letter, shall mean and refer to a security deed, deed of trust, mortgage, installment land sales contract or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot, Dwelling, or Neighborhood.

(r) "Mortgagee", with an initial capital letter, shall mean and refer to the holder of a Mortgage.

(s) "Neighborhood" shall mean and refer to any portion of the Property, designated by Declarant, which is intended to be a distinct community within the Property and which may have a separate association responsible for maintenance and administration, and within which it is intended that there will be constructed Dwellings, and if there is no separate association, the Community Association shall maintain and administer same.

(t) "Neighborhood Association" shall mean and refer to a corporation or an unincorporated association whose shareholders or members are comprised entirely of Owners of Dwellings within a Neighborhood, including Centennial of Cedar Lake Paired Cottage Association, Inc. and Centennial of Cedar Lake Townhome Association, Inc.

(u) "Neighborhood Declaration" shall mean and refer to any instrument or document, and any amendments thereto, which is recorded in the Office of the Recorder of Lake County, Indiana, with respect to any Neighborhood and which imposes covenants, conditions, easements, and restrictions with respect to such Neighborhood.

(v) "Occupant" shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant, or family member of an Owner, occupying or otherwise using a Dwelling within the Development.

(w) "Owner", with an initial capital letter, shall mean and refer to one (1) or more persons, including Declarant, who or which owns fee simple title to any Lot or Dwelling, excluding, however, those persons having such an interest under a Mortgage. In the event that there is recorded in the Office of the Recorder of Lake County, Indiana, any installment land sales contract covering any Lot or Dwelling, the Owner of such Lot or Dwelling shall be the purchaser under said contract and not the fee simple title holder. An

installment land sales contract shall be an instrument whereby the purchaser is required to make payment for a Lot or Dwelling for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to such Lot or Dwelling until all such payments are made, although the purchaser is given use of such Lot or Dwelling.

(x) "Person" shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

(y) "Property," with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit A together with all improvements thereon, including the Community Area, utility systems, drainage systems, and other improvements serving the Lots and Dwellings, and, upon submission to the provisions of this Declaration, the tracts or parcels of land described in Exhibit B, or any portion thereof, or any tracts or parcels of land hereafter added thereto, together with all improvements thereon.

(z) "Record" or "place of record" means to record a document in the Office of the Recorder of Lake County, Indiana.

(aa) "Town" shall mean and refer to the Town of Cedar Lake, a municipal corporation, its successors and assigns.

(ab) "Unit Membership" shall mean the membership in the Association, which is appurtenant to a member's Dwelling or Lot as provided in Section 4.01 of this Declaration.

ARTICLE II DEVELOPMENT

2.01 Development of Property. Except as otherwise set forth in Section 10.01, all Lots within the Development shall be and are hereby restricted exclusively to residential use and related uses and shall be subject to the standards and restrictions set forth in Article X hereof. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option (as defined in Section 2.02) to submit Additional Property to the terms of this Declaration and to make improvements and changes to all Community Area and to any other portion of the Property owned by Declarant, including, without limitation, (i) installation and maintenance of any improvements in and to the Community Area, (ii) changes in the location of the boundaries of any Lots or Dwellings owned by Declarant or of the Community Area, (iii) installation and maintenance of any water, sewer, and other utility systems and facilities, and (iv) installation of security and/or refuse facilities. Any and all improvements or changes made, as aforesaid, shall not result in an encroachment on Lots not owned by Declarant.

2.02 Development of Additional Property. Declarant hereby reserves the option, to be exercised in its sole discretion, to submit from time to time the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property. This option may be exercised by Declarant in accordance with the following rights, conditions, and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Development:

(a) The option may be exercised from time to time during a period of fifteen (15) years from the date of this Declaration; provided, however, that Declarant reserves the right to terminate such option at any time prior to the expiration of such fifteen (15) year period by executing and filing an agreement evidencing such termination in the Office of the Recorder of Lake County, Indiana, and, except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of such fifteen (15) year period.

(b) The legal description of the Additional Property as of the date hereof is set forth on Exhibit B, portions of the Additional Property (together with additions thereto made in accordance herewith) may be added to the Development and to the terms of this Declaration at different times, and there are no

limitations fixing the boundaries of those portions or regulating the order, sequence, or location in which any of such portions may be added to the Development. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property.

(c) If the Additional Property or any portion thereof is added to the Development, Declarant reserves the right to designate the boundaries of the Lots, Dwellings, and Neighborhoods, as well as the Community Area, if any, to be added to the Development in connection therewith.

(d) Should the option to add the Additional Property, or any portion thereof, not be exercised within the term specified herein or be terminated by Declarant, such option shall in all respects expire and be of no further force and effect.

(e) The option reserved by Declarant to cause all, or any portion of, the Additional Property to become part of the Development shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Development or to construct thereon any improvements of any nature whatsoever.

The option reserved under this Section 2.02 may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed in the Office of the Recorder of Lake County, Indiana, together with a legal description of the Additional Property or such portion or portions thereof as are being added to the Development by such amendment. Simultaneously therewith, Declarant may, at its option, convey to the Association the Community Area, if any, contained within the Additional Property, or such portion thereof so submitted, such conveyance to be subject to the lien of taxes not yet due and payable, all easements and restrictions of record, utility easements serving or otherwise encumbering the Property and/or the Additional Property, and any exceptions which would be disclosed by survey or physical inspection of such parcel(s). Any such amendment shall expressly submit the Additional Property or such portion thereof to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as provisions embracing the real property described in Exhibit A and the Additional Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements located thereon. In no event shall Declarant be obligated to submit the Additional Property, or any portion thereof, to the provisions of this Declaration or to impose upon the Additional Property, or any portion thereof, any covenants, conditions, or restrictions whatsoever.

2.03 Neighborhood Associations. It is presently contemplated that there may be established by Declarant, its successors or assigns, Neighborhood Associations limited to the Owners of Lots or Dwellings within the Neighborhoods located within such portion or portions of the Property designated as a Neighborhood by Declarant in order to promote their health, safety, and social welfare, as well as to provide for the maintenance of Dwellings and/or Community Area owned by such Owners and/or such Neighborhood Associations, provided that such Owners shall also be members of the Association and such Lots and Dwellings shall continue to be subject to the terms of the Declaration. Such Neighborhoods may be subject to Neighborhood Declarations, which impose covenants and restrictions which are in addition to, but not in abrogation or substitution of, those imposed hereby, and such Neighborhood Associations may levy additional assessments and make and enforce supplementary covenants, restrictions, rules, and regulations with respect to such Neighborhoods.

2.04 Interest Subject to Plan of Development. Every purchaser of a Lot or Dwelling shall purchase such Lot or Dwelling and every Mortgagee and lienholder holding an interest therein shall take title, or hold such security interest with respect thereto, subject to Declarant's right to add the Additional Property, or any portion or portions thereof, to the Development as hereinabove provided, and to convey to the purchaser thereof the title to the Lot or Dwelling and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions set forth in this Article II may not be abrogated, modified, rescinded, supplemented, or amended in whole or in part without the prior written consent of Declarant.

2.05 Subdivision Plat. Declarant reserves the right to record, modify, amend, revise, and add to, at any time and from time to time, a subdivision plat setting forth such information as Declarant may deem necessary with regard to the Development, including, without limitation, the locations and dimensions of the Lots, Dwellings,

Neighborhoods, Community Area, Additional Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions.

ARTICLE III PROPERTY RIGHTS

3.01 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board in accordance with the By-Laws and the terms hereof, every Owner, his family, tenants, and guests shall have a non-exclusive right, privilege, and easement of use and enjoyment in and to the Community Area, such easement to be appurtenant to and to pass and run with title to each Lot and Dwelling, subject to the following provisions:

(a) The right of the Association to borrow money (i) for the purpose of improving the Community Area, or any portion thereof, (ii) for acquiring additional Community Area, (iii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Community Area, or (iv) for providing the services authorized herein, and, subject to the provisions of Section 8.02 hereof, to give as security for the payment of any such loan a mortgage deed or other security instrument conveying all or any portion of the Community Area; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(b) The rights and easements reserved to Declarant in this Declaration.

(c) The right of the Association to grant and accept easements as provided in Section 3.05 hereof and to dedicate or transfer fee simple title to all or any portion of the Community Area to Lake County, Indiana, the Town or to any other public agency or authority, public service district, public or private utility, or other person, provided that any such transfer of the fee simple title must be approved by a majority of those present in person or by proxy at a duly held meeting of the Association and by Declarant, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

(d) The rights and easements reserved in this Declaration hereof for the benefit of the Association, its directors, officers, agents, and employees.

(e) The rights of the holder (and its successors and assigns) of any Mortgage which is prior in right or superior to the rights, interests, options, licenses, easements, and privileges herein reserved or established.

(f) The right of the Association to have reasonable rules and regulations.

(g) The right of the Association to suspend the use of any facilities located upon the Community Area by a Member for the period of time during which any assessment against his Lot remains unpaid and for an additional reasonable period for any infraction of its rules and regulations.

3.02 Easements for Declarant. During the period that Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Community Area for the purpose of constructing Dwellings and other improvements in and to the Lots and within Neighborhoods and the Additional Property and for installing, maintaining, repairing, and replacing such other improvements to the Property (including any portions of the Community Area) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article II hereof, and for the purpose of doing all thing reasonably necessary and proper in connection

therewith, provided in no event shall Declarant have the obligation to do any of the foregoing. In addition to the other rights and easements set forth herein and regardless of whether Declarant at that time retains ownership of a Dwelling or Lot or has the right to submit the Additional Property or any portion thereof to the Development, Declarant shall have an alienable, transferable, and perpetual right and easement to have access, ingress, and egress to the Community Area and improvements thereon for such purposes as Declarant deems appropriate, provided that Declarant shall not exercise such right so as to unreasonably interfere with the rights of Owners in the Development to the use of the Community Area.

