

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
STONEHENGE SUBDIVISION PHASE ONE

THIS DECLARATION, made on this 6th day of April, 1998, by Stonehenge Development Corporation, an Indiana Corporation, (hereinafter referred to as "Declarant"),

WITNESSES:

WHEREAS, Declarant is the owner of certain real estate located generally in Tippecanoe County, Indiana, which is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Initial Properties");

WHEREAS, Declarant desires to develop the Initial Properties as generally shown on the "Final Plat for Stonehenge Subdivision Phase One" (hereinafter referred to as the "Plat"), by designating certain portions of the Initial Properties as "Pedestrian and Landscape Easements" (as hereinafter defined) to be owned by a homeowners association (the "Association," as hereinafter defined) and by designating certain other portions of the Initial Properties as "Lots" (as hereinafter defined), (with certain exceptions or variations as may be necessary or appropriate); and

WHEREAS, said Final Plat was approved \_\_\_\_\_ by the Tippecanoe County Area Plan Commission and recorded \_\_\_\_\_ in Plat Cabinet \_\_, Slide \_\_, in the Office of the Recorder of Tippecanoe County, Indiana;

NOW, THEREFORE, Declarant hereby declares that all of the Initial Properties shall be held, sold and conveyed subject to the following easements, restrictions, limitations, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Initial Properties and be binding on all parties having any right, title or interest in the Initial Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

NAME

The Properties created by this Declaration shall be known and designated as STONEHENGE SUBDIVISION PHASE ONE.

ARTICLE II

DEFINITIONS

Section 2.1. "Association" means STONEHENGE Communities Homeowners Association, Corporation, an Indiana not-for-profit corporation, its successors and assigns.

Section 2.2. "Articles" means the Articles of Incorporation of the Association filed with the office of the Secretary of State of Indiana, as the same are or hereafter may be amended from time to time.

Section 2.3. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but otherwise excluding those having such interest merely as security for the performance of an obligation. Unless specifically indicated to the contrary, the term Owner as used herein shall include the Declarant, so long the Declarant shall own any Lot.

Section 2.4. "Properties" means the real estate described in Exhibit "A".

Section 2.5. "Plat" means the plat of the Initial Properties identified as the Final Plat for Stonehenge Subdivision, Phase One, recorded \_\_\_\_\_ in Plat Cabinet \_\_\_\_, page \_\_\_\_ in the Office of the Recorder of Tippecanoe County, Indiana, recorded in the office of the Recorder of Tippecanoe County, Indiana.

Section 2.6. "Lot " means each of those parcels of land shown on the Plat as such. More particularly, with respect to any single-family dwelling unit portion of the Building that is or shall be constructed on each lot, "Lot" means the real estate conveyed or to be conveyed in connection with such dwelling unit.

Section 2.7. "Building" means the single-family units that are or shall be constructed.

Section 2.8. "Declarant" means STONEHENGE DEVELOPMENT CORPORATION, AN INDIANA CORPORATION, its successors and assigns as a declarant.

Section 2.9. "Board of Directors" means the Board of Directors of the Association.

Section 2.10. "Development Period" means the period of the time commencing with Declarant's acquisition of the Initial Properties and ending when Declarant has completed the development and sale of, and no longer owns, any Lot, or any other portion of the real estate described in Exhibit "A" or any other Properties.

### ARTICLE III

#### PROPERTY RIGHTS

Section 3.1. Owners' Easements of Enjoyment of Pedestrian and Landscape Easements. Every Owner shall have a non-exclusive right and easement of enjoyment, in common with all Owners, in and to the Pedestrian and Landscape Easements which shall be appurtenant to and shall pass with title to every Lot (in the form of a right to membership in the Association), subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Pedestrian and Landscape Easements;
- (b) the right of the Association to suspend the voting rights and right to use of any recreational facilities by any Owner for any period during which any assessment remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to promulgate reasonable rules and regulations governing the use of the Pedestrian and Landscape Easements including, without limitation, quality, kind and nature of any improvements, additions or alterations to any and all landscaping areas;
- (d) the rights of Declarant as provided in this Declaration;
- (e) all other rights, obligations and duties as set forth in this Declaration, as the same may be from time to time amended or supplemented;
- (f) In the event that utility companies need to remove an improvement to maintain their facilities, the Homeowners Association is responsible for replacing the improvement.

Section 3.2. Drainage, Utility, Sewer and Other Development Easements.

- (a) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the right and an undefined easement ("Sign and Facilities Easement") to install, erect, construct and maintain an entryway sign or signs, directional signs, lighting, walkways, pathways, fences, walls and any other landscaping, architectural and recreational features or facilities considered necessary, appropriate, useful or convenient, anywhere upon the Properties (except upon any Lot after the first conveyance thereof). Any signs shall comply with any applicable zoning requirements and all such facilities shall be maintained by the Association.

(b) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the full right, title and authority (i) to relocate, alter or otherwise change the location of any Drainage, Utility and Sewer Easement, the Sign and Facilities Easement, or any facility at any time located therein or thereon; (ii) to grant such further easements, licenses and rights-of-way, temporary or permanent, exclusive or non-exclusive, surface or otherwise, as Declarant may deem necessary or appropriate, for ingress, egress, utility and similar purposes on or within any Lot or any other portion of the Properties, for the benefit of any Lot, of any of the real estate described in Exhibit A and B, or of any other properties; (iii) to describe more specifically or to change the description of any Drainage, Utility and Sewer Easement, the sign and Facilities Easement or any other easement, license or right-of-way now or hereafter existing on the Properties; (iv) to change or reestablish or modify the location of lot lines and/or phase lines; by written instrument, amended Plat or amendment to the Plat recorded in the Office of the Recorder of Tippecanoe County, Indiana.

(c) The title of any Owner of any Lot shall be subject to the rights and easements reserved herein. Provided, however, that the rights reserved in this Section 3.5 shall not be exercised after the conveyance of any Lot in a manner that unreasonably and adversely affects any Building or portion thereof located upon such Lot or the Owner's use or enjoyment thereof, or which unreasonably restricts the rights of ingress and egress to such Lot. The rights and easements reserved by Declarant in this Section 3.5 shall run with the land, and declarant's right to further alter or grant easements shall automatically terminate and pass to the Association one (1) year after Declarant shall have conveyed the last Lot within the Properties.

(d) A no vehicular access is platted along the County Road 375 West right-of-way line as shown on the subdivision plat of Stonehenge Subdivision Phase One. This provision is enforceable by the Tippecanoe County Area Plan Commission and irrevocable by the lot owners.

Section 3.6. Easement for Emergency Purposes. An easement is hereby dedicated and granted for use in the case of an emergency by emergency vehicles such as fire trucks, police cars and ambulances and emergency personnel, public and private, over and upon the Pedestrian and Landscape Easements, and any pedestrian walkways or pathways.

#### ARTICLE IV

##### ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Membership. Initially, to satisfy the requirements of the Indiana Not-For-Profit Corporation Act, the three (3) persons who serve as incorporators of the Association shall be the members (the "Initial Members"). The Initial Members shall remain members of the Association until three (3) persons have become Class A or Class B members, at which time the Initial Members shall cease to be members unless they also qualify as Class A or Class B members. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Apart from the Initial Members, membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2. Classes of Membership and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; the vote for such Lot shall be exercised as the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to six (6) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; or

(b) on January 1, 2018.

Section 4.3. Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association.

Section 4.4. Professional Management. No contract or agreement for professional management of the Association, nor any other contract between Declarant and the Association, shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause without any termination fee by written notice of ninety (90) days or less.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner (excepting the Declarant and Builders) of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Regular Monthly Assessments (for maintenance, repairs and ordinary operating expenses); (2) Special Assessments for (a) capital improvements and operating deficits, as provided in Section 5.4, and (b) for special maintenance or repairs as provided in Section 7.2; and (3) a Monthly Insurance Agreement as provided in Section 9.4. Such assessments shall be established, shall commence upon such dates and shall be collected as hereinafter provided. All such assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 5.2. Purpose of Regular Monthly Assessments. The Regular Monthly Assessments levied by the Association shall be used exclusively, in the reasonable discretion of the Board of Directors of the Association, for the promotion of the recreation, health, safety and welfare of the residents in the Properties, for the improvement, maintenance and repair of the Pedestrian and Landscape Easements situated on the Properties, for the performance of the obligations and duties of the Association and for other purposes only as specifically provided herein at the time that Class B Membership ceases to exist. A portion of the Regular Monthly Assessments shall start being set aside or otherwise allocated in a reserve fund for the purpose of providing repair and replacement of the Pedestrian and Landscape Easements, the Buildings and other capital improvements which the Association is required to maintain.

