

DECLARATION
OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
for
APPLEWOOD ESTATES

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DECLARATION

OF COVENANTS, CONDITIONS,

RESTRICTIONS AND EASEMENTS

FOR

APPLEWOOD ESTATES

Thomas R. Clark
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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
APPLEWOOD ESTATES**

THIS DECLARATION (hereinafter called "the Declaration" or "this Declaration") made this 20th, day of June, 1995, by KIRKPATRICK AND ASSOCIATES, INC., an Indiana corporation (hereinafter called "Declarant"),

WITNESSETH THAT:

WHEREAS, Declarant is the owner of certain real estate in Hamilton County, Indiana, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Real Estate"); and

WHEREAS, Declarant is in the process of creating on the Real Estate a residential community with public streets, a detention lake, walls, fences, private access drives, and landscaped areas, and other common facilities for the benefit of such residential community, to be known as APPLEWOOD ESTATES, which community shall be developed substantially in accordance with the site development plans approved by the Carmel City Plan Commission under Docket Numbers 6-95 and 7-95 (hereinafter referred to as the "Site Plan");

WHEREAS, Declarant desires to provide for the preservation and enhancement of the values and amenities in such community and the common property therein contained, and to this ends Declarant desires to subject the Real Estate to certain rights, privileges, covenants, restrictions, easements, assessments, charges and liens, each and all to the extent herein provided, for the benefit of the Real Estate and for the benefit of each owner of all or part thereof; and

WHEREAS, Declarant deems it desirable for the efficient preservation of values and amenities in said community, to create an entity to which shall be delegated and assigned the powers of owning, maintaining and administering the

common property located on the Property, administering and enforcing the covenants and restrictions contained in this Declaration, collecting and disbursing the assessments and charges imposed and created hereby and hereunder, performing certain maintenance, repairs and replacement of landscaping and other improvements as hereinafter provided, and promoting the health, safety and welfare of the owners of the Property, and all parts thereof; and

WHEREAS, Declarant has caused, or will cause, to be incorporated under the laws of the State of Indiana Non-profit corporation under the name "Applewood Homeowners Association, Inc.", or a similar name, as such entity for the purpose of exercising such functions;

NOW, THEREFORE, Declarant hereby declares that the Real Estate is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, improved and occupied subject to the provisions, agreements, conditions, covenants, restrictions, easements, assessments, charges and liens hereinafter set forth, all of which are declared to be in furtherance of a plan for preservation and enhancement of the Real Estate, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Estate as a whole and of each of the Lots situated therein, and which shall run with the Real Estate and be binding upon all parties having any right, title or interest in the Real Estate, and upon their heirs, successors and assigns.

ARTICLE I.

DEFINITIONS

Section 1. The following terms, when used in this Declaration with initial capital letters, shall have the following respective meanings:

A. "Applicable Date" shall mean the "Applicable Date" as defined and determined in accordance with Article III, Section 3(B) hereof.

B. "Association" means Applewood Homeowners Association, Inc., an Indiana Non-profit corporation, which Developer has caused or will cause to be incorporated, its successors and assigns.

C. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

E. "Common Property" means (i) all portions of the Real Estate (including all improvements thereon) designated as "Common Areas", specifically Cul De Loop Block A and Cul De Loop Block B, Lake Block C, and Blocks D and Block E inclusive, on any subdivision plat of the Real Estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana, which are not Lots and which are not dedicated to the public, and (ii) any entry walls, subdivision perimeter fencing, landscaping, trees and other foliage which the Declarant or the Association may erect or install and which is, pursuant to this Declaration, to

expenses for the improvement, maintenance and repair of the Common Property, Drainage Easements and Utility Easements shown and identified as such on any subdivision plat of the Real Estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana, and (iii) all sums lawfully assessed against the Owners by the Association, and (iv) all sums declared by this Declaration to be Common Expenses.

H. "Declarant" means Kirkpatrick and Associates, Inc., an Indiana corporation, and any successors and assigns of it whom it designates in one or more written recorded instruments to have the rights of Declarant hereunder, including, without limitation, any mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

I. "Development Period" means the period of time commencing with the date of recordation of this Declaration and ending on the date Declarant no longer owns any Lot within or upon the Real Estate.