3.03 Changes in Boundaries: Additions to Community Area. Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Community Area, any Lots, Dwellings, or Neighborhoods owned by Declarant and the realignment of boundaries between adjacent Lots, Dwellings, and/or Neighborhoods owned by Declarant. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property, such real property to be conveyed to the Association as an addition to the Community Area and subject to the title exceptions set forth in Section 2.02 hereof. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey by quit-claim deed to the Association at any time and from time to time, as an addition to the Community Area, such other portion of the Development owned by Declarant as it, in its discretion, shall choose.

3.04 Easements for Utilities and Public Services.

(a) There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power and obligation to grant and accept easements to from Lake County, Indiana, the Town of Cedar Lake, Indiana, or any other public authority or agency, public service district, public or private utility, or other person, upon, over, under, and across (i) all or any portion of the Community Area, and (ii) all portions of all Lots owned by Declarant, as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems, and retention ponds and facilities for the Development or any portion thereof, and electrical, gas, telephone, water, and sewer lines, provided that such easements shall not unreasonably affect the developability, of any such Lot or Dwelling. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board, provided, however, that notwithstanding anything contained herein to the contrary, the Board shall not have any rights to grant any easements over any portion of any Lots. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacements, and use of such utilities and systems; provided, however, that such utility company or other supplier or servicer shall take reasonable actions to repair any damage caused by such utility company or other supplier or servicer during the exercise of any rights conveyed under any easement granted hereunder.

(b) Declarant hereby grants to the relevant governmental authority or agency, as shall from time to time have jurisdiction over the Development with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Community Area for purposes of performing such duties and activities related to law enforcement and fire protection in the Development as shall be required or appropriate from time to time by such governmental authorities under applicable law.

3.05 Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot, Dwelling, or Neighborhood or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner, Occupant, or Neighborhood Association of the Lot, Dwelling, or Neighborhood directly affected thereby.

3.06 Sales and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, Developer, and its successors and assigns the alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, construction offices, business offices, and model Dwellings, together with such other facilities as in the sole opinion of Declarant or Developer may be reasonably required, convenient, or incidental to the completion, improvement, and/or sale of Lots, Dwellings, Neighborhoods, Community Area, or the Additional Property, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

3.07 Maintenance Easement. Subject to the terms of Section 5.02(b) hereof, there is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement to enter upon any Lot and upon unimproved portions of any Dwelling or Neighborhood for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety, and appearance within the Development, provided that such easements shall not impose any duty or obligation upon Declarant or the Association to perform any such actions.

3.08 Burden upon the Property. Declarant hereby declares that this Declaration and the covenants, restrictions and easements established herein shall be covenants to run with the land. Said covenants and restrictions shall inure to the benefit of and be binding upon each and every Owner, and his or here respective heirs, representatives, successors, purchaser, lessees, grantees and mortgagees. By the recording or acceptance of the conveyance of a Lot or Dwelling or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration and the By-Laws of Centennial of Cedar Lake Community Association.

3.09 License for Town Residents. Declarant and the Association grant the Town residents a license to use the Community Areas improved for park purposes, subject to the rules and regulations the Association establishes for same, and the Association shall be entitled to assess fines against and recover damages from Town residents who violate the rules and regulations pertaining to the use of the Community Areas by Town residents. Any use by Town residents shall be subject to the terms and provisions of this Declaration and the rules and regulation promulgated by the Association.

ARTICLE IV
MEMBERSHIP AND VOTING
RIGHTS IN THE ASSOCIATION:
BOARD OF DIRECTORS OF THE ASSOCIATION

4.01 Membership. Every Owner of a Dwelling or Lot (including the Declarant and the Developer) is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from ownership of such Owner's Dwelling or Lot. Each such Owner, by acceptance of a deed or other conveyance of a Dwelling or Lot, thereby becomes a Member, whether or not this Declaration or such membership is made a part of, incorporated by reference in, or expressed in said deed or conveyance. There shall be one (1) membership allocable to each Dwelling or Lot (herein called a "Unit Membership") and any Member who is the Owner of more than one (1) such Dwelling or Lot shall have the number of Unit Memberships equal to the number of such Dwellings or Lots. In the event any Lot may be zoned for a multi-family structure, then the Owner of any such Lot shall have the number of Unit Memberships equal to the number of Dwellings which may be legally constructed upon such Lot. If the record ownership of a Dwelling or Lot shall be in more than one (1) person, or if an Owner of a Dwelling or Lot is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the Unit Membership and be responsible for the obligations attributable thereto, shall be designated by such Owner or Owners in writing.

4.02 Voting Rights. Members shall be represented at Association meetings exclusively through delegates selected in accordance with the provisions of Paragraph 4.03 hereof (herein called "Association Delegates"). Except for Association Delegates appointed by Declarant, each such Association Delegate must be a Member of the Association or a spouse of a Member.

4.03 Selection of Association Delegates. Each Neighborhood or Neighborhood Association shall be represented at Association meetings by a delegation composed of Two (2) Association Delegates, which delegation shall be composed of the President of the respective Neighborhood Association and one (1) other officer, and in the absence of a Neighborhood Association, by two (2) owners within the Neighborhood. The board of directors of each Neighborhood Association shall designate the Association Delegates for such Association and fix the rules of administration of that Neighborhood Association's delegation. Each Association Delegate appointed by a Neighborhood Association or Neighborhood must be (i) a member of such Neighborhood Association or Owner in the Neighborhood or (ii) appointed by the Declarant.

4.04 Method of Voting. The total number of votes which may be cast on any matter requiring assent of Members of the Association shall be equal to the total number of Unit Memberships at the time of any such vote. Whenever a vote of the Members of the Association is required pursuant to this Declaration, or pursuant to the Articles of Incorporation or By-Laws of the Association, or is otherwise required by law, such votes shall be cast only by the Association Delegates representing the respective Members, in the same manner and with the same force and effect as though each Member had given the delegation of Association Delegates which represents such Member's Neighborhood Association or Neighborhood an irrevocable proxy coupled with an interest. The Association Delegates for each such Neighborhood Association or Neighborhood shall collectively cast a total number of votes equal to the number of Unit Memberships which it represents. Such total number of votes may be cast in such manner as the Association Delegates, acting in accordance with its rules of administration, deem advisable, and the delegation shall not be required to cast all such votes as a unit. Each Association Delegate shall be entitled to cast one-half (1/2) of the total vote of the Unit Memberships it represents. Unless this Declaration or the Articles of Incorporation or By-Laws of the Association, or any law, shall specify a greater vote, all Association matters requiring action by Members or by the Association Delegates shall be decided by a majority of the votes cast by Association Delegates voting at a meeting at which a quorum (as defined in the By-Laws) is present. In the event of a tie, the tie shall be broken by a mediator chosen by the Association Delegates. Should the Association Delegates be unable to reach an agreement on the selection of a mediator, the current administrator (Manager) of the Town of Cedar Lake shall choose the mediator.

4.05 Board of Directors.

(a) The Association shall be governed by its Board of Directors ("Board") comprised of six (6) persons duly appointed or elected as provided herein and in the Articles of Incorporation and By-Laws of the Association. The initial Board shall be comprised of three (3) persons duly appointed by the Declarant pursuant to its rights under Section 4.06 hereof, until such time as the Initial Meeting to elect the First Board occurs. After the period of Declarant control ceases, the Board shall consist of two (2) persons representing each Neighborhood.

(b) The Board shall administer the Community Area in accordance with the terms and provisions of this Declaration, and in accordance with the Articles of Incorporation and By-Laws of the Association. All matters requiring action by the Board shall be decided by the majority vote of the Board, except as otherwise provided herein or in the By-Laws.

(c) Prior to the appointment of the First Board of the Association pursuant to Paragraph 4.06 hereof, Declarant (or its beneficiary or designees) may exercise all rights, powers and privileges of the Board and may perform all of its functions, including its functions under Article IV of this Declaration.

4.06 Appointment of Directors by Declarant. Notwithstanding any other provisions of this Declaration or the Articles of Incorporation or By-Laws of the Association, the first and each subsequent Board shall consist of, and vacancies on the Board shall be filled by, such persons as Declarant shall from time to time appoint, until the first to occur of any one of the following events: (i) fifteen (15) years after the recording of this Declaration; or (ii) Declarant surrenders such authority by an express amendment to this Declaration executed and recorded by Declarant (Declarant Control). For purposes of this Section 4.06, "Dwellings in the Development" shall refer to all Dwellings within or contemplated to be within the Property and Additional Property. Such right of Declarant to appoint directors to the Board shall be to the exclusion of the right of the Members or the Association Delegates so to do. The Owners, Members or Association Delegates shall not, without the prior written consent of Declarant, have the right to amend,

modify or change the Articles of Incorporation or By-Laws of the Association to in any way diminish the authority of the Board during the period that Declarant has the right to appoint any members of the Board.

Declarant may, from time to time, by written notice to the Association, voluntarily terminate its right to appoint one (1) or more Directors, and continue to exercise its right to appoint the remaining members of the Board for the period hereinabove specified. Declarant's election to terminate its right to appoint any number of members of the Board or to terminate its control of the Association, shall not affect the right of Declarant to participate in the Association as a Member thereof and to appoint Association Delegates to cast the number of votes equal to the number of Dwellings of Lots owned by Declarant. All directors who are not subject to appointment by Declarant shall be elected in accordance with the provisions of Paragraphs 4.07 and 4.08 hereof.