Section 5.3. Maximum regular Monthly Assessments.

- (a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Regular Monthly assessment on any Lot conveyed by Declarant shall be \$25 per Lot.
- (b) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year not more than 50% above the maximum Regular Monthly Assessment for the previous year without a vote of membership.
- (c) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year by more than 50% above the maximum Regular Monthly Assessment for the previous year, with the approval of two-thirds (2/3) vote by those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.
- (d) The Board of Directors from time to time may fix the Regular Monthly Assessment, without any vote of membership, at any amount not in excess of the maximum.

Section 5.4. Special Assessments for Capital Improvements, Swimming Pool Fees, Club House Fees, and Operating deficits. In addition to the Regular Monthly Assessments authorized above, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain, or to recover any operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) vote by those members who cast votes in person or by proxy at a meeting duly called for this purpose. Special assessments will also be levied for swimming pool and club house fees (said pool and club house will be located with Stonehenge Planned Development) provided that such assessments shall have the assent of two-thirds (2/3) vote by the members as stated above.

Section 5.5. Notice and Quorum for Any Action Authorized Under Section 5.3 and 5.4. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3 or 5.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6. Uniform Rate of Assessment. Regular Monthly Assessments and Special Assessments for capital improvements and to recover operating deficits must be fixed at a uniform rate for all Lots. All other assessments (except Special Assessments under Sections 5.4 and 7.2) also shall be fixed at a uniform rate for all Lots.

Section 5.7. Date of Commencement of Monthly Assessments; Due Dates. The Regular Monthly Assessment provided for herein and the Monthly Insurance Assessments provided for in Section 9.4 shall commence as to each Lot on the earlier of the following dates:

(a) the first day of the first month following the conveyance or lease of such Lot to a home buyer (excepting the builder) by Declarant; or

(b) the first day of the first month following the conveyance or lease of such lot to a Home buyer by the Builder.

The Board of Directors shall fix any increase in the amount of such monthly assessment at least thirty (30) days in advance of the effective date of such increase. Written notice of any increase in the Regular Monthly Assessment, and written notice of any special Assessment and such other assessment notices as the Board of Directors shall deem appropriate, shall be sent to every Owner subject thereto. The due dates for all assessments, and the assessment and collection period (i.e., annual, monthly, lump-sum or otherwise) for any Special Assessments, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate from the Association regarding the status of assessments for any Lot shall be binding upon the Association as of the date of its issuance.

Section 5.8. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment (or periodic installment of such assessment, if applicable) is not paid on the due date established therefor pursuant to Section 5.7 hereof, then the entire unpaid assessment (together with interest thereon, costs and attorneys' fees as hereinafter provided and as provided in Section 5.1) shall become delinquent and shall constitute a continuing lien on the Lot to which such assessment relates, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall not pass to such Owner's successors in title unless expressly assumed by them. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, or both. In such event, there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided, costs of the action and reasonable attorneys' fees to be fixed by the court. No Owner may waiver to otherwise escape liability for the assessments provided for herein by non-use of the Pedestrian and Landscape Easements or abandonment of his Lot.

Section 5.9. Subordination of the Lien to Mortgages; Sale or Transfer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot pursuant to the foreclosure of any first mortgage on such Lot (without the necessity of joining the Association in any such foreclosure action) or any proceedings or deed in lieu thereof shall extinguish the lien of all assessment becoming due prior to the date of such sale or transfer. No sale or transfer of any Lot (whether voluntary or pursuant to foreclosure or otherwise) shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof; and, except as hereinabove provided, the sale or transfer of any Lot shall not affect the lien of assessments becoming due prior to the date of such sale or transfer except to the extent that a purchaser may be protected against the lien for prior assessments by a binding certificate from the Association, issued pursuant to Section 5.7, as to whether or not such assessments have been paid.

## ARTICLE VI

## USE RESTRICTIONS AND ARCHITECTURAL CONTROL

Section 6.1. Lot Use and Conveyance. All Lots platted shall be used exclusively for single-family residential purposes or single-family residential purposes, except that Declarant, during the development period, reserve (a) the rights provided in Section 6.7 respecting the properties, generally and (b) the right to subdivide, dedicate or otherwise convey or designate all or any portion of any one or more Lots which it may own from time to time for recreational or other common uses and benefit of all Owners and other members of the Association. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein. (c) The Owners, further, shall be subject to the following use restrictions:

(i) Obstructions. There shall be no obstruction of the Pedestrian and Landscape Easements, nor shall anything be kept or stored on any part of the Pedestrian and Landscape Easements without the prior written consent of the Association except construction materials and equipment during the construction period or except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Pedestrian and Landscape Easements except upon the prior written consent of the Association.

(ii) Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or in any Living Unit or on or in any Pedestrian and Landscape Easements or any part thereof which would increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept on any Lot or in any Living Unit or on or in any Pedestrian and Landscape Easements or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Pedestrian and Landscape Easements or any part thereof or of the exterior of the Property and Buildings thereon shall be committed by any Owner or any invitee or tenant of any Owner and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees or tenants, to the Association and other Owners. No noxious, destructive or offensive activity shall be allowed on any Lots or in the Pedestrian and Landscape Easements or any part thereof, nor shall anything be done thereon which may be or may become a nuisance to any other Owner or to any other person at any time lawfully residing on the Property; provided, however, that no act, conduct, activity or operation which Declarant is authorized or permitted to do hereunder shall ever be deemed to be noxious, destructive, offensive nor a nuisance for purposes of this Section.

(iii) Fences, Walls and Patios. No Owner shall relocate, heighten, lower or otherwise move or change any fence except for privacy fence on individual lots, wall or patio upon the Property except with approval of the Association as provided herein.

(iv) Privacy fence on individual Lots. Privacy fence on individual Lots will be of a location and design approved by the Association.

(v) No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Pedestrian and Landscape Easements, or on a Lot so as to be visible from outside the Lot. The Pedestrian and Landscape Easements shall be kept free and clear of all rubbish, debris and other unsightly materials.

(vi) Animals. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in or on any Lot or on the Pedestrian and Landscape Easements or any part thereof, except that household pets of mature size of not more than 24 inches in height may be kept on Lots, subject to rules and regulations adopted by the Board provided that they are not kept, bred, or maintained for any commercial purposes; provided, further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property subject to these restrictions upon three days' written notice from the Board, and provided further, that upon written request of 25% of the voting power of the Association, the Board of Directors shall have the authority to, and shall order the removal of, any pet.

(vii) Prohibited Structures. No structure of a temporary character, trailer, boat, camper-bus, basketball hoop, basement, tent, or shack shall be maintained on any Lot nor shall any garage or other building except a permanent residence be used on any Lot at any time as a residence or sleeping quarters, either temporarily or permanently.

(viii) Storage. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, outdoor cooking equipment, yard and garden tools and equipment and trash and garbage containers, shall not be allowed

unless screened from view by enclosures so as to be effectively screened from view outside the Lot. The design of such screened enclosure must be approved by the Association in accordance with the architectural control provisions hereof. The storage or collection of rubbish of any character whatsoever, any material that emits foul or obnoxious odors, the growing of any noxious or illegal weed or other natural substance, and the harboring of the source of any noise or activity which disturbs the peace, comfort or serenity of residents is prohibited. Usual household trash and garbage shall be regularly collected and may be kept outside only if in sanitary containers which are so screened. Notwithstanding the foregoing, no boats, snowmobiles, recreational vehicles, trailers, camping vehicles, buses, mobile homes, tractor/trailers, trucks, motorcycles, mini bikes, mopeds, unlicensed or inoperable vehicles, or any other vehicles of any description other than normal passenger automobiles shall at any time be stored or parked on any Lot outside of a garage or on any part of the Pedestrian and Landscape Easements, either permanently or temporarily

(ix) Antennae. Except with prior written approval and the authorization of the Association's Board of Directors, no exterior television or radio antennae of any sort shall be placed, allowed or maintained upon any portion of the improvements or structures to be located upon the Property, or on the Property itself.