J. "Lake Common Area" ("L.C.A.") means the portion of the Real Estate designated on any subdivision plat of the Real Estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana as "Lake Common Area," or "Lake Block C".

K. "Lot" means a numbered parcel of land shown and identified as a lot on any subdivision plat of the Real Estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana.

L. "Member" shall mean any person or entity holding membership in the Association as provided in Article III hereof.

M. "Mortgagee" means the holder of a recorded first mortgage lien on any Lot.

N. "Nonaffiliated Owner" means any "Owner" (hereinafter defined) other than Declarant, or other than an entity related to Declarant.

O. "Owner" means the record owner, whether one or more persons or entities, of fee-simple title to any Lot including contract sellers, but 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 Declarant so long as Declarant shall own any Lot.

P. "Property" shall mean and refer to the Real Estate which has been subjected to, and is, at any time, subject to this Declaration.

Q. "Site Plan" shall mean and refer to the site development plans affecting the real estate as approved by the Carmel City Plan Commission on March 21, 1995 and March 21, 1995 under Docket Numbers 6-95 and 7-95 pursuant to which the proposed plats of the Real Estate and the proposed development plans for the Real Estate were approved by the said Plan Commission for the City of Carrel, Hamilton County, Indiana.

R. "Utility Easement" ("U.E."), "Drainage Easement" ("D.E."), "Landscape Easement" ("L.E.") and "Sanitary Easement" ("S.E.") refers to those portions of the real estate designated on any subdivision plat of the real estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana as either a "Utility Easement" or a "Drainage Easement", or a "Sanitary Easement", or a "Landscape Easement" or any combination of such easements referred to on the Plat as "D.S. & U.E." or "D.S.L. & U.E.".

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Declaration. Declarant hereby expressly declares that the real estate hereinbefore described shall be held, transferred, sold, conveyed and

occupied subject to all the terms, covenants, conditions, restrictions and provisions of this Declaration. The Owner of any Lot at any time subject to this Declaration and all other Persons having any right, title or interest therein, by (i) acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or from subsequent Owner of such Lot, or the acceptance of any right, title or interest therein or thereto, or the act of occupancy of any Lot, shall accept such deed, execute such contract, accept such right, title or interest, and undertake such occupancy subject to all of the terms, covenants, conditions, restrictions and provisions of this Declaration. By acceptance of such deed, execution of such contract, acceptance of such right, title or interest, or by undertaking such occupancy, each Owner and all other such persons acknowledge the rights and powers of Declarant and of the Association with respect to or under this Declaration, and, for himself, his heirs, personal representatives, successors and assigns, covenants, agrees and consents to and with Declarant, the Association, and the Owners and subsequent Owners of each of the Lots affected by this Declaration, to keep, observe, perform and comply with the terms and provisions of this Declaration.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership. Every Owner of a Lot within the real estate, shall be entitled and required to be a Member of the Association. If title to a Lot is held by more than one person, each of such persons shall be a Member. An Owner of more than one Lot shall be entitled to, and shall be required to have one membership for each such Lot. Each such membership or memberships shall be appurtenant to the Lot upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of the title of that Lot. Except as herein

otherwise expressly provided, no person or entity other than an Owner may be a Member of the Association.

Section 2. Transfer. Memberships in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of the record title of a Lot and then only to such transferee, by deed, assignment, intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. It shall be the responsibility of each Owner, upon becoming entitled to membership, to so notify the Association in writing, and until so notified, the Association may continue to carry the name of the former Owner as a Member, in its sole discretion. Any attempt to make a prohibited transfer of membership is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the transferee of record title of such Lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the transferee, and thereupon the old membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

Section 3. Voting. The Association shall have two (2) classes of voting membership, as follows:

A. Class A. Class A Members shall be Owners of Lots, with the exception of the Declarant prior to termination of Class B membership, and shall be entitled to one (1) vote for each Lot owned with respect to each matter submitted to a vote of Members upon which the Class A Members are entitled to vote. When more than one person holds title to any Lot, the vote for such Lot shall be exercised as they among themselves determine but in no event shall more than one (1) vote be cast with respect to any one Lot. There can be no split vote. Prior to or at the time of

any meeting at which a vote is to be taken, each co-Owner or other person entitled to vote at such meeting shall file with the Secretary of the Association the name of the voting co-Owner or other person entitled to vote at such meeting, unless such co-Owner or other persons have filed a general voting authority with the Secretary applicable to all votes until rescinded.