4.07 Initial Meeting of Association Delegates to Elect Directors. Upon receipt by the President of the Association of a copy of the written notice of Declarant to voluntarily terminate its control of the Association, described in Paragraph 4.06(ii), or of any other appropriate evidence of the termination of Declarant's right to appoint all the directors of the Board, he shall promptly convene a meeting of the Association Delegates (Initial Meeting) for the purpose of electing a new Board or to elect those directors who no longer are to be appointed by Declarant (First Board). The President (or similar designee) of each Neighborhood Association shall be designated as a member of the Board, with the four (4) remaining openings to be filled by one (1) Member of each Neighborhood Association and two (2) Members of each Neighborhood elected by the Association Delegates.

4.08 Election of Directors. Upon termination of Declarant's right to appoint any of or all the directors of the Board, pursuant to Paragraph 4.06 hereof, those directors not subject to appointment by Declarant shall be selected by vote of the Association Delegates in accordance with the provisions of this Article. Notwithstanding such election, any director theretofore appointed by Declarant who does not elect to resign may stay in office for the balance of his unexpired term and until his successor is elected and qualified.

4.09 Informal Action by Directors. Unless specifically prohibited by the Articles of Incorporation or By-Laws of the Association, any action required by this Declaration to be taken by the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors of the Board shall have the same effect as a unanimous vote.

4.10 Informal Action by Association Delegates or Board of Directors. Any action required by this Declaration to be taken at a meeting of the Association Delegates or Board, or any other action which may be taken at a meeting of the Association Delegates or Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Association Delegates or Board entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Association Delegates or Board.

4.11 Board Liability. The Declarant (and its beneficiary), Developer, its directors, officers, shareholders, partners, employees or agents, the Board, members of the Board, Association Delegates, officers of the Association, and the agents and employees of any of them (all of the above hereinafter referred to as the "Protected Parties"), 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 which shall occur subsequent to the date of the recording of this Declaration, 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 any and all of the Protected Parties against all claims, suits, losses, damages, costs and expenses, including, without limitation, attorneys' fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. Each Owner shall be entitled to a right of contribution from every other Owner in respect of said indemnity to the end that, to the extent possible, the burden of any such indemnity shall be borne by the Owners at the time the loss, cost, damage or expense is incurred in the proportion that the number of Dwellings or Lots in the Property owned by each respective Owner bears to the total number of Dwellings or Lots in the Property at the time the loss, cost, damage or expense is incurred. The Board shall assess each Owner for his share of the cost of such indemnification, and such assessment shall be collectible and enforceable in mode and manner as set forth in Article IX hereof. To the extent possible the obligation of the Owners for indemnification and the Board's liability hereunder shall be insured by means of appropriate

contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

4.12 Nonprofit Purposes of Association. Nothing herein shall be construed to give the Association authority to conduct an active business for profit on its own behalf or on behalf of the Members, or on behalf of the Declarant.

4.13 Governing Law. Except as otherwise provided in this Declaration, the Association, the Board, officers and members shall be governed by the Indiana Nonprofit Corporation Act.

4.14 Board as Representative of Owners. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Community Area or more than one (1) Dwelling or Lot, on behalf of the Owners as their interest may appear.

ARTICLE V MAINTENANCE

5.01 Responsibilities of Owners and Neighborhood Associations. Unless specifically identified herein or in a Neighborhood Declaration as being the responsibility of the Association or a Neighborhood Association, all maintenance and repair of Lots and Dwellings, together with all other improvements thereon or therein and all lawns (including parkways), landscaping, and grounds on and within a Lot or Dwelling shall be the responsibility of the Owner of such Lot or Dwelling or Neighborhood Association. Unless otherwise provided in the appropriate Neighborhood Declaration, the maintenance and repair of all commons areas located within Neighborhood Areas (including all landscaping and grounds and all recreational facilities and other improvements located within such Neighborhood Areas) shall be the responsibility of the Neighborhood Association for such Neighborhood. Each Owner or Neighborhood Association shall be responsible for maintaining his or its Lot, Dwelling, or Neighborhood, as the case may be, in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. As provided in Section 5.02(b) hereof, each Owner or Neighborhood Association shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner or Neighborhood Association, but which responsibility such Owner or Neighborhood Association fails or refuses to discharge. As more fully provided in the Declaration, each Member is obligated to pay the Association monthly and special assessments, which are secured by a continuing lien against the Property against which the assessment is made. No Member or Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Areas or abandonment of his or her Lot.

5.02 Association's Responsibility.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Community Area, which responsibility shall include the maintenance, repair, and replacement of (i) all walks and trails (if any), lots, landscaped area, facilities, community fencing, and other improvements made by Declarant or the Association situated within the Community Area or within easements encumbering Lots, Dwellings, or Neighborhoods pursuant to Section 3.03 hereof, (ii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Community Area and which are not maintained by a public authority, public service district, public or private utility, or other person, and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping and all lakes and ponds situated within or upon the Community Area, and (iv) all retention areas and facilities constructed by Declarant in the Community Area, and (v) any cul-de-sac islands within a dedicated right-of-way which have not been designated as an "Outlot" upon any applicable plat of subdivision, including snowplowing if the cul-de-sacs, shall be performed by the Association in connection with such cul-de-sacs. The Association shall also be responsible for snow removal in all eyebrow areas. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Community Area, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security

system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Community Area or any other portion of the Property. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of the Owner. As part of the Association's responsibilities, it is anticipated that there will be an annual controlled burn of the prairie grass in certain portions of the Community Area.

(b) In the event that Declarant or the Board determines that: (i) any Owner or Neighborhood Association has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, shall give such owner or Neighborhood Association written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner or Neighborhood Association, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such owner or Neighborhood Association, as the case may be, shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner or Neighborhood Association to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner or Neighborhood Association, as the case may be, and said cost shall be added to and become a part of the assessment to which such Owner and his Lot or Dwelling are subject and shall become a lien against such Lot or Dwelling, or, in the case of a Neighborhood Association, shall be added to and become a part of the assessments for all Owners within such Neighborhood Association and shall become a lien against such Owners' Lots or Dwellings. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

5.03 Declarant Control. During the period of Declarant Control, the Declarant, Developer, and Community Association are not required to cut or regularly mow any grass, weeds, or vegetation in the Community Areas and, further, are not required to apply fertilizer or herbicide or irrigate the Community Areas. In addition, Declarant, Developer, and the Community Association are not required to treat or maintain any ponds or other storm water facilities prior to the period of Declarant Control expiring. The Owners and Neighborhood Associations understand and acknowledge that during the start-up period of a community, the assessments may not be sufficient to fully fund all planned activities of the Association, and the Association is entitled to cutback on planned activities until the assessments collected from Owners excluding Declarant are sufficient to fund such planned activities.

5.04 Declarant Lots. Declarant is not required to cut or mow any grass, weeds, or other vegetation on any Lots while they are owned by Declarant.

ARTICLE VI

INSURANCE AND CASUALTY LOSSES

6.01 Insurance.

(a) The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association insuring all insurable improvements in and to the Community Area against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Community Area and all damage or injury caused by the negligence of the Association, its members, its trustees and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board.

(c) The Board or its duly authorized agents shall have the authority and may obtain (i) worker's compensation insurance to the extent necessary to comply with any applicable laws and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for each of the Owners and costs of all such coverage shall be a Community Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board; provided, however, that no mortgagee or other security holder of the Community Area having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Insofar as permitted by law, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in the State of Indiana and holding a rating of A-XI or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.

(ii) All property insurance policies (naming the Association as insured) shall be for the benefit of the Owners and their Mortgagees as their interests may appear.

(iii) All policies shall contain a waiver of the insurer's right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Association and to any Mortgage to which a mortgagee endorsement has been issued.

(iv) In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.

(v) All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the Owners, and their respective families, servants, agents, tenants, guests, and invitees, including, without limitation, the Association's manager.

(vi) All policies shall contain a provision that no policy may be canceled, invalidated, or suspended on account of the conduct of one (1) or more of the individual Owners, or their respective families, servants, agents, employees, tenants, guests, and invites, or on account of the acts of any director, officer, employee, or agent of the Association or of its manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(vii) All liability insurance shall contain cross-liability endorsements to cover liability of the Association to an individual Owner and shall also name the Declarant as an additional insured.

(e) It shall be the individual responsibility of each Owner at his own expense to provide public liability, property damage, title, and other insurance with respect to his own Lot and Dwelling. The Board may require all Neighborhood Associations to carry public liability and property damage insurance with respect to their respective Lots and Dwellings and to furnish copies or certificates thereof to the Association.

6.02 Damage or Destruction to Community Area. Immediately after the damage or destruction by fire or other casualty to all or any part of the Community Area covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article VI, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Community Area, Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board may levy a special assessment against all Owners, such special assessment to be in an amount sufficient to provide funds to pay such excess costs of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied or as one lump sum payment, and additional assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Community Area damaged or destroyed by fire or other casualty shall be cleared and the Community Area left in a clean, orderly, safe, and slightly condition.