(x) Dwelling Size. No one-story dwelling having a ground floor area of less than 1650 square feet, and no multistory dwelling having a total floor area of 2050 square feet, in each case exclusive to the area of garage and one-story porches, shall be erected in the Subdivision. The Floor area shall be measured by the exterior dimensions for the purpose of these restrictions. Any decrease in minimum required square footage will be by written consent of the Architectural Control Committee.

(xi) Mailbox. The type of mailbox will be specified by Declarant.

(xii) Yard light. A dusk to dawn light will be required in the front yard unless rescinded by Declarant.

(xiii) Garages. Each dwelling will have a minimum of a 2 car garage.

(xiv) Brick. Each dwelling will have a requirement for brick on approximately 50 per cent of the front. Any decrease in minimum required brick will be by written consent of the Architectural control committee.

Section 6.2. Architectural Control. No building, fence, wall, or other structure, except original construction of Buildings by or on behalf of Declarant shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein, other than by the Board of Directors, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor as above provided. In the event that written approval is not received as required hereunder within twenty-one (21) days from the date requested, the failure to issue such written approval shall be construed as the disapproval of the request made.

Section 6.3. Non-Owner Occupants - Leasing of Lots. (a) All Lots occupied by persons other than the Owner or direct blood relatives shall be subject to a written lease with the Owner meeting the following requirements:

(i) All leases shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior approval of the Board of Directors.

(ii) All leases shall contain provisions adequate to require the lessee to comply with the provisions of this Declaration and the By-Laws of the Association, and with all rules and regulations promulgated by the Association from time to time, to the same extent as if the lessee were an Owner and a member of the Association; and shall provide for direct action by the Association against the lessee with or without joinder of the Owner, at the Association's option.

(iii) All leases shall make the lessee personally liable (jointly and severally with the Owner) for assessments levied by the Association during the term of the lease pursuant to the terms of this Declaration and the By-Laws, to the same extent if the lessee were the Owner and a member of the Association, and shall expressly subordinate the lessee's interest to the lien of the assessments provided for in this Declaration. Provided, however, that a lessee may be protected against the lien for assessments due prior to the date of the lease by procuring a binding certificate from the Association, as provided in the By-Laws, as to whether or not such assessments have been paid.

(iv) No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his responsibility to the Association for compliance with the provisions of this Declaration, the By-Laws and any rules and regulations of the Association, or from the Owner's personal liability to the Association for assessments. This requirement shall not be construed to prohibit indemnity provisions as between the Owner and lessee.

(v) Leased premises shall contain no more than two (2) permanent occupants per bedroom.

(b) Any Owner desiring to enter into a lease for his Lot shall submit the form of the proposed lease to the Board of Directors (which form need not include the identity of the lessee or the rental amount) for review for compliance with the requirements of this Section 6.3(a)(v) if it determines by a majority vote of the Board that a waiver under the circumstances presented is in the best interests of the Association. The granting of any such waiver shall be a final determination, binding upon the Association, but the denial of a waiver may be reversed upon the affirmation in writing of a majority of the membership, or by a majority of the votes cast by those members present at a meeting called for the purpose. The Board of Directors may employ an attorney in connection with any such review, and a reasonable fee may be charged to the applicant to offset the expense so incurred. In the event the Board fails to approve or disapprove the lease within fifteen (15) days after submission by the applicant, the lease shall be deemed approved. A copy of each lease by an Owner shall be provided to the Board of Directors by the Owner within thirty (30) days after execution.

(c) Subject to any contrary provisions set forth in any lease of a Lot, each lease shall be deemed to transfer to the lessee during the term of such lease all rights, privileges, obligations and limitations attendant to membership in the Association, including (except in the case of a lease by Declarant) an irrevocable proxy to exercise the Owner's voting rights appurtenant to the leased lot in all elections and on all issues presented for a vote of the members, except any vote upon: (I) an amendment to the Declaration, the Articles or the By-Laws; (ii) annexation of additional property; (iii) a Special Assessment for a capital improvement pursuant to Section 5.4; or (iv) mortgage or dedication of all or any portion of the Pedestrian and Landscape Easements pursuant to Section 3.1 or Section 3.2.

(d) The provisions of paragraphs (a) and (c) of this Section 6.3 shall apply to a lease by Declarant, except that Declarant may lease Lots owned by it for a term of less than one (1) year, and Declarant shall be deemed for all purposes to retain all voting rights in the Association appurtenant to all Lots owned by it, notwithstanding any lease or any inconsistent provisions contained in any lease. Declarant shall not be required to submit any lease or leases to the Board of Directors for review as to form. However, within thirty (30) days after entering into any lease of a Lot, Declarant shall provide to the Board of Directors a written notice setting forth the location of the Lot, the term of the lease and the identity of the lessee.

(e) The limitation of Section 6.3(a)(v) shall not apply to the holder of any first mortgage who acquired ownership or possession of any Lot by reason of a foreclosure or conveyance in lieu thereof, or during the pendency of a foreclosure proceeding (nor shall any lease by any such mortgagee be counted as a leased Lot for purposes of the forty percent (40%) limitation contained therein). However, the remaining provisions of this Section 6.3 shall apply to any such mortgagee, including but not limited to the requirement that the form of any proposed lease by any such mortgagee be submitted to the Board of Directors for review as to compliance with the requirements clauses (I) through (iv) of Section 6.3(a).

(f) Any lease or attempted lease of a Lot in violation of the provisions of this Section 6.3 shall be voidable at the election of the Association or any other party having the right to enforce the provisions of this Declaration, except that neither party to such lease may assert this provision of this Section 6.3 to avoid its obligations thereunder.

Section 6.4. Signs. No sign of any kind (other than designations, in such styles and materials as the Association shall by rule or regulation approve, of street addresses and names of occupants) shall be displayed to the public view on any Lot, except that a "For Sale" sign may be displayed provided that it is in such form as the Board may require, and except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertise the development during the construction and sale periods.

Section 6.5. Home Occupations. No home occupation shall be conducted or maintained on any Lot other than one which is incidental to a business, profession or occupation of the Owner or occupant of any such Lot, and which is generally or regularly conducted in another location away from such Lots.

Section 6.6. Rules and Regulations. The Board of Directors from time to time may promulgate further rules and regulations concerning the use of Lots and the Pedestrian and Landscape Easements. A majority of those Owners voting at a meeting called for the purpose may rescind or modify any rule or regulation adopted by the Board of Directors. Copies of rules and regulations shall be furnished by the Board to the Owners prior to the time when the same shall be effective.

Section 6.7. Development and Sale Period. Nothing contained in this Article VI shall be construed or interpreted to restrict the activities of Declarant in connection with the development of the Properties and sale of Lots. During the Development Period, Declarant shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities, upon any portion of the Properties at any time owned or leased by Declarant, as in the sole opinion of Declarant may be reasonably required, or convenient or incidental to, the development of the Properties and sale of the Lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices.

## ARTICLE VII

### MAINTENANCE OF PEDESTRIAN AND LANDSCAPE EASEMENTS

Section 7.1. Maintenance Obligations of Association with Respect to Buildings and Grounds. The rights and obligations of the Owners as set forth in this Declaration, shall be responsible for, and be vested with, the exclusive management and control of the Pedestrian and Landscape Easements and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. Such responsibility (to the extent the same is not otherwise herein declared or stated to be the obligation or responsibility of Owners of Lots) shall include, but not be limited to the following: the maintenance and repair of the Pedestrian and Landscape Easements improvements, such as the recreational facilities, if any, walkways, exterior ornamental lighting and all other improvements or material located within or used in connection with the Pedestrian and Landscape Easements. Without limiting the generality of the foregoing, if a water retention facility is installed as part of the storm and surface water drainage system of the Property, such water retention facility shall be a part of the Pedestrian and Landscape Easements to be operated, managed, controlled, repaired and maintained by the Association. Under no circumstances shall any obligation for the maintenance of any water retention facility be imposed upon, or implied as an obligation of, any governmental agency, unless such obligation is specifically and expressly assumed or accepted by any such governmental agency.