B. Class B. The Class B member shall be the Declarant, who shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and terminate upon the "Applicable Date" which date shall be the first to occur of:

(a) the date upon which the written resignation of the Class B member, as such, is delivered to the resident agent of the Association; or

(b) one hundred twenty (120) days after seventy-five percent (75%) of the Lots in the Property have been conveyed to Non-Affiliated Owners; provided, however, that for the purpose of making any determination under this subsection (b) it shall be assumed that there are 29 Lots in the Property whether or not there are in fact such number of Lots in the Property at any time; or

(c) three (3) years after the date of recording of the first conveyance of a Lot to an Owner other than Declarant; or

(d) seven (7) years from the date of recording of this Declaration.

From and after the Applicable Date, Declarant shall be entitled to one (1) Class A membership for each Lot of which it is the Owner.

Section 4. Suspension of Voting Rights. In the event any Owner other than the Declarant shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of thirty (30) days, or shall be in default in the performance of any of the terms of this Declaration for a period of thirty (30) days, such Owner's right to vote as a Member of the Association may be suspended as permitted by the Indiana Non Profit Corporation

Act of 1991, as amended, and shall remain suspended until all payments are brought current and all defaults remedied.

ARTICLE IV.

PROPERTY RIGHTS

Section 1. General Provisions.

A. All easements described in this Declaration are permanent easements, appurtenant to, and running with the land. They shall at all times inure to the benefit of and be binding on the Owner and the Mortgagee from time to time of any Lots and the owner and mortgagee, if any, from time to time of the Common Area, and their respective heirs, successors, personal representatives or assigns.

B. The covenants and restrictions contained in this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant, the Association or the Owner of any Lot subject to this Declaration, their respective personal representatives, heirs, successors and assigns, for an initial term commencing on the date this Declaration is recorded and ending December 31, 2025, after which time the covenants and restrictions shall be automatically renewed for successive periods of ten (10) years each, as the same may be amended or modified as herein permitted and provided.

Section 2. Owner's Right of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas, limited however to and for the uses and purposes for which any portion of the Common Area is designed and intended, which right and easement shall include, but not be limited to, use and enjoyment of open spaces and all other parts of the Common Area. The Owner of any Lot which abuts Common Areas designated as Cul De Loop Block A or Cul De Loop Block B shall have an easement for ingress and egress to the public street across such area which easement shall be in

common with the other adjacent Owners abutting such Cul De Loop Common Areas. All such rights and easements of Owners shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. The right of the Association to pass reasonable rules with respect to the Common Area for the health, comfort, safety and welfare of persons using the same;

B. The right of the Association to suspend the voting rights and right to the use of recreational facilities, if any, situated upon the Common Area (but not rights of access to Lots) by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;

C. The right of the Association to levy assessments as provided in the Declaration; and

D. The rights of the Association and Declarant reserved under Sections 4 and 5 of this Article IV or elsewhere in this Declaration.

Section 3. Delegation of Enjoyment. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment in and to the Common Area to residents of his Lot, including the members of his family, his tenants, or contract purchasers.

Section 4. Association's Control Over Common Area.

A. The Association shall have the right to own, manage, repair, maintain, improve, regulate and operate the Common Area.

B. The Association shall have the right to mortgage all or any portion of the Common Area for the purpose of securing a loan of money to be used for any of the purposes specified in subsection 4(A) next hereinabove, provided that the rights of such mortgagee in the Common Area shall be subordinate to the rights of

the Owners under this Declaration, and provided, further, that the mortgage shall have received the prior written approval specified in Article XI hereinbelow.