6.03 Damage or Destruction to Lots, Dwellings, or Neighborhoods. In the event of damage or destruction by fire or other casualty to any Lots, Dwellings, or Neighborhoods, and in the further event that either the Owner of such Lot or Dwelling or the Neighborhood Association responsible for the repair and replacement of such Neighborhood, as the case may be, elects not to repair or rebuild the damaged or destroyed Lot, Dwelling, or Neighborhood, such Owner or Neighborhood Association making such election shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Lot, Dwelling or Neighborhood in a clean, orderly, safe, and slightly condition. Should such Owner or Neighborhood Association elect to repair or rebuild such Lot, Dwelling, or other improvements, such Owner or Neighborhood Association shall repair or rebuild such Lot, Dwelling, or other improvements to substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provisions of this Declaration (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building, and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

**ARTICLE VII
CONDEMNATION**

7.01 Condemnation of Community Area. Whenever all or any part of the Community Area shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the agreement of at least seventy-five percent (75%) of the total vote of the Association (which

conveyance may only occur with the approval of Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development), the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

(a) If the taking or sale in lieu thereof involves a portion of the Community Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Community Area which are available therefore, in accordance with the plans approved by the Board, the Architectural Review Committee, and by Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.04 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, or as a lump sum payment, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

(b) If the taking or sale in lieu thereof does not involve any improvements to the Community Area, or if there are net funds remaining after any such restoration or replacement of such improvements is completed, then such award, proceeds, or net funds shall be retained by and for the benefit of the Association.

(c) If the taking or sale in lieu thereof includes all or any part of a Lot, Dwelling, or Neighborhood and also includes any part of the Community Area, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners of any Lot, Dwelling, or Neighborhood taken for their interest in such Lot, Dwelling, or Neighborhood; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board, (ii) the Owners of all Lots, Dwellings, or Neighborhoods wholly or partially taken or sold, together with the Mortgagees for each such Lot, Dwelling, or Neighborhood, and (iii) Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

7.02 Condemnation of Lots, Dwellings, or Neighborhoods.

(a) In the event that all or any part of a Lot, Dwelling, or Neighborhood is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such Lot or Dwelling or the Neighborhood Association responsible for the maintenance and repair of such Lot, Dwelling, or Neighborhood, then such Owner or Neighborhood Association making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such Lot, Dwelling, or Neighborhood and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such Lot, Dwelling, or Neighborhood remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner or Neighborhood Association shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the Lot, Dwelling, or Neighborhood to the Association (at no cost to the Association) as a part of the Community Areas, and thereafter any such Owner shall not have any further voting

rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further assessments imposed by the Association and payable after the date of such deed.

(b) In the event that any part of a Lot, Dwelling, or Neighborhood is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner of such Lot or dwelling or the Neighborhood Association responsible for the maintenance and repair of such Lot, Dwelling, or Neighborhood, as the case may be, elects to restore the remainder of the Lot, Dwelling, or Neighborhood, such Owner or Neighborhood Association making such election shall restore such remainder of such Lot, Dwelling, or Neighborhood as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

ARTICLE VIII ADMINISTRATION

8.01 Community Area. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Community Area and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Furthermore, the Association may be responsible to maintain dedicated areas if such maintenance is required by the applicable governmental authority. Except to the extent otherwise required by the provisions of the laws of Indiana relating to nonprofit corporations, this Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Owners.

8.02 Duties and Powers. The duties and powers of the Association shall be those set forth in the provisions of the laws of Indiana relating to nonprofit corporations, this Declaration, the By-Laws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the laws of Indiana, this Declaration, the By-Laws, or the Articles of Incorporation, the provisions of the laws of Indiana, this Declaration, and the By-Laws, in that order, shall prevail, and each Owner of a Lot or Dwelling, by acceptance of a deed or other conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with 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. Such powers of the Association shall include, but shall not be limited to, the power to purchase one (1) or more Lots and/or Dwellings to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Community Expense or by billing directly to Lots and Dwellings, to furnish trash collections, water, sewer, and/or security service for the Community Area and/or the Lots, Dwellings, and Neighborhoods. Notwithstanding the foregoing provisions of this Section 8.02 or any other provisions of this Declaration to the contrary, for so long as Declarant shall own any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Community Area.

8.03 Agreements. Subject to the prior approval of Declarant for so long as Declarant shall have the right to appoint the Board pursuant to Section 4.06 hereof, all agreements and determinations lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development; and in performing its responsibilities hereunder, the Association, through the Board, shall have the authority to delegate to persons if its choice such duties of the Association as may be determined by the Board. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem

necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a Community Expense. During the term of such management agreement, such manager may, if authorized by the Board, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or members of the Association by this Declaration or the By-Laws. Such manager may be an individual, corporation, or other legal entity, as the Board shall determine, and may be bonded in such a manner as the Board may require, with the cost of acquiring any such bond to be a Community Expense. In addition, the Association may pay for, and the Board may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

8.04 Management Agreement. The Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board provided, however, that if the Association, Declarant or Board shall enter into an agreement or agreements for the professional management of the Property before the Transfer Date, such agreement or agreements shall be terminable by the Association without cause at any time after the Transfer Date and shall not require the payment of any penalty by the Association and shall not require advance notice of termination of more than ninety (90) days. Any management fees incurred pursuant to this Section 8.04 shall be paid from the assessments collected pursuant to Article IX hereof.

8.05 Personal Property and Real Property for Common Use. The Association, through action of the Board, may acquire and hold tangible and intangible personal property and real property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association. The undivided interest of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner, except to the extent that a transfer of the ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot or Dwelling.

8.06 Rules and Regulations. The Association, through the Board, may make and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, Neighborhoods and Community Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

8.07 Indemnification. The Association shall indemnify every officer and director of the Association against any and all expenses, including court costs and reasonable attorney 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 Board) to which he may be made a party by reason of being or having been an officer or director at the time such expenses are incurred. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall as a Community Expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

8.08 Board Control. As provided in Section 13.01 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member of members of the Board or any officer or officers of the Association until such time as the first of the following events shall occur: (i) the expiration of fifteen (15) years after the date of the recording of this Declaration; or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and recorded by Declarant. For purposes of this Section 8.08, "Dwellings in the Development" shall refer to all Dwellings within or contemplated to be within the Property and Additional Property. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Dwelling, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 8.08 and by Section 13.01 hereof.

ARTICLE IX
COVENANTS FOR MAINTENANCE ASSESSMENTS

9.01 Purpose of Assessments; Creation of the Lien and Personal Obligations. Each Owner of a Dwelling or Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance for each Dwelling or Lot owned by such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association such assessments as are levied pursuant to the provisions of this Declaration and the By-Laws of the Association. Such assessments, together with interest thereon and cost of collection, if any, as hereinafter provided, shall be a charge and continuing lien upon the Dwelling or Lot against which such assessment is made. Each such assessment, together with such interest and costs, shall also be the personal obligation of the Member who was the Owner of such Dwelling or Lot at the time when the same fell due. The assessments for Community Expenses levied by the Association (or by Declarant acting on its behalf pursuant to Section 4.05(c) hereof) shall be used for the purpose of promoting the recreation, health, safety and welfare of the Members of the Association and in particular, without limiting the foregoing: (i) for the improvement and maintenance of the services and facilities devoted to the use and enjoyment of the Community Area, (ii) for the making of repairs, replacements and additions to the Community Area, defraying the cost of labor, equipment, and material required for the maintenance of the Community Area, (iii) for the operation, care, upkeep, maintenance, replacement and of any Community Areas of any Neighborhood to the extent any such Neighborhood has delegated these powers and duties to the Association, and (iv) in general for carrying out the duties of the Board as set forth in this Declaration and the By-Laws of the Association; and for carrying out the purposes of the Association as stated herein and in its Articles of Incorporation.

9.02 Assessment Procedures.

(a) Preparation of Estimated Budget. Each year after Declarant Control has expired on or before November 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services, fees, supplies and other items which, in the judgment of the Board, will be required to be provided to the Association or required to meet the Association's obligations during the ensuing calendar year to effect the purposes of the Association, a copy of which estimated budget shall be provided to all Owners at least thirty (30) days prior to its adoption by the Board. The annual budget shall take into account any estimated net operating income or deficit which may result from the operation of the Community Area during such year and income from user charges to be received pursuant to Section 9.03 hereof. Said "estimated cash requirement" shall be allocated among and assessed to Members in accordance with the provisions of Section 9.06 hereof. The Board shall give written notice, mailed or delivered, to each Owner no less than ten (10) and no more than thirty (30) days prior to any meeting of the Board concerning the adoption of any proposed budget or any increase or establishment of an assessment.

(b) Date Payments Due. On or before January 1 of the ensuing year, each Member shall be personally obligated to pay, in the manner prescribed by Sections 9.06, 9.07 and 9.08 hereof, such Member's annual assessment, together with all user charges incurred by such Member during the preceding year. If the actual expenditures paid or provided for by the Board during said year shall be more or less than said estimated cash requirement, any net shortage or excess shall be applied as an adjustment to the installments under the current year's estimate falling due after the amount of such net shortage or excess for the preceding year has been determined.

(c) Commencement of Assessments. The annual assessments provided for herein shall commence for the Dwelling or Lots within the Property upon the conveyance by the Declarant of the first Dwelling or Lot, except as otherwise provided in Section 9.03(d) hereof. The Board shall fix the amount of the annual assessment against each Dwelling or Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be due on the first day of the month immediately preceding the effective date of the changed assessment. An Owner shall first be liable for payment of the assessment on the date of the conveyance of title to him, prorated through the end of the calendar year. The Association 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 on a specified Dwelling or Lot have been paid and, if not

paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

(d) Assessment on Declarant-Owned Lots. With regard to any Lots or Dwellings owned by Declarant, no assessment respecting any such portion of the Property shall be imposed upon such Lots or Dwellings, provided, however, that in the event Declarant enters into a lease or installment contract for any Dwelling, then Declarant shall be responsible for the payment of assessments on such Dwelling on the same basis as any other Owner as provided in Section 9.06 hereof. Further, it is understood that Declarant and Developer shall not be required to fund any deficiencies in the budget or budget shortfalls of the Association during any period of time.