## ARTICLE VIII

### INSURANCE

Section 8.1. Liability Insurance. The Association shall purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Association or Board of Directors, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Association, all Owners and all other persons entitled to occupy any Lot.

Section 8.2. Miscellaneous Insurance Provisions. The Association shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Association, its Board of Directors and any managing agent acting on behalf of the Association. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Association.

Section 8.3. Monthly Assessment for Insurance. The premiums for the insurance described above shall be paid by the Association, and the pro rate cost thereof shall become a separate monthly assessment ("Monthly Insurance Assessment") to which each Lot shall become and be subject as of the commencement date and under the terms and conditions provided in Article V. Each Owner (except Declarant) shall prepay to the Association at the time his or her Lot is conveyed to such Owner an amount equal to thirteen (13)

Monthly Insurance Assessments and shall maintain such prepayment account at all times. The Association shall hold such funds in escrow for the payment for the purchase of insurance as herein provided or shall use such funds to prepay the premiums of the required insurance. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Association who is required to send notices of meetings of the Association.

## ARTICLE IX

### GENERAL PROVISIONS

Section 9.1. Right of Enforcement. In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the Association or any Owner and all parties claiming under them shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue any and all remedies, at law or in equity, available under applicable Indiana law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorneys' fees and the costs and expenses incurred as a result thereof.

Section 9.2. Severability. Invalidation of any one of the covenants, restrictions or provisions contained in this Declaration by judgment or court order shall not in any way affect any of the other provisions hereof, which shall remain in full force and effect.

Section 9.3. Amendment. During the first twenty (20) years following its recordation, this Declaration may be amended or modified at any time by an instrument recorded in the Office of the Recorder of Tippecanoe County, Indiana, approved and signed by at least seventy-five percent (75%) of the then Owners, and thereafter by an instrument signed by at least two-thirds (2/3) of the then Owners. Provided, however, that none of the rights or duties of Declarant reserved or set out hereunder may be amended or changed without Declarant's prior written approval. This Declaration may also be amended by Declarant, if it then has any ownership interest in the Properties, at any time within two (2) years after the recordation hereof, except that Declaration shall not affect any of the following changes without the approval of two-thirds (2/3) of the first mortgagees of the Lots (based upon one (1) vote for each mortgage) and two-thirds (2/3) of the Owners of Lots (excluding Declarant):

(a) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(b) any change in the provisions herein governing architectural design of improvements on Lots and the maintenance obligations with respect to the Properties;

The covenants, restrictions and all other provisions of this Declaration shall run with the land and shall be binding upon all persons claiming under them for a period of twenty (20) years from the date of recordation, and thereafter shall automatically extend for successive period of ten (10) years each unless prior to the expiration of any such ten year period this Declaration is amended or changed in whole or in part as hereinabove provided. However, there shall be no amendment to these Covenants, Restrictions and Conditions without prior approval of the Area Plan Commission of Tippecanoe County and the legislative body of the member jurisdiction through the planned development rezoning process, which includes the possibility of consideration as a minor modification by the Administrative Officer of the member jurisdiction.

Section 9.4. Annexation. Additional residential property also may be annexed to the Properties with the consent of a majority of the members of the Association by the recording of a declaration applicable to the annexed real estate which incorporated the terms of this Declaration therein.

Section 9.5 Notice to Mortgagees. The Association, upon request, shall provide to any lender holding a first mortgage upon any Lot, a written certificate or notice specifying unpaid assessments and other defaults of the Owner of such Lot, if any, in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation of the Association, its By-Laws or any other applicable documents, which default has not been cured within sixty (60) days. A reasonable charge may be made by the Association for the issuance of any such certificate or notice, and any such certificate properly executed by an officer of the Association shall be binding upon the Association, as provided in Section 5.6.

IN WITNESS WHEREOF, STONEHENGE DEVELOPMENT CORPORATION, AN INDIANA CORPORATION, has caused this Declaration to be executed as of the date first above written.

STONEHENGE DEVELOPMENT CORPORATION, an Indiana Corporation

By: \_\_\_\_\_

Michael F. King, President

By: \_\_\_\_\_

Patrick N. Cunningham, Vice President

ATTEST:

\_\_\_\_\_

STATE OF INDIANA )

) SS:

COUNTY OF TIPPECANOE )

Before me, a Notary Public in and for said County and State, personally appeared Michael F. King and Patrick N. Cunningham, Officers of STONEHENGE Development Corporation, who acknowledged execution of the above and foregoing Declaration and the truth of the facts stated therein.

Witness my hand and seal this 6th day of April, 1998.

My Commission Expires August 7, 1999.

\_\_\_\_\_  
Julie M. Wright, Notary Public  
Resident of Tippecanoe County, Indiana

This Document prepared by Patrick N. Cunningham, 309 Columbia Street, Suite 101, Lafayette, IN 47901

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
STONEHENGE PLANNED UNIT DEVELOPMENT

THIS DECLARATION, made on this \_\_\_\_ day of \_\_\_\_\_, 1999, by STONEHENGE DEVELOPMENT CORPORATION, AN INDIANA CORPORATION, (hereinafter referred to as "Declarant"),

WITNESSES:

WHEREAS, Declarant is the owner of certain real estate located generally in Tippecanoe County, Indiana, which is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Initial Properties");

WHEREAS, Declarant desires to develop the Initial Properties as generally shown on the "Final Detailed Plans for STONEHENGE" (hereinafter referred to as the "Plat"), by designating certain portions of the Initial Properties as "Common Areas" (as hereinafter defined) to be owned by a homeowners association (the "Association," as hereinafter defined) and by designating certain other portions of the Initial Properties as "Lots" (as hereinafter defined), (with certain exceptions or variations as may be necessary or appropriate); and

WHEREAS, said Final Detailed Plans were approved \_\_\_\_\_ by the Tippecanoe County Area Plan Commission and recorded \_\_\_\_\_ in Plat Cabinet \_\_, Slide \_\_, in the Office of the Recorder of Tippecanoe County, Indiana;

NOW, THEREFORE, Declarant hereby declares that all of the Initial Properties shall be held, sold and conveyed subject to the following easements, restrictions, limitations, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Initial Properties and be binding on all parties having any right, title or interest in the Initial Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

NAME

The Properties created by this Declaration shall be known and designated as STONEHENGE PLANNED UNIT DEVELOPMENT.

ARTICLE II

DEFINITIONS

Section 2.1. "Association" means STONEHENGE PLANNED UNIT DEVELOPMENT Homeowners Association, Corporation, an Indiana not-for-profit corporation, its successors and assigns.

Section 2.2. "Articles" means the Articles of Incorporation of the Association filed with the office of the Secretary of State of Indiana, as the same are or hereafter may be amended from time to time.

Section 2.3. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but otherwise excluding those having such interest merely as security for the performance of an obligation. Unless specifically indicated to the contrary, the term Owner as used herein shall include the Declarant, so long the Declarant shall own any Lot.

Section 2.4. "Properties" means the real estate described in Exhibit "A".

Section 2.5. "Plat" means the plat of the Initial Properties identified as Final Detailed Plan for BREN BELLA, amended by the amended detailed plan recorded \_\_\_\_\_ in Plat Cabinet \_\_, page \_\_ in the Office of

the Recorder of Tippecanoe County, Indiana, recorded in the office of the Recorder of Tippecanoe County, Indiana, as the same may be hereafter amended or supplemented.

Section 2.6. "Lot " means each of those parcels of land shown on the Plat as such, which shall include from time to time all of the Properties not designated as Common Areas. More particularly, with respect to any single-family dwelling unit portion of the Building that is or shall be constructed on each lot, "Lot" means the real estate conveyed or to be conveyed in connection with such dwelling unit.

Section 2.7. "Building" means the multi-family units that are or shall be constructed.

Section 2.8. "Declarant" means STONEHENGE DEVELOPMENT CORPORATION, AN INDIANA CORPORATION, its successors and assigns as a declarant.

Section 2.9. "Board of Directors" means the Board of Directors of the Association.