C. The Association shall have the right to dedicate or transfer all or any part of the Common Area to any governmental subdivision or public agency or utility, and to grant permits, licenses, and easements over the Common Area for utilities and other purposes necessary or useful for the proper maintenance or operation of the property, subject to any prior written approval required by Article XI hereinbelow.

D. The Property shall be subject to easements of record on the date the various portions thereof become subject to this Declaration, and to any easements in the Common Area which may at any time be granted by Declarant or the Association (subject to the approval referred to in the preceding paragraph) to any public or private utilities or governmental bodies for the installation and maintenance of electrical and telephone conduits and lines, gas pipes, sewers or water pipes, coaxial cable, or any other utility services serving any Lots or the Common Area.

E. Anything herein apparently to the contrary notwithstanding, except as expressly provided for herein, no abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Area or any part thereof shall be effective unless it shall have received the prior written approval specified in Article XI hereinbelow.

Section 5. Declarant's Rights. Declarant shall have the same rights as any other Owner as to Lots and other portions of the Property owned by it from time to time, except as otherwise specified herein. In addition, until the last numbered parcel of land shown upon and identified as a lot on any recorded plat of the Real Estate is conveyed to a Non-Affiliated Owner, Declarant shall have the right and

easement over the Common Area for the completion of improvements and making repairs to improvements (whether on the Common Area, or upon unsold Lots, or upon other portions of the Property) and the right to maintain and use facilities (including, but not limited to, model homes and sales offices) and signs upon the Common Area and any other portions of the Property (other than Lots owned by an Owner other than Declarant) for the purpose of marketing lots, and to invite and escort the public thereon for such purpose.

Section 6. Non-Dedication to Public Uses. Nothing contained in any subdivision plat of any part of the Real Estate shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to the public or to or for any public use or purpose whatsoever, all of such Common Area being reserved to Declarant, the Owners and the Association as provided in this Declaration, but subject, however, to the rights of the Association and the Declarant to thereafter dedicate portions of such Common Area to the public or to or for public uses or purposes but only to the extent, and upon all of the conditions, set forth in this Declaration.

Section 7. Municipal Annexation: Covenant of No Remonstrance. Declarant hereby acknowledges that the real estate subject to this Declaration may at some indefinite date in the future become subject to proposed annexation by the City of Carmel. Declarant, by executing and recording of this Declaration, hereby consents to any lawful annexation of the Property by the City of Carmel, Indiana. Declarant further covenants and agrees that in the event any future proceedings are commenced for the annexation of the subject real estate, Declarant, in his capacity as Declarant and in his capacity as an Owner of any unsold Lots within any Subdivision of the real estate will not oppose, remonstrate or participate in any remonstrance against such annexation.

ARTICLE V.

IMPROVEMENT AND TRANSFER OF COMMON AREA

Section 1. Improvement of Common Area. Declarant hereby covenants that, to the extent the same are to be included in the Property, it will construct or provide as Common Areas the following items required by, and in accordance with the Site Development Plan, or otherwise:

A. Cul de Loop, Blocks A and B, shown on the Secondary Plat shall be paved and shall have a landscaped island as shown on the plat adjacent to the public right-of-way.

B. Lake Common Area, Block C, shown on the Secondary Plat Plan as Block C, which shall be developed primarily as a water detention lake, with appropriate landscaping.

C. Common Area Block D and Block E shall be improved by the construction thereon of decorative brick, street-entry walls.

Section 2. Protection of Rights-of Way. The improvement of the Common Areas as provided herein, and the construction of any perimeter fencing around the Subdivision by the Declarant shall be subject to the following specific limitations:

A. No permanent structures, including fences or walls shall be installed within or upon any portion of the property designated on the Plat thereof as a dedicated, public thoroughfare right-of-way.