(e) Adjustments to Estimated Budget. If any "estimated cash requirement" proves inadequate for any reason (including nonpayment of any Member's assessment), the Board may at any time levy a further assessment. The Board shall serve notice of such further assessment on all Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Members shall be personally liable for and obligated to pay their respective adjusted monthly amount.

(f) Failure to Prepare Annual Budget. The failure or delay of the Board to prepare an annual or an adjusted estimated budget shall not constitute a waiver or release in any manner of any Member's obligation to pay his share of the estimated cash requirement as herein provided, whenever the same shall be determined and in the absence of any annual estimate or adjusted estimate, each Member shall continue to pay the monthly charge at the then existing monthly rate established for the previous record.

9.03 Special Assessments for Capital Improvements. In addition to the annual assessment authorized by Section 9.03, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction or purchase of a specified capital improvement upon or to the Community Area, and the necessary fixtures and personal property related thereto; provided, however, that, except for special assessments which shall not exceed in any one (1) year the sum of Five Hundred Dollars (\$500.00) per assessed Dwelling or Lot, any such special assessment shall first be approved at a meeting of the Association Delegates by the affirmative votes of Association Delegates entitled to cast at least sixty-seven percent (67%) of all votes cast at a meeting called and held in accordance with the provisions of Section 9.05. The provisions of this Section 9.04 shall not limit the power of the Board, without such prior approval, to levy assessments to reconstruct, replace or restore any portion of the Community Area. The Board shall segregate and maintain a special reserve account (the "Master Fund") to be used solely to make capital expenditures in connection with the Community Area. In addition, at the time the initial sale of each Dwelling is closed, the purchaser of the Dwelling shall pay to the Association an amount equal to an annual assessment to be deposited into an account (the "Working Capital Reserve") to be applied and used for start-up costs and as a working capital fund in connection with the initial operation of Community Area and for future working capital needs. Such payment shall not be deemed a prepayment of the annual assessments. Notwithstanding anything contained herein to the contrary, the Declarant shall not be responsible for the payment of any special assessments or contributions to any Master Fund or Working Capital Reserve. The Developer with regard to any portion of the Property shall have the same rights and obligations as the Declarant as contained in this Section 9.04 with regard to any Lots owned or controlled by such Developer.

9.04 Notice and Quorum. Written notice of any meeting called for the purpose of authorizing any special assessments requiring approval pursuant to Section 9.04 hereof shall be sent to all Association Delegates not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the opening of such meeting, the presence in person or by proxy of Association Delegates entitled to cast at least sixty percent (60%) of all the votes shall constitute a quorum; provided, that if Association Delegates entitled to cast sixty percent (60%) of all votes do not attend, a second meeting may be called with the same notice requirements as herein provided, except that the quorum therefor shall be reduced to Association Delegates entitled to cast thirty percent (30%) of all votes.

9.05 Allocation of Assessments Among Members. Both annual and special assessments shall be allocated among the Members by apportioning to each Member an amount equal to that proportion of the total

assessment which the number of Unit Memberships held by such Member bears to the total number of Unit Memberships in the Association. Each Neighborhood Association shall be responsible for collecting on behalf of the Association all assessments due the Association from Members whose Dwellings or Lots are subject to assessment by such Neighborhood Association. In the event no Neighborhood Association is in existence, then the payment of such assessments shall be made directly by each Member to the Association.

9.06 Payment of Assessments.

(a) Assessments allocated under Section 9.06 hereof to Members shall be added to the assessment made or levied by a Neighborhood Association against each such Member for the Community Expenses and user charges as provided in the applicable Neighborhood Declaration. Each such Member shall pay the assessment levied by the Association directly to the Neighborhood Association and shall also pay to the Association any assessment levied by the Neighborhood Association as provided in the applicable Neighborhood Declaration. All such funds collected by the Neighborhood Association on behalf of the Association shall be remitted to the Association.

(b) Upon written demand of an Owner or a Mortgagee at any time, the Association shall furnish such Owner or Mortgagee a written dated certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's Dwelling or Lot. Such Certificate shall be conclusive evidence of payment of any annual or special assessments theretofore levied and not stated therein as unpaid.

(c) The Declarant or Board may provide that the assessments may be paid in full the first day of the calendar year until otherwise provided.

(d) Lots which are owned by the Declarant and are utilized for models and a parking lot shall not be subject to assessment.

9.07 Nonpayment of Assessments.

(a) Any installment of an assessment which is not paid to the Association within fifteen (15) days after the due date shall be delinquent and a late charge of Fifteen Dollars (\$15.00) shall be added to it. The assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum and the Association may bring an action against the Member personally obligated to pay assessments and recover the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action; and the Association may enforce and foreclose any lien it has or which may exist for its benefit.

(b) No Member shall be relieved of personal liability for the assessments and for other amounts due as provided herein by nonuser of the Community Area or abandonment or transfer of ownership of his Dwelling or Lot, provided that upon transfer of ownership of a Dwelling or Lot, the transferor shall not be responsible for assessments accruing after the date of transfer.

(c) The lien of the assessments provided for in Section 9.01 hereof shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the earlier of the date the holder of said mortgage takes possession of the Dwelling or Lot, accepts a conveyance of any interest in the Dwelling or Lot or has a receiver appointed in a suit to foreclose his lien. Such taking of possession, conveyance or appointment shall not relieve the holder of said mortgage from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. Except for the foregoing, the lien for assessments provided for in Section 9.01 shall not be affected by any sale or transfer of a Dwelling or Lot.

ARTICLE X

USE RESTRICTIONS

10.01 Use of Lots and Dwellings. Except as permitted by Sections 3.09 and 10.03 hereof, each Lot and Dwelling shall be used for residential purposes only, for single-family occupancy and no trade or business of any kind may be carried on therein, except as provided for by ordinance by the Town, if any. No more than one (1) Dwelling shall be located on any Lot, except for those Lots upon which multi-family structures are constructed. The use of a portion of a Dwelling as an office by an Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic. The use of a Dwelling or a portion thereof for business meetings, entertainment, or the enjoyment or business of the Owner's employees, trustees, agents, clients, or customers shall not be considered to be a violation of this covenant if such use does not create regular customer, client or employee traffic.

10.02 Fences or Remodeling. The installation of any type of fencing and any remodeling or additions to Dwellings requires a building permit from the Town prior to construction. Fences are not permitted in a Neighborhood Association unless also approved by the Board governing that particular Neighborhood Association.

10.03 Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots and/or Dwellings or the developing of Lots, Dwellings, Neighborhoods, Community Area, and the Additional Property, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, all as may be approved Declarant from time to time, provided that the location of any construction trailers of any assignees of Declarant's rights under this Section 10.03 shall be subject to Declarant's approval. The right to maintain and carry on such facilities and activities shall include specifically the right to use Dwellings as model residences, and to use any Dwelling as an office for the sale of Lots and/or Dwellings and for related activities.

11.01 Rules and Regulations. Subject to the provisions hereof, the Board may establish reasonable rules and regulations concerning the use of Lots, Dwellings, Neighborhoods, and the Community Area and facilities located thereon. In particular but without limitation, the Board may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board, be environmentally hazardous to any wetland or other areas. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation is specifically overruled, canceled, or modified by the Board or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant shall have the right to appoint the Board pursuant to Section 4.06 hereof.

11.02 Authority and Enforcement. Subject to the provisions of Section 11.03 hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot or Dwelling, the Owners or Occupants of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guest, and tenants and of the co-Owners of such Owner and their respective families, guests, and tenants) to use any of the recreational facilities located in the Community Area, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-Owner or the family, guests, or tenants of his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days per violation.

11.03 Procedure. Except with respect to the failure of an Owner to pay assessments or a fine not in excess of \$50 per day, the Board shall not impose a fine in excess of \$50 per day, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Development for violations of the Declaration, the By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(a) Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:

(i) The alleged violation;

(ii) The action required to abate the violation; and

(iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(b) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(i) The nature of the alleged violation;

(ii) The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and

(iv) The proposed sanction to be imposed.

(c) The hearing shall be held in executive session of the Board pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. In addition, the notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

11.04 Fines for Violations of Architectural Standards and Use Restrictions. The Association's Board shall determine violations of the Article IX, X and Rules and Regulations. The Owners and Members consent to the Board making such determination and the assessment of a \$50.00 per day fine for violations of Article IX, X and Rules and Regulations and consent to the Association recording a lien against the Owner's or Member's Lot or Dwelling to collect such fines. The following procedure shall govern the imposition of fines: (i) the Association shall give written Notice of Violation of Article IX, X and Rules and Regulations adopted by the Board of Directors; (ii) if the Owner or Member does not respond within ten (10) days of receipt of the Notice of Violation, the Owner or Member shall be deemed to have agreed with such determination; (iii) if the Owner or Member objects to such Notice of Violation, it shall provide all written evidence as to why such act or omission does not constitute a violation of Article IX, X and Rules and Regulations within ten (10) days of receipt of the Notice of Violation; (iv) the Board shall consider all written evidence submitted by the Owner or Member and shall make a final determination thereon within fifteen (15) days of receipt of the Owner's or Member's written material; (v) the Association, through the Board of Directors, shall respond to an Owner's or Member's objection in writing with a final determination on the issue; (vi) if the Owner or Member does not adhere to the Association's initial determination or final determination, if applicable, the Association shall be entitled to

levy a fine against the Owner or Member, not exceeding \$50.00 per day for as long as the violation of Article IX, X or Rules and Regulations continue.