Section 2.10. "Common Area" means those portions of the Properties (including improvements thereto), facilities and personal property owned or leased by the Association from time to time for the common use, benefit and enjoyment of its members. Unless expressly stated to the contrary, the term Common Area as used herein (whether or not so expressed), shall include all private streets, walkways and all other portions of the Properties not designated as Lots. The Common Area to be owned by the Association at the time of conveyance of the first Lot to an Owner includes all areas not designated as Lots on the Final Detailed Plans for STONEHENGE, as amended, together with all areas not designated as Lots on the Final Plats.

Section 2.11. "Development Period" means the period of the time commencing with Declarant's acquisition of the Initial Properties and ending when Declarant has completed the development and sale of, and no longer owns, any Lot, or any other portion of the real estate described in Exhibit "A" or any other Properties.

### ARTICLE III

#### PROPERTY RIGHTS

Section 3.1. Owners' Easements of Enjoyment of Common Area. Every Owner shall have a non-exclusive right and easement of enjoyment, in common with all Owners, in and to the Common Area which shall be appurtenant to and shall pass with title to every Lot (in the form of a right to membership in the Association), subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of any recreational facilities by any Owner for any period during which any assessment remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to promulgate reasonable rules and regulations governing the use of the Common Area including, without limitation, parking regulations and restrictions on the use of and quality, kind and nature of any improvements, additions or alterations to any and all landscaping areas, Building exteriors and other portions of the Properties included in the Common Area;
- (d) the rights of Declarant as provided in this Declaration;

(e) all other rights, obligations and duties as set forth in this Declaration, as the same may be from time to time amended or supplemented:

(f) the right of the Association to mortgage any or all of the Common Area, upon the approval of two-thirds (2/3) of the membership of each class of members of the Association;

(g) the easements reserved elsewhere in this Declaration and the right of the Association to grant further reasonable utility easements across and through the Common Area for the benefit of its members; and

(h) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be set forth in the instrument of dedication or transfer, upon the approval of two-thirds (2/3) of the membership of each class of members of the Association.

Section 3.2. Owners Easements of Enjoyment of Parking Common Area.

(a) Every Owner shall have the following additional rights and easements of enjoyment, in and to the following Parking Common Areas, which shall be appurtenant to and pass with title to the Owner's Lot:

(i) Each Owner of a Lot shall have, as a Parking Common Area appurtenant to such Lot, a non-exclusive right and easement for the use, for ingress, egress and temporary guest parking, of the Area designated on the Plat as a Parking Common Area ("P.C.A.").

Section 3.3. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and any reasonable and non-discriminatory rules and regulations promulgated from time to time by the Association and subject to the rights of others as set forth in Sections 3.1 and 3.2, his or her right of enjoyment of the Common Area appurtenant to his or her Lot, to family members, to a lessee or contract purchaser of his Lot or to guests.

Section 3.4 Certain Obligations and Access Rights to the Common Area.

(a) The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the management and control, for the exclusive benefit of the Owners as provided herein, of the Common Area, and for the maintenance of the same in good, clean, attractive, safe, and sanitary condition, order and repair.

(b) The Association shall have and is hereby granted an easement and right of access to all of the Common Area for the purpose of maintaining or repairing or causing the same to be maintained or repaired as is its obligation and duty under Sections 3.4 and 7.2 of this Declaration. In addition, certain utility lines, sewer and other facilities and other improvements located within a Lot or a Common Area may serve other adjacent or non-adjacent Lots. The Association and any member thereof whose enjoyment of the use and occupancy of his Lot is affected thereby, their respective officers, agents, employees and contractors, shall have an easement thereto and shall have the right, at reasonable times and at any time in case of emergency, to go upon any Lot or Common Area for the purpose of maintaining or causing to be maintained or repaired any Building, party wall, utility line, sewer or other facilities located thereon that serve another Lot. The Association also shall have and is hereby granted a general

right of access to all of the Common Area and Lots, at reasonable times and at any time in case of emergency, as reasonably required by its officers, directors, employees and their agents and independent contractors, to the full extent necessary or appropriate to perform its obligations and duties as set forth in this Declaration. The easements and rights specified herein also are reserved for the benefit of Declarant so long as Declarant owns any portion of the Properties and for so long as Declarant may be liable under any builder's warranty.

Section 3.5. Drainage, Utility, Sewer and Other Development Easements.

(a) Declarant hereby reserves unto itself during the Development Period, and thereafter unto the Association, an undefined easement ("Drainage, Utility and Sewer Easement") for drainage, utility and sewer purposes in, on and over all of the Common Area, so as to permit Declarant to properly install and allow to be maintained all electrical, telephone, water, gas, sanitary and storm sewer, television (including but not limited to cable and/or satellite) transmission facilities, security systems and other utility services, antennae and other equipment and facilities to serve the Building and the living units within the Building to be constructed on each Lot. This Drainage, Utility and Sewer Easement shall include all areas of the Properties outside the Buildings to be constructed by Declarant, with the exception of any areas covered by chimneys, patios, porches or similar appurtenances of the Buildings. No other improvements or permanent structures (except walkways, pathways, fences, signs, lighting, landscaping and pavement on streets and driveways) shall be placed within any Drainage, Utility and Sewer Easement, and any fences so installed are subject to the rights (including the right to remove where reasonably necessary without duty of replacement or reimbursement) of any public or private utility to construct, maintain, repair or remove any necessary facilities and rights of Declarant and the Association to provide for and maintain appropriate drainage.

(b) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the right and an undefined easement ("Sign and Facilities Easement") to install, erect, construct and maintain an entryway sign or signs, directional signs, lighting, walkways, pathways, fences, walls and any other landscaping, architectural and recreational features or facilities considered necessary, appropriate, useful or convenient, anywhere upon the Properties (except upon any Lot after the first conveyance thereof). Any signs shall comply with any applicable zoning requirements and all such facilities shall be maintained by the Association as a part of its Common Area maintenance obligations.

(c) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the full right, title and authority (i) to relocate, alter or otherwise change the location of any Drainage, Utility and Sewer Easement, the Sign and Facilities Easement, or any facility at any time located therein or thereon; (ii) to grant such further easements, licenses and rights-of-way, temporary or permanent, exclusive or non-exclusive, surface or otherwise, as Declarant may deem necessary or appropriate, for ingress, egress, utility and similar purposes on or within any Lot or any other portion of the Properties, for the benefit of any Lot, of any of the real estate described in Exhibit A and B, or of any other properties; (iii) to describe more specifically or to change the description of any Drainage, Utility and Sewer Easement, the sign and Facilities Easement or any other easement, license or right-of-way now or hereafter existing on the Properties; (iv) to change or reestablish or modify the location of lotlines and/or phase lines; by written

instrument, amended Plat or amendment to the Plat recorded in the Office of the Recorder of Tippecanoe County, Indiana.

(d) The title of the Association (as to the Common Area during the Development Period) and of any Owner of any Lot shall be subject to the rights and easements reserved herein. Provided, however, that the rights reserved in this Section 3.5 shall not be exercised after the conveyance of any Lot in a manner that unreasonably and adversely affects any Building or portion thereof located upon such Lot or the Owner's use or enjoyment thereof, or which unreasonably restricts the rights of ingress and egress to such Lot. The rights and easements reserved by Declarant in this Section 3.5 shall run with the land, and declarant's right to further alter or grant easements shall automatically terminate and pass to the Association one (1) year after Declarant shall have conveyed the last Lot within the Properties.

(e) In the event that utility companies need to remove an improvement to maintain their facilities, the Homeowners Association is responsible for replacing the improvement.

Section 3.6. Easement for Emergency Purposes. An easement is hereby dedicated and granted for use in the case of an emergency by emergency vehicles such as fire trucks, police cars and ambulances and emergency personnel, public and private, over and upon the Common Area roadways, and any pedestrian walkways or pathways.

Section 3.7 Encroachments and Easements for Buildings. If, by reason of the location, construction, settling or shifting of a Building, any part of a Building comprising the single-family residence appurtenant to a Lot (hereinafter in this Section 3.7 referred to as the "Encroaching Unit") now encroaches or shall hereafter encroach upon any minor portion of any other adjacent Lot or any Common Area, then in such event, an exclusive easement shall be deemed to exist and run to the Owner of the Encroaching Unit for the maintenance, use and enjoyment of the Encroaching Unit and all appurtenances thereto.

## ARTICLE IV

### ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Membership. Initially, to satisfy the requirements of the Indiana Not-For-Profit Corporation Act, the three (3) persons who serve as incorporators of the Association shall be the members (the "Initial Members"). The Initial Members shall remain members of the Association until three (3) persons have become Class A or Class B members, at which time the Initial Members shall cease to be members unless they also qualify as Class A or Class B members. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Apart from the Initial Members, membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2. Classes of Membership and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; the vote for such Lot shall be exercised as the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to six (6) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; or

(b) on January 1, 2018.

Section 4.3. Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association.

Section 4.4. Professional Management. No contract or agreement for professional management of the Association, nor any other contract between Declarant and the Association, shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause without any termination fee by written notice of ninety (90) days or less.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner (excepting the Declarant and Home Builders) of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Regular Monthly Assessments (for maintenance, repairs and ordinary operating expenses); (2) Special Assessments for (a) capital improvements and operating deficits, as provided in Section 5.4, and (b) for special maintenance or repairs as provided in Section 7.2; and (3) a Monthly Insurance Agreement as provided in Section 9.4. Such assessments shall be established, shall commence upon such dates and shall be collected as hereinafter provided. All such assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 5.2. Purpose of Regular Monthly Assessments. The Regular Monthly Assessments levied by the Association shall be used exclusively, in the reasonable discretion of the Board of Directors of the Association, for the promotion of the recreation, health, safety and welfare of the residents in the Properties, for the improvement, maintenance and repair of the Common Area, and Buildings situated on the Properties, for the performance of the obligations and duties of the Association and for other purposes only as specifically provided herein at the time that Class B Membership ceases to exist. A portion of the Regular Monthly Assessments shall start being set aside or otherwise allocated in a reserve fund for the purpose of providing repair and replacement of the Common Area, the Buildings and other capital improvements which the Association is required to maintain.

Section 5.3. Maximum regular Monthly Assessments. (a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Regular Monthly assessment on any Lot conveyed by Declarant shall be \$100 per Lot.

(b) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year not more than 50 % above the maximum Regular Monthly Assessment for the previous year without a vote of membership.

(c) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year by more than 50 % above the maximum Regular Monthly Assessment for the previous year, with the approval of two-thirds (2/3) vote by those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.

(d) The Board of Directors from time to time may fix the Regular Monthly Assessment, without any vote of membership, at any amount not in excess of the maximum.

Section 5.4. Special Assessments for Capital Improvements, Swimming Pool Fees, Club House Fees, and Operating deficits. In addition to the Regular Monthly Assessments authorized above, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain, or to recover any operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) vote by those members of each class of members in person or by proxy at a meeting duly called for this purpose.

Section 5.5. Notice and Quorum for Any Action Authorized Under Section 5.3 and 5.4. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3 or 5.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6. Uniform Rate of Assessment. Regular Monthly Assessments and Special Assessments for capital improvements and to recover operating deficits must be fixed at a uniform rate for all Lots. All other assessments (except Special Assessments under Sections 5.4 and 7.2) also shall be fixed at a uniform rate for all Lots.

Section 5.7. Date of Commencement of Monthly Assessments; Due Dates. The Regular Monthly Assessment provided for herein and the Monthly Insurance Assessments provided for in Section 9.4 shall commence as to each Lot on the earlier of the following dates:

- (a) the first day of the first month following the conveyance or lease of such Lot to a home buyer (excepting the builder) by Declarant; or
- (b) the first day of the first month following the conveyance or lease of such lot to a home buyer by the builder.

The Board of Directors shall fix any increase in the amount of such monthly assessment at least thirty (30) days in advance of the effective date of such increase. Written notice of any increase in the Regular Monthly Assessment, and written notice of any special Assessment and such other assessment notices as the Board of Directors shall deem appropriate, shall be sent to every Owner subject thereto. The due dates for all assessments, and the assessment and collection period (i.e., annual, monthly, lump-sum or otherwise) for any Special Assessments, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate from the Association regarding the status of assessments for any Lot shall be binding upon the Association as of the date of its issuance.

Section 5.8. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment (or periodic installment of such assessment, if applicable) is not paid on the due date established therefor pursuant to Section 5.7 hereof, then the entire unpaid assessment (together with interest thereon, costs and attorneys' fees as hereinafter provided and as provided in Section 5.1) shall become delinquent and shall constitute a continuing lien on the Lot to which such assessment relates, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall not pass to such Owner's successors in title unless expressly assumed by them. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twenty-five per cent (25%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, or both. In such event, there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided, costs of the action and reasonable attorneys' fees to be fixed by the court. No Owner may waiver to otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 5.9. Subordination of the Lien to Mortgages; Sale or Transfer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot pursuant to the foreclosure of any first mortgage on such Lot (without the necessity of joining the Association in any such foreclosure action) or any proceedings or deed in lieu thereof shall extinguish the lien of all assessment becoming due prior to the date of such sale or transfer. No sale or transfer of any Lot (whether voluntary or pursuant to foreclosure or otherwise) shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof; and, except as hereinabove provided, the sale or transfer of any Lot shall not affect the lien of assessments becoming due prior to the date of such sale or transfer except to the extent that a purchaser may be protected against the lien for prior assessments by a binding certificate from the Association, issued pursuant to Section 5.7, as to whether or not such assessments have been paid.

## ARTICLE VI

## USE RESTRICTIONS AND ARCHITECTURAL CONTROL

Section 6.1. Lot Use and Conveyance. All Lots platted shall be used exclusively for semi-attached zero lot-line single-family residential purposes or single-family residential purposes as provided for on lots numbered 61, 78, 93, 110, 117, and 119, except that Declarant, during the development period, reserve (a) the rights provided in Section 6.7 respecting the properties, generally and (b) the right to subdivide, dedicate or otherwise convey or designate all or any portion of any one or more Lots which it may own from time to time for recreational or other common uses and benefit of all Owners and other members of the Association. Any Lot or portion thereof so designated for common use shall become part of the Common Area, and reasonable rules and regulations shall be promulgated and enforced with respect thereto so that the use and enjoyment of adjacent Lots by the Owners thereof shall not be unreasonably disturbed. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein. (c) The Owners, further, shall be subject to the following use restrictions:

- (i) Obstructions. There shall be no obstruction of the Common Area, nor shall anything be kept or stored on any part of the Common Area without the prior written consent of the Association except construction materials and equipment during the construction period or except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Area except upon the prior written consent of the Association.
- (ii) Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or in any Living Unit or on or in any Common Area or any part thereof which would increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept on any Lot or in any Living Unit or on or in any Common Area or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof or of the exterior of the Property and Buildings thereon shall be committed by any Owner or any invitee or tenant of any Owner and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees or tenants, to the Association and other Owners. No noxious, destructive or offensive activity shall be allowed on any Lots or in the Common Area or any part thereof, nor shall anything be done thereon which may be or may become a nuisance to any other Owner or to any other person at any time lawfully residing on the Property; provided, however, that no act, conduct, activity or operation which Declarant is authorized or permitted to do hereunder shall ever be deemed to be noxious, destructive, offensive nor a nuisance for purposes of this Section.
- (iii) Fences, Walls and Patios. No Owner shall relocate, heighten, lower or otherwise move or change any fence except for privacy fence on individual lots, wall or patio upon the Property except with approval of the Association as provided herein.
- (iv) Privacy fence on individual Lots. Privacy fence on individual Lots will be of the same design as the exterior perimeter fence as specified on the Final Detailed Construction Plans, said fence will not exceed six feet (6') in height and sixteen (16) feet in length.
- (v) No Unsightly Uses. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Common Area, or on a Lot so as to be visible from outside the Lot. The Common Area shall be kept free and clear of all rubbish, debris and other unsightly materials.
- (vi) Animals. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in or on any Lot or on the Common Area or any part thereof, except that household pets of mature size of not more than 24 inches in height may be kept on Lots, subject to rules and regulations adopted by the Board provided that they are not kept, bred, or maintained for any commercial purposes; provided, further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property subject to these restrictions upon three days' written notice from the Board, and provided further, that upon written request of 25% of the voting power of the Association, the Board of Directors shall have the authority to, and shall order the removal of, any pet.
- (vii) Prohibited Structures. No structure of a temporary character, trailer, boat, camper-bus, basketball hoop, basement, tent, or shack shall be maintained on any Lot nor shall any garage or other building except a permanent residence be used on any Lot at any time as a residence or sleeping quarters, either temporarily or permanently.