ARTICLE XII
MORTGAGEE PROVISIONS

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

12.01 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, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

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

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

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

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

12.02 Amendments to Documents.

(a) The consent of Members representing at least sixty-seven (67%) percent of the votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the eligible holders of first Mortgages on sixty-seven (67%) percent of the Dwellings subject to a Mortgage held by an eligible holder, shall be required to terminate the Association for reasons other than substantial destruction or condemnation. Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Members as specified above and the eligible holders of first Mortgages on fifty-one (51%) percent of the Dwellings subject to Mortgages held by such eligible holders.

(b) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the eligible holders of first Mortgages on Dwellings to which at least fifty-one (51%) percent of the Dwellings subject to Mortgages held by such eligible holders are allocated.

(c) Except as provided in Article XIII, the consent of Members representing at least sixty-seven (67%) percent of the votes and of the Declarant, so long as it owns any land subject to this Declaration, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association and the approval of eligible holders of first Mortgages on fifty-one (51%) percent of the Dwellings subject to a Mortgage held by an eligible holder to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Community Area;
- (iv) insurance or fidelity bonds;
- (v) rights to convey the Community Area;
- (vi) responsibility for maintenance and repair of the Properties;
- (vii) expansion or contraction of the Property or the addition, annexation, or withdrawal of Property to or from the Association (other than by Declarant as provided in Article II of this Declaration);
- (viii) boundaries of any Lot;
- (ix) leasing of Lots;
- (x) 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 Dwelling;
- (xi) establishment of self-management by the Association where professional management has been required by an eligible holder; or
- (xii) 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 Dwellings.

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

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Community Area which the Association owns, directly or indirectly, except as otherwise provided herein;
- (b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Dwelling (decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Property regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);
- (c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the maintenance of Dwellings and of the Community Area;
- (d) fail to maintain insurance, as required by this Declaration; or

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

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

12.04 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Dwelling in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of the Community Area.

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

12.06 Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which negate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes. Copies of any amendments to this Declaration, except those enacted by the Declarant, shall be furnished to the Owners.

12.07 Failure of Mortgagee to Respond. Any Mortgagee who receives notice of and a written request from the Board to respond or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, with a return receipt requested.

Document is
NOT OFFICIAL!
ARTICLE XIII
GENERAL PROVISIONS
This Document is the Property of
the Lake County Recorder!

13.01 Control by Declarant. Notwithstanding any other language or provision to the contrary in this declaration, in the Articles of Incorporation, or in the by-laws of the Association, Declarant hereby retains the right to appoint and remove any member or members of the Board and any officer or officers of the Association as provided by and for the term set forth in Section 8.01 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove trustees and officers of the Association in accordance with the foregoing provisions of this Section 13.01 and the provisions of Section 8.01. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 8.01 and this Section 13.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots or Dwellings, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board which shall undertake the responsibilities of the Board, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

13.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Office of the Recorder of Lake County, without the approval of any Owner or Mortgagee; provided, however, that with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, or as otherwise provided in Section 13.03 hereof, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Dwelling, Neighborhood, or the Community Area as set forth in this Declaration or adversely affects the title to any Lot, Dwelling, or Neighborhood, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security, title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such

Mortgagees so affected. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration as provided in Section 2.02 hereof. Any amendment made pursuant to this Section 13.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself.

13.03 Special Amendments. Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with 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 Administration, the Veteran's 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 such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Dwellings, (iii) to correct clerical or typographical errors in the Declaration or any Exhibit, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations or (v) to make any other amendment to the Declaration that does not materially effect an Owner's right to use and enjoy his or her Lot and/or Dwelling. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, lease, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on the date Declarant no longer has the right to appoint all directors of the Board pursuant to Section 4.06 hereof.

13.04 Litigation. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage owned), and seventy-five percent (75%) of Owners (other than the Developer or builder) of the individual Lots have given their prior written approval, the Owners shall not be entitled to commence any class-action or other collective action against the Developer, Declarant, or any other persons acting on behalf of or in association with Developer or Declarant in connection with the development of the Property or this Declaration. Any such action shall proceed in accordance with Section 13.05 of this Declaration. No lawsuit is permitted in any circumstance against the Declarant and Developer.

13.05 Arbitration. Excluding (a) any suit by the Association to collect Assessments under Article IX; (b) any suit by the Association to obtain a temporary restraining order to enforce the provisions of Article X; and (c) arbitration conducted by the Board under Article X, any and all claims, disputes and controversies by and between the Association, an Owner, Developer, Declarant, Managing Agent or any other party connected in any way to the Association, or any combination of the foregoing, arising from or related to the Property, the Association, any improvements to the Property, the sale of any Dwelling on the Property, including, without limitation, any claim of breach of contract, negligence, negligent or intentional misrepresentation or non disclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of Construction Arbitration Services, Inc. (hereinafter CAS) in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement, and notwithstanding provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party

requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

13.06 Enforcement. Each Owner shall comply strictly with the By-laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set both in this Declaration and in the deed or other instrument of conveyance to his Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or for instituting an action to recover sums due, for damages and/or for injunctive relief and/or any other remedy available at law or in equity such actions to be maintainable by Declarant, the Board on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction or other equitable action to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation of breach, by any person of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association, however long continued.

13.07 Duration. The provisions of this Declaration shall run with and bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of thirty (30) years from and after the date of recording of this Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of the initial thirty (30) year period or the last year of any ten (10) year renewal period, eighty-five percent (85%) of the total votes of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be duly filed, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby. Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation or transfer, to the covenants, conditions, restrictions, easements, rights, benefits and privileges of every character contained herein, shall be deemed and taken to be appurtenant to and covenants running with such property, and shall be binding upon any such grantee, mortgagee or trustee and their successors and assigns as fully and completely as though the provisions of this Declaration were fully recited and set forth in their entirety in such documents.

13.08 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall

continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the Governor of Indiana and the President of the U.S.

13.09 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and *given* that interpretation or construction which, in the opinion of Declarant or the Board, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance, building codes or other regulations which are less restrictive. The effective date of this Declaration shall be the date of its filing for record. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Indiana.

13.10 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

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

13.12 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or *otherwise* disposes of any Lot or Dwelling, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

13.13 No Trespass. Whenever the Association or Declarant and their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be a trespass.

13.14 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots or Dwellings. All notices to the Association shall be delivered or sent in care of Declarant at the following address:

Centennial of Cedar Lake Community Association, Inc.
8051 Wicker Ave., Suite A
St. John, Indiana 46373

or to such other address as the Association may from time to time notify the Owners. The notices to Declarant shall be delivered or sent to Declarant at the above address or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. All notices are deemed delivered when delivered by hand or when deposited in the United States mail.

13.15 Declarant's Rights. All Declarant's Rights shall be mortgageable, pledgeable, assignable or transferable. The Declarant shall have the right to assign some or all of the Declarant Rights reserved or granted hereunder to Declarant, subject to the following:

(a) Declarant may assign to a Person which acquires title to a portion of the Property the non-exclusive right to exercise some or all of the Declarant Rights, subject to such terms, conditions and limitations as the Declarant shall deem appropriate, in their discretion.

(b) If Declarant conveys all of the Additional Property owned by it to a Person, then the Declarant shall no longer have the right to exercise any Declarant Rights and the person which acquires such portions of the Additional Property from Declarant may become the successor to the Declarant and, if so, shall have the right to exercise all Declarant Rights hereunder, subject to any assignments previously made by the Declarant permitted hereunder.

(c) Any Declarant Rights may be collaterally assigned by the Declarant to a lender which makes a development or construction loan to Declarant with respect to a portion of the Additional Property.

(d) Except as provided in Section 13.14 hereof, no transfer of Declarant rights shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Recorder's Office of Lake County, Indiana.

13.16 Termination. No termination of the Association and/or this Declaration shall be effective unless all of the Community Area maintained by the Association has been conveyed to the Town.

IN WITNESS WHEREOF, Centennial of Cedar Lake Development, LLC, has caused its Corporate Seal to be affixed hereunto and has caused its name to be signed to these presents by its Vice President, this 16th day of September, 2008.

Document is NOT OFFICIAL!
 This Document is the property of the Lake County Recorder!

CENTENNIAL OF CEDAR LAKE DEVELOPMENT, LLC
 By: [Signature]
 Its: Vice President

STOP

RECORDER'S OFFICE
 SEAL
 INDIANA

[Signature]

STATE OF INDIANA
COUNTY OF LAKE

I, Kimberly Jermolowicz, a Notary Public in and for County and State aforesaid, do hereby certify Todd H. Olthoff as Vice President of Centennial of Cedar Lake Development, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16th day of September, 2008.