(viii) Storage. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, outdoor cooking equipment, yard and garden tools and equipment and trash and garbage containers, shall not be allowed unless screened from view by enclosures so as to be effectively screened from view outside the Lot. The design of such screened enclosure must be approved by the Association in accordance with the architectural control provisions hereof. The storage or collection of rubbish of any character whatsoever, any material that emits foul or obnoxious odors, the growing of any noxious or illegal weed or other natural substance, and the harboring of the source of any noise or activity which disturbs the peace, comfort or serenity of residents is prohibited. Usual household trash and garbage shall be regularly collected and may be kept outside only if in sanitary containers which are so screened. Notwithstanding the foregoing, no boats, snowmobiles, recreational vehicles, trailers, camping vehicles, buses, mobile homes, tractor/trailers, trucks, motorcycles, mini bikes, mopeds, unlicensed or inoperable vehicles, or any other vehicles of any description other than normal passenger automobiles shall at any time be stored or parked on any Lot outside of a garage or on any part of the Common Area, either permanently or temporarily

(ix) Antennae. Except with prior written approval and the authorization of the Association's Board of Directors, no exterior television or radio antennae of any sort shall be placed, allowed or maintained upon any portion of the improvements or structures to be located upon the Property, or on the Property itself.

(x) Dwelling Size. No one-story dwelling having a ground floor area of less than 1,200 square feet and no multistory dwelling having a total floor area of 1500 square feet, in each case exclusive of the area of garage and one-story porches, shall be erected in the Planned Development. The Floor area shall be measured by the exterior dimensions for the purpose of these restrictions. Any decrease in minimum required square footage will be by written consent of the Architectural Control Committee.

(xi) Shingles. The type of shingle used will be specified by Declarant.

(xii) Vinyl Siding. The type of vinyl siding will be specified by Declarant.

(xiii) Color Scheme. Each building (multi-family) will have one color scheme and one type of brick. The colors will be approved by the Declarant.

(xiv) Mailbox. The type of mailbox will be specified by the Declarant.

(xv) Yard Light. A dusk to dawn light will be required in the front yard, unless rescinded by Declarant.

(xvi) Garages. Each unit will have a minimum of a two-car garage.

(xvii) Brick. Each unit will have a requirement for brick on approximately 50 per cent (50%) of the front. Any decrease in minimum required brick will be by written consent of the Architectural Control Committee.

Section 6.2. Architectural Control. No building, fence, wall, or other structure, except original construction of Buildings by or on behalf of Declarant shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein, other than by the Board of Directors, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor as above provided. In the event that written approval is not received as required hereunder within twenty-one (21) days from the date requested, the failure to issue such written approval shall be construed as the disapproval of the request made.

Section 6.3. Non-Owner Occupants – Leasing of Lots. (a) All Lots occupies by persons other than the Owner or direct blood relatives shall be subject to a written lease with the Owner meeting the following requirements:

- (i) All leases shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior approval of the Board of Directors.
- (ii) All leases shall contain provisions adequate to require the lessee to comply with the provisions of this Declaration and the By-Laws of the Association, and with all rules and regulations promulgated by the Association from time to time, to

the same extent as if the lessee were an Owner and a member of the Association; and shall provide for direct action by the Association against the lessee with or without joinder of the Owner, at the Association's option.

- (iii) All leases shall make the lessee personally liable (jointly and severally with the Owner) for assessments levied by the Association during the term of the lease pursuant to the terms of this Declaration and the By-Laws, to the same extent if the lessee were the Owner and a member of the Association, and shall expressly subordinate the lessee's interest to the lien of the assessments provided for in this Declaration. Provided, however, that a lessee may be protected against the lien for assessments due prior to the date of the lease by procuring a binding certificate from the Association, as provided in the By-Laws, as to whether or not such assessments have been paid.
  - (iv) No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his responsibility to the Association for compliance with the provisions of this Declaration, the By-Laws and any rules and regulations of the Association, or from the Owner's personal liability to the Association for assessments. This requirement shall not be construed to prohibit indemnity provisions as between the Owner and lessee.
  - (v) In order to preserve the general character of STONEHENGE PLANNED UNIT DEVELOPMENT as an owner-occupied residential development, not more than forty percent (40%) of the total number of Lots included in the Properties shall be leased at any time.
- (b) Any owner desiring to enter into a lease for his Lot shall submit the form of the proposed lease to the Board of Directors (which form need not include the identity of the lessee or the rental amount) for review for compliance with the requirements of this Section 6.3(a)(v) if it determines by a majority vote of the Board that a waiver under the circumstances presented is in the best interests of the Association. The granting of any such waiver shall be a final determination, binding upon the Association, but the denial of a waiver may be reversed upon the affirmation in writing of a majority of the membership, or by a majority of the votes cast by those members present at a meeting called for the purpose. The Board of Directors may employ an attorney in connection with any such review, and a reasonable fee may be charged to the applicant to offset the expense so incurred. In the event the Board fails to approve or disapprove the lease within fifteen (15) days after submission by the applicant, the lease shall be deemed approved. A copy of each lease by an Owner shall be provided to the Board of Directors within thirty (30) days after execution.
- (c) The provisions of paragraph (a) of this Section 6.3 shall apply to a lease by Declarant, except that Declarant may lease Lots owned by it for a term of less than one (1) year, and Declarant shall be deemed for all purposes to retain all voting rights in the Association appurtenant to all Lots owned by it, notwithstanding any lease or any inconsistent provisions contained in any lease. Declarant shall not be required to submit any lease or leases to the Board of Directors for review as to form. However, within thirty (30) days after entering into any lease of a Lot, Declarant shall provide to the Board of Directors a written notice setting forth the location of the Lot, the term of the lease and the identity of the lessee.
- (d) The limitations of Section 6.3(a)(v) shall not apply to the holder of any first mortgage who acquired ownership or possession of any Lot by reason of a foreclosure or conveyance in lieu thereof, or during the pendency of a foreclosure proceeding (nor shall any lease by any such mortgagee be counted as a leased Lot for purposes of the forty percent (40%) limitation contained therein). However, the remaining provisions of the Section 6.3 shall apply to any such mortgagee, including but not limited to the requirement that the form of any proposed lease by any such mortgagee be submitted to the Board of Directors for review as to compliance with the requirements clauses (1) through (iv) of Section 6.3(a).
- (e) Any lease of attempted lease of a Lot in violation of the provisions of this Section 6.3 shall be voidable at the election of the Association or any other party having the right to enforce the provisions of the Declaration, except that neither party to such lease may assert this provision of this Section 6.3 to avoid its obligations thereunder.

**Section 6.4. Signs.** No sign of any kind (other than designations, in such styles and materials as the Association shall by rule or regulation approve, of street addresses and names of occupants) shall be displayed to the public view on any Lot, except that a "For Sale" sign may be displayed provided that it is in such form as the Board may require, and except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertise the development during the construction and sale periods.

**Section 6.5. Home Occupations.** No home occupation shall be conducted or maintained on any Lot other than one which is incidental to a business, profession or occupation of the Owner or occupant of any such Lot, and which is generally or regularly conducted in another location away from such Lots.

Section 6.6. Rules and Regulations. The Board of Directors from time to time may promulgate further rules and regulations concerning the use of Lots and the Common Area. A majority of those Owners voting at a meeting called for the purpose may rescind or modify any rule or regulation adopted by the Board of Directors. Copies of rules and regulations shall be furnished by the Board to the Owners prior to the time when the same shall be effective.

Section 6.7. Development and Sale Period. Nothing contained in this Article VI shall be construed or interpreted to restrict the activities of Declarant in connection with the development of the Properties and sale of Lots. During the Development Period, Declarant shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities, upon any portion of the Properties at any time owned or leased by Declarant, as in the sole opinion of Declarant may be reasonably required, or convenient or incidental to, the development of the Properties and sale of the Lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices.

## ARTICLE VII

### MAINTENANCE OF COMMON AREAS

Section 7.1. Maintenance by Owners. (a) The Owner of each lot shall furnish and be responsible for at his or her own expense, all the maintenance, repairs, decorating and replacements within such Owner's residence, including the heating and air conditioning system and any partitions and interior walls, and any and all other maintenance, repair, landscaping (not designated "Common Property"), and replacements of the improvements on his or her Lot unless otherwise provided herein. The Owner shall keep the interior of his or her residence in good, clean, attractive and sanitary condition, order and repair.

ARTICLE VIII To the extent that equipment, facilities and fixture within any Lot shall be connected to similar equipment, facilities or fixtures affecting or serving other Lots, the use thereof by the Owner of such Lot shall be subject to reasonable rules and regulations promulgated by the Association.

Section 7.2. Exterior Maintenance Obligations of Association with Respect to Buildings and Grounds. (a) The Common Area and Exteriors. The rights and obligations of the Owners as set forth in this Declaration, shall be responsible for, and be vested with, the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. Such responsibility (to the extent the same is not otherwise herein declared or stated to be the obligation or responsibility of Owners of Lots) shall include, but not be limited to the following: the maintenance and repair of the Common Area improvements, such as the recreational facilities, if any, driveways, parking areas, walkways, exterior ornamental lighting and all other improvements or material located within or used in connection with the Common Area. Without limiting the generality of the foregoing, if a water retention facility is installed as part of the storm and surface water drainage system of the Property, such water retention facility shall be a part of the Common Area to be operated, managed, controlled, repaired and maintained by the Association. Under no circumstances shall any obligation for the maintenance of any water retention facility be imposed upon, or implied as an obligation of, any governmental agency, unless such obligation is specifically and expressly assumed or accepted by any such governmental agency. As part of its management and control of the Common Areas, the Association shall snow plow the roadways, parking areas and walkways on the Common Area.

(b) The Association agrees to maintain and/or replace all plantings provided by the Declarant as shown as common Property on the overall Landscape Plan.

## ARTICLE VIII

### PARTY WALLS

Section 8.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Buildings upon the Properties and placed on the dividing lines between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 8.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 8.3. Destruction by Fire or Other Casualty. Subject to the provisions of Article IX hereof, if a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 8.4. Weatherproofing. Notwithstanding any other provision of this Article, but subject to the provisions of Article IX hereof, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 8.5. Right to contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

## ARTICLE X

### INSURANCE

Section 9.1. Liability Insurance. The Association shall purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Association or Board of Directors, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Association, all Owners and all other persons entitled to occupy any Lot.

Section 9.2. Miscellaneous Insurance Provisions. The Association shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Association, its Board of Directors and any managing agent acting on behalf of the Association. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Association.

Section 9.3. Monthly Assessment for Insurance. The premiums for the insurance described above shall be paid by the Association, and the pro rate cost thereof shall become a separate monthly assessment ("Monthly Insurance Assessment") to which each Lot shall become and be subject as of the commencement date and under the terms and conditions provided in Article V. Each Owner (except Declarant) shall prepay to the Association at the time his or her Lot is conveyed to such Owner an amount equal to thirteen (13) Monthly Insurance Assessments and shall maintain such prepayment account at all times. The Association shall hold such funds in escrow for the payment for the purchase of insurance as herein provided or shall use such funds to prepay the premiums of the required insurance. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Association who is required to send notices of meetings of the Association.

## ARTICLE X

### GENERAL PROVISIONS

Section 10.1. Right of Enforcement. In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the Association or any Owner and all parties claiming under them shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue any and all remedies, at law or in equity, available under applicable Indiana law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorneys' fees and the costs and expenses incurred as a result thereof.

Section 10.2. Severability. Invalidation of any one of the covenants, restrictions or provisions contained in this Declaration by judgment or court order shall not in any way affect any of the other provisions hereof, which shall remain in full force and effect.

Section 10.3. Amendment. During the first twenty (20) years following its recordation, this Declaration may be amended or modified at any time by an instrument recorded in the Office of the Recorder of Tippecanoe County, Indiana, approved and signed by at least seventy-five percent (75%) of the then Owners, and thereafter by an instrument signed by at least two-thirds (2/3) of the then Owners. Provided, however, that none of the rights or duties of Declarant reserved or set out hereunder may be amended or changed without Declarant's prior written approval. This Declaration may also be amended by Declarant, if it then has any ownership interest in the Properties, at any time within two (2) years after the recordation hereof, except that Declaration shall not affect any of the following changes without the approval of two-thirds (2/3) of the first mortgagees of the Lots (based upon one (1) vote for each mortgage) and two-thirds (2/3) of the Owners of Lots (excluding Declarant):

- (a) the abandonment, partition, subdivision, encumbrance, sale or transfer (other than to the Association) of any Common Area (other than the granting or altering of utility and drainage easements);
- (b) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;
- (c) any change in the provisions herein governing architectural design of improvements on Lots and the maintenance obligations with respect to the Properties;
- (d) any change that would allow the Association to maintain fire and extended insurance coverage on the Common Area in an amount less than the full insurable value thereof (based on current replacement cost);
- (e) any change that would allow the Association to use hazard insurance proceeds for losses to the Common Area for other than the repair, replacement or reconstruction of the Common Area.

The covenants, restrictions and all other provisions of this Declaration shall run with the land and shall be binding upon all persons claiming under them for a period of twenty (20) years from the date of recordation, and thereafter shall automatically extend for successive period of ten (10) years each unless prior to the expiration of any such ten year period this Declaration is amended or changed in whole or in part as hereinabove provided. However, there shall be no amendment to these Covenants, Restrictions and Conditions without prior approval of the Area Plan Commission of Tippecanoe County and the legislative body of the member jurisdiction through the planned development rezoning process, which includes the possibility of consideration as a minor modification by the Administrative Officer of the member jurisdiction.

Section 10.4. Annexation. Additional residential property also may be annexed to the Properties with the consent of a majority of the members of the Association by the recording of a declaration applicable to the annexed real estate which incorporated the terms of this Declaration therein.

Section 10.5. Mortgagee Rights. In addition to any other rights provided elsewhere in this Declaration to mortgagees, any lender or lenders holding a first mortgage or first mortgages upon any Lot or Lots, jointly or singly, may pay any real estate taxes or other taxes or charges or lien against any Common Area or any other property owned by the Association; and may pay any overdue premiums on any hazard, casualty, liability or other insurance policies or secure new insurance coverage on the lapse of any policies for any such property owned by the Association or covering any property for which the Association has an obligation to maintain insurance coverage. Any such lender or lenders making payments in accordance with this Section 10.5 shall be entitled to immediate reimbursement therefor from the Association along with any costs incurred, including reasonable attorney's fees.

Section 10.6 Notice to Mortgagees. The Association, upon request, shall provide to any lender holding a first mortgage upon any Lot, a written certificate or notice specifying unpaid assessments and other defaults of the Owner of such Lot, if any, in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation of the Association, its By-Laws or any other applicable documents, which default has not been cured within sixty (60) days. A reasonable charge may be made by the Association for the issuance of any such certificate or notice, and any such certificate properly executed by an officer of the Association shall be binding upon the Association, as provided in Section 5.6.

IN WITNESS WHEREOF, STONEHENGE DEVELOPMENT CORPORATION, AN INDIANA CORPORATION, has caused this Declaration to be executed as of the date first above written.

STONEHENGE DEVELOPMENT CORPORATION, an Indiana Corporation

By: \_\_\_\_\_

Michael F. King, President

By: \_\_\_\_\_

Patrick N. Cunningham, Vice President

ATTEST:

\_\_\_\_\_

STATE OF INDIANA )

) SS:

COUNTY OF TIPPECANOE )

Before me, a Notary Public in and for said County and State, personally appeared Michael F. King and Patrick N. Cunningham, Officers of STONEHENGE DEVELOPMENT CORPORATION, who acknowledged execution of the above and foregoing Declaration and the truth of the facts stated therein.

Witness my hand and seal this 2nd date of April, 1998.

My Commission Expires:

May 17, 2000

\_\_\_\_\_  
Dina M. Reed Parker, Notary Public

Residing in Tippecanoe County, Indiana