My Commission Expires: 1/18/2015
County: Lake



EXHIBIT A

A PART OF SECTION 28, TOWNSHIP 34 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 28; THENCE NORTH 89 DEGREES 14 MINUTES 23 SECONDS WEST, 1322.43 FEET ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28 TO THE POINT OF BEGINNING;

1. THENCE NORTH 89 DEGREES 14 MINUTES 23 SECONDS WEST, 1,342.74 FEET ALONG SAID SOUTH LINE;
2. THENCE NORTH 89 DEGREES 14 MINUTES 26 SECONDS WEST, 331.23 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE NEW YORK CENTRAL RAILROAD;
3. THENCE NORTH 05 DEGREES 01 MINUTES 05 SECONDS WEST, 251.73 FEET ALONG SAID EASTERLY LINE;
4. THENCE NORTH 84 DEGREES 58 MINUTES 55 SECONDS EAST, 121.96 FEET;
5. THENCE NORTH 59 DEGREES 26 MINUTES 41 SECONDS EAST, 50.00 FEET;
6. THENCE SOUTHEASTERLY 25.61 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 25.00 FEET AND A CHORD BEARING SOUTH 59 DEGREES 53 MINUTES 51 SECONDS EAST, 24.50 FEET;
7. THENCE SOUTH 89 DEGREES 14 MINUTES 23 SECONDS EAST, 59.16 FEET;
8. THENCE EASTERLY 83.58 FEET ALONG A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 125.00 FEET AND A CHORD BEARING NORTH 71 DEGREES 36 MINUTES 20 SECONDS EAST, 82.03 FEET;
9. THENCE NORTH 52 DEGREES 27 MINUTES 03 SECONDS EAST, 250.53 FEET;
10. THENCE NORTH 37 DEGREES 32 MINUTES 57 SECONDS WEST, 408.19 FEET;
11. THENCE NORTH 52 DEGREES 27 MINUTES 03 SECONDS EAST, 170.00 FEET;
12. THENCE SOUTH 37 DEGREES 32 MINUTES 57 SECONDS EAST, 63.00 FEET;
13. THENCE NORTH 52 DEGREES 27 MINUTES 03 SECONDS EAST, 160.00 FEET;
14. THENCE SOUTH 37 DEGREES 32 MINUTES 57 SECONDS EAST, 32.46 FEET;
15. THENCE NORTH 52 DEGREES 27 MINUTES 03 SECONDS EAST, 95.00 FEET;
16. THENCE SOUTH 37 DEGREES 32 MINUTES 57 SECONDS EAST, 2.26 FEET;
17. THENCE NORTH 44 DEGREES 25 MINUTES 44 SECONDS EAST, 97.38 FEET;
18. THENCE EASTERLY 54.82 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 50.00 FEET AND A CHORD BEARING SOUTH 76 DEGREES 58 MINUTES 53 SECONDS EAST, 52.12 FEET;
19. THENCE SOUTH 18 DEGREES 23 MINUTES 30 SECONDS EAST, 64.00 FEET;
20. THENCE SOUTH 52 DEGREES 29 MINUTES 28 SECONDS EAST, 60.00 FEET;
21. THENCE NORTH 40 DEGREES 30 MINUTES 01 SECONDS EAST, 114.84 FEET;
22. THENCE NORTH 01 DEGREES 56 MINUTES 19 SECONDS EAST, 142.00 FEET;
23. THENCE NORTH 17 DEGREES 45 MINUTES 33 SECONDS EAST, 65.35 FEET TO THE NORTHERLY LINE OF THE PARCEL DESCRIBED IN DEED TO CENTENNIAL OF CEDAR LAKE DEVELOPMENT, LLC, RECORDED MARCH 9, 2007, AS DOCUMENT 2007-021411 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY;
24. THENCE SOUTH 54 DEGREES 25 MINUTES 17 SECONDS EAST, 99.62 FEET ALONG SAID NORTHERLY LINE;
25. THENCE SOUTH 60 DEGREES 30 MINUTES 04 SECONDS EAST, 99.78 FEET ALONG SAID NORTHERLY LINE;
26. THENCE SOUTH 66 DEGREES 34 MINUTES 51 SECONDS EAST, 99.62 FEET ALONG SAID NORTHERLY LINE;
27. THENCE NORTH 20 DEGREES 22 MINUTES 54 SECONDS EAST, 110.00 FEET ALONG SAID NORTHERLY LINE;
28. THENCE EASTERLY 159.65 FEET ALONG SAID NORTHERLY LINE AND A NON-TANGENT CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 830.00 FEET AND A CHORD BEARING SOUTH 75 DEGREES 07 MINUTES 44 SECONDS EAST, 159.40 FEET;
29. THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 287.81 FEET ALONG SAID

- NORTHERLY LINE;
30. THENCE SOUTH 10 DEGREES 53 MINUTES 53 SECONDS WEST, 57.87 FEET ALONG SAID NORTHERLY LINE;
 31. THENCE SOUTH 78 DEGREES 17 MINUTES 46 SECONDS WEST, 270.00 FEET;
 32. THENCE SOUTH 11 DEGREES 42 MINUTES 14 SECONDS EAST, 110.00 FEET;
 33. THENCE SOUTH 78 DEGREES 17 MINUTES 46 SECONDS WEST, 2.33 FEET;
 34. THENCE SOUTHWESTERLY 220.04 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 50.00 FEET AND A CHORD BEARING SOUTH 42 DEGREES 13 MINUTES 17 SECONDS WEST, 80.82 FEET;
 35. THENCE SOUTH 11 DEGREES 42 MINUTES 14 SECONDS EAST, 112.41 FEET;
 36. THENCE NORTH 78 DEGREES 17 MINUTES 46 SECONDS EAST, 450.00 FEET;
 37. THENCE NORTH 11 DEGREES 42 MINUTES 14 SECONDS WEST, 133.30 FEET;
 38. THENCE NORTHEASTERLY 85.57 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 125.00 FEET AND A CHORD BEARING NORTH 23 DEGREES 08 MINUTES 10 SECONDS EAST, 83.91 FEET TO SAID NORTHERLY LINE;
 39. THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 100.24 FEET ALONG SAID NORTHERLY LINE;
 40. THENCE NORTH 71 DEGREES 11 MINUTES 28 SECONDS EAST, 23.46 FEET ALONG SAID NORTHERLY LINE;
 41. THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 620.00 FEET ALONG SAID NORTHERLY LINE;
 42. THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 358.53 FEET ALONG SAID NORTHERLY LINE;
 43. THENCE SOUTHEASTERLY 408.83 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 320.00 FEET AND A CHORD BEARING SOUTH 48 DEGREES 01 MINUTES 55 SECONDS EAST, 381.58 FEET;
 44. THENCE NORTH 78 DEGREES 33 MINUTES 37 SECONDS EAST, 206.53 FEET ALONG THE SOUTHWESTERLY EXTENSION OF A PORTION OF SAID NORTHERLY LINE OF THE PARCEL DESCRIBED IN DEED TO CENTENNIAL OF CEDAR LAKE DEVELOPMENT, LLC AND SAID NORTHERLY LINE;
 45. THENCE NORTH 07 DEGREES 49 MINUTES 05 SECONDS WEST, 192.93 FEET ALONG SAID NORTHERLY LINE;
 46. THENCE NORTHEASTERLY 32.53 FEET ALONG SAID NORTHERLY LINE BEING A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET AND A CHORD BEARING NORTH 63 DEGREES 32 MINUTES 34 SECONDS EAST, 31.96 FEET;
 47. THENCE SOUTH 45 DEGREES 05 MINUTES 48 SECONDS EAST, 61.35 FEET ALONG SAID NORTHERLY LINE;
 48. THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 86.99 FEET ALONG SAID NORTHERLY LINE;
 49. THENCE NORTH 00 DEGREES 08 MINUTES 47 SECONDS EAST, 40.00 FEET ALONG SAID NORTHERLY LINE;
 50. THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 93.00 FEET ALONG SAID NORTHERLY LINE TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28;
 51. THENCE SOUTH 00 DEGREES 08 MINUTES 47 SECONDS WEST, 430.27 FEET ALONG SAID EAST LINE;
 52. THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 73.45 FEET;
 53. THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 140.00 FEET;
 54. THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 347.86 FEET;
 55. THENCE SOUTHERLY 16.20 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 320.00 FEET AND A CHORD BEARING SOUTH 01 DEGREES 27 MINUTES 03 SECONDS EAST, 16.20 FEET;
 56. THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 278.10 FEET;
 57. THENCE SOUTHWESTERLY 424.12 FEET ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 270.00 FEET AND A CHORD BEARING SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 381.84 FEET;

58. THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 143.24 FEET;
59. THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 115.00 FEET;
60. THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 209.45 FEET;
61. THENCE NORTH 03 DEGREES 12 MINUTES 34 SECONDS WEST, 128.07 FEET;
62. THENCE NORTH 11 DEGREES 57 MINUTES 28 SECONDS WEST, 199.08 FEET;
63. THENCE SOUTH 78 DEGREES 02 MINUTES 32 SECONDS WEST, 122.00 FEET;
64. THENCE SOUTH 06 DEGREES 59 MINUTES 43 SECONDS WEST, 36.21 FEET;
65. THENCE WESTERLY 39.82 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 50.00 FEET AND A CHORD BEARING SOUTH 74 DEGREES 10 MINUTES 46 SECONDS WEST, 38.78 FEET;
66. THENCE NORTH 38 DEGREES 38 MINUTES 11 SECONDS WEST, 41.25 FEET;
67. THENCE SOUTH 78 DEGREES 02 MINUTES 32 SECONDS WEST, 112.00 FEET;
68. THENCE SOUTH 11 DEGREES 57 MINUTES 28 SECONDS EAST, 229.39 FEET;
69. THENCE SOUTH 15 DEGREES 01 MINUTES 51 SECONDS WEST, 73.59 FEET;
70. THENCE EASTERLY 32.64 FEET ALONG A NON-TANGENT CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 530.00 FEET AND A CHORD BEARING SOUTH 73 DEGREES 12 MINUTES 19 SECONDS EAST, 32.63 FEET;
71. THENCE SOUTH 71 DEGREES 26 MINUTES 28 SECONDS EAST, 4.83 FEET;
72. THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 336.50 FEET; TO THE POINT OF BEGINNING, CONTAINING 39.78 ACRES, MORE OR LESS.



EXHIBIT B

Additional Property



EXHIBIT C

ARTICLES OF INCORPORATION OF
CENTENNIAL OF CEDAR LAKE COMMUNITY 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 Centennial of Cedar Lake Community Association, Inc.

ARTICLE II
PURPOSES

The purposes for which the Corporation is formed is:

Section 1. To establish an incorporated association (hereinafter the "Association, Inc.") to administer a residential community known as Centennial of Cedar Lake Community located in Lake County, Indiana, pursuant to the Declaration of Covenants, Conditions, Restrictions and Easements for Centennial of Cedar Lake Community (hereinafter the "Declaration").

Section 2. This Association is organized for the purpose of providing a convenient means of administering the residential community by the Owners thereof. The documents creating the community provide for the ownership, operation, management, maintenance and use of Dwellings as described in said documents.

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

Section 4. The Association shall have all of the common law and statutory powers of a corporation nonprofit 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 in the following;

- (a) To 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 property in accordance with the Declaration.
- (d) To reconstruct improvements after casualty.
- (e) To make and amend rules and regulations respecting the use of Dwellings.
- (f) To enforce by legal means the provisions of the Declaration, these Articles, the By-laws of the Association, and the rules and regulations 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) To carry insurance for the protection of Owners and the Association against casualty and liabilities.
- (i) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.
- (j) To perform all other rights and obligations under the Declaration.

Section 6. All rights, powers and descriptions of purpose established by the Articles of Incorporation, shall be subject to the Declaration and all provisions contained therein as if fully set forth in these Articles, and shall further be subject to Indiana law governing nonprofit corporations.

Section 7. 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.

Section 8. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

**ARTICLE III
MUTUAL BENEFIT CORPORATION**

The Corporation is a mutual benefit corporation.

**ARTICLE IV
REGISTERED AGENT AND PRINCIPAL OFFICE**

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

Frederick A. Olthof
8051 Wicker Avenue, Suite A
St. John, IN 46373

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

8051 Wicker Avenue, Suite A
St. John, IN 46373

**ARTICLE V
MEMBERSHIP**

Section 1. Classes of Membership, and Rights, Preferences and Limitations of Classes of Membership. There shall be one (1) class of Members, as set forth in Article IV, Section 4.01 of the Declaration.

Section 2. Voting Rights of Classes. Voting rights of Members shall be set forth in Article IV, Section 4.02 of the Declaration.

**ARTICLE VI
DIRECTORS**

Section 1. Number of Directors. The initial Board of Directors is composed of four (4) members. Provided, however, that the exact number of directors shall be prescribed from time to time in the By-laws of the

Corporation; AND PROVIDED FURTHER THAT UNDER NO CIRCUMSTANCES SHALL THE MINIMUM NUMBER BE LESS THAN THREE (3). The Board of Directors shall be appointed by the Declarant or Developer until that power is terminated under the provisions of the Declaration.

Section 2. Names and Post Office Addresses of the Directors. The names and post office addresses of the initial Board of Directors of the Corporation are:

Frederick A. Olthof
8051 Wicker Ave., Suite A
St. John, IN 46373

Todd M. Olthof
8051 Wicker Ave., Suite A
St. John, IN 46373

Scot F. Olthof
8051 Wicker Ave., Suite A
St. John, IN 46373

Frederick V. Olthof
8051 Wicker Ave., Suite A
St. John, IN 46373

**ARTICLE VII
INCORPORATOR**

The name and post office address of the incorporator of the Corporation is:

Greg A. Bouwer
Koransky & Bouwer, PC
425 Joliet, Suite 425
Dyer, Indiana 46311

**ARTICLE VIII
STATEMENT OF PROPERTY (IF ANY)**

A statement of the property, and an estimate of the value thereof, to be taken over by the Corporation at or upon its incorporation are as follows:

NONE

**ARTICLE IX
PROVISIONS FOR REGULATIONS OF BUSINESS AND
CONDUCT OF THE AFFAIRS OF THE CORPORATION**

Other provisions, consistent with the laws of this State, for the regulation and conduct of the affairs of the corporation, and creating, defining, limiting or regulating the powers of the Corporation, the directors of the Members of any class or classes of Members are as follows:

Section 1. The affairs of the Association, its management and operation shall be governed by the terms and provisions of the Declaration, these Articles of Incorporation and the By-laws and Rules and Regulations of this Corporation.

Section 2. The power to make, alter, amend or repeal the By-laws of the Corporation shall be vested in the Members of the Association, subject to the terms, provisions and conditions contained in the Declaration and the By-laws of this Corporation.

Section 3. Directors of the Association shall be elected at the annual meeting of the Members in the manner provided by the By-laws except for so long as the Declarant of the Declaration continues to legally or equitably own any of the Dwellings, the Board of Directors of the Association shall be elected by the Declarant and such Directors need not be residents of Dwellings or Owners.

Section 4. Every Director and every officer of the Association shall be indemnified by the Association in accordance with Article IV, Section 4.11 of the Declaration.

Section 5. The Corporation will distribute its assets upon dissolution to: a) members of Centennial of Cedar Lake Community Association, Inc., in pro rata amounts, or b) the State of Indiana in accordance with I.C. 23-17-30-1.

IN WITNESS WHEREOF, I, the undersigned, do hereby execute these Articles of Incorporation and certify the truth of the facts herein stated this 16th day of September, 2008. I hereby verify subject to penalties of perjury that the facts contained herein are true.

Greg A. Bower, Incorporator



EXHIBIT D

BY-LAWS OF CENTENNIAL OF CEDAR LAKE COMMUNITY ASSOCIATION, INC.

ARTICLE I PURPOSES AND POWERS

The Association shall be responsible for the general management and supervision of the Community Area and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the Nonprofit Corporation Act of the State of Indiana, which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II OFFICES

2.01 Registered Office. The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Indiana as the Board of Directors may from time to time determine.

2.02 Principal Office. The principal office of the Association shall be initially maintained at 8051 Wicker Avenue, Suite A, St. John, Indiana.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION: BOARD OF DIRECTORS OF THE ASSOCIATION

3.01 Incorporation. The terms and provisions of Article IV of the Declaration of Covenants, Conditions and Restrictions for Centennial of Cedar Lake Community are incorporated into Article III of the Bylaws as if fully set forth herein.

3.02 Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

3.03 Vacancies in Board. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 3.07 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining members of the Board or by the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

3.04 Election of Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Members and of the Board who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

3.05 Removal of Board Members. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

3.06 Meeting of the Board. The initial meeting of the First Board shall be held immediately following the Initial Meeting of the Association Delegates and at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without other notice than provided in the By-Law immediately after and at the same place, or other place, as the annual meeting of Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

3.07 Execution of Instruments. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President.

ARTICLE IV
POWERS OF THE BOARD

4.01 General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

- (a) to elect the officers of the Association as hereinabove provided;
- (b) to administer the affairs of the Association and the Community Area;
- (c) subject to Section 4.04(b) below, to engage the services of a manager or managing agent who shall manage and operate the Community Area;
- (d) to formulate policies for the administration, management and operation of the Community Area;
- (e) to adopt administrative rules and regulations governing the administration, management, operation and use of the Community Area, and to amend such rules and regulations from time to time;
- (f) to provide for the maintenance, repair and replacement of the Community Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Community Area and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);
- (h) to estimate the amount of the annual budget, and to provide the manner of assessing

and collecting from the Owners of such Lots which have been occupied for residential purposes, their respective shares of such estimated expenses, as hereinafter provided; and

(i) to exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Owners by the articles of incorporation, the Declaration or these By-Laws.

4.02 Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions or capital improvements to the Community Area (other than for purposes of replacing or restoring portions of the Community Area, subject to all the provisions of the Declaration) or to those portions of the Dwellings as set forth in Section 5.01 of the Declaration having a total cost in excess of Ten Thousand Dollars (\$10,000.00), without in each case the prior approval of the Association Delegates holding two-thirds (2/3) of the total votes.

4.03 Rules and Regulations: Management

(a) Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) Management. The Declarant or the Board shall engage the initial management organization under contracts expiring not later than ninety (90) days after the date the Initial Meeting of Association Delegates is held ("Transfer Date"). Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board provided, however, that if the Association, Declarant or Board shall enter into an agreement or agreements for the professional management of the Property before the Transfer Date, such agreement or agreements shall be terminable by the Association without cause at any time after the Transfer Date and shall not require the payment of any penalty by the Association and shall not require advance notice of termination of more than ninety (90) days. Any management fees incurred pursuant to this Section 4.04(b) shall be paid from the assessments collected pursuant to Article V hereof.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

4.04 Liability of the Board of Directors. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless each of the members of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

ARTICLE V

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use their Lots, Dwellings and the Community Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members. The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VI
COMMITTEES

7.01 **Board Committees.** The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors; said committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

7.02 **Special Committees.** Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in the Board's judgment the best interests of the Association shall be served by such removal.

7.03 **Term.** Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

7.04 **Chairman.** One (1) member of each committee shall be appointed chairman.

7.05 **Vacancies.** Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

7.06 **Quorum.** Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.07 **Rules.** Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE VII
INTERIM PROCEDURE

Until the Initial Meeting of the Association Delegates, the Declarant (or it designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE VIII
AMENDMENTS

These By-Laws may be amended or modified from time to time by an instrument signed by those Members entitled to cast fifty-one percent (51%) of the total votes in the Association. Such amendments shall be recorded in the Office of the Recorder of Lake County, Indiana.

ARTICLE IX
DEFINITION OF TERMS

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached to the extent such terms are defined therein.

EXHIBIT E

Community Area

Outlots A, C, Q, S, and Lot 219, as per the plat thereof recorded in Lake County, Indiana as document number 2007 096916.