B. No fence, wall, hedge or shrub planting which obstructs sight-lines at elevation between two (2) and six (6) feet above the street shall be placed or permitted to remain on any corner Lot or upon any Common Area within the triangular area formed by the street property lines and a line connecting points 25 feet from the intersection of said street lines, or in the case of a rounded

corner, from the intersection of the street lines extended. The same sight-line limitations shall apply to any Lot within ten (10) feet from the intersection of a street-line with the edge of a driveway pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage-line is maintained at sufficient height to prevent obstruction of such sight-line.

Section 3. Conveyance of Common Area to Association. Declarant hereby covenants that it shall complete the improvement of the Common Area and shall convey and transfer the Common Area included in and constituting a part of the Real Estate to the Association on or before the Applicable Date. Each portion of the Common Area so conveyed by Declarant to the Association shall, at the time of such conveyance, be subject to any dedicated or public street or road rights-of-way affecting the same and all easements, covenants, conditions, limitations and restrictions then of record, but shall be free and clear of all liens and financial encumbrances other than the lien of the then current non-delinquent installment of real estate taxes and assessments and subsequent installments thereof, which shall thereafter be paid when due by the Association.

ARTICLE VI.

ASSESSMENTS

Section 1. Personal Obligations. Each Owner of a Lot by acceptance of a deed or other instrument of conveyance therefore which is executed after the date of recording of this Declaration, whether or not it shall be so expressed therein, shall be and is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, as may be hereafter assessed, which shall be payable in regular installments, for the payment or provision of all expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Area (including, but not limited to, any and all

streets and roadways constructed or located thereon) and all other expenses incurred or to be incurred by the Association for or in connection with the performance by the Association of its duties, obligations and responsibilities under this Declaration, which expenses may include, but shall not be limited to, the expenses and cost of hazard and liability insurance for Common Area; lawn maintenance, snow removal, trash removal, sewer charges and water charges (if payable by the Association); street lighting (if provided by the Association); and an adequate reserve fund for the periodic maintenance, repair and replacement of those improvements and elements of the Common Area and any other property that must be maintained, repaired or replaced on a periodic basis and which the Association may be obligated to maintain, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. ^{see change}

Any assessments authorized herein, together with interest, costs and reasonable attorney's fees, shall be a continuing lien from the first day of January (for annual assessments) and from the date the first installment is payable (for special assessments) against the Lot assessed. Each assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot on the date said assessment became due and payable. Said personal obligation of an Owner shall not pass to his successors in title or interest unless expressly assumed by them or unless, prior to such transfer, a written notice of the lien for such assessments shall have been recorded in the office of the Recorder of Hamilton County, Indiana. No Owner shall escape liability for the assessments which fell due while he was the Owner by reason of non-use of the Common Area or non-use, transfer or abandonment of his Lot.

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ASSESSMENTS

Section 1. Personal Obligations. Each Owner of a Lot by acceptance of deed or other instrument of conveyance therefore which is executed after the date of recording of this Declaration, whether or not it shall be so expressed therein, shall be and is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, as may be hereafter assessed, which shall be payable in regular installments, for the payment or provision of all expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Area (including, but not limited to, any and all streets and roadways constructed or located thereon) and all other expenses incurred or to be incurred by the Association for or in connection with the performance by the Association of its duties, obligations and responsibilities under this Declaration, which expenses may include, but shall not be limited to, the expenses and cost of hazard and liability insurance for Common Area; lawn maintenance, snow removal, trash removal, sewer charges and water charges (if payable by the Association); street lighting (if provided by the Association); and the adequate reserve fund for the periodic maintenance, repair and replacement of those improvements and elements of the Common Area and any other property that must be maintained, repaired or replaced on a periodic basis and which the Association may be obligated to maintain, and b) special assessments ~~for~~ meeting budget requirements and capital improvements, such assessments to be established and collected as hereinafter provided.

Revised August 26, 1999

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the convenience, recreation, health, safety and welfare of the Owners and residents of the Property, to construct, manage, improve, maintain, repair and administer the Common Area (including, but not limited to, any and all streets and roadways constructed or located thereon), the Drainage and Utility Easements, and for payment of any other costs and expenses incurred by the Association in connection with the performance of its duties, obligations and responsibilities hereunder.

An adequate reserve fund shall be maintained for working capital and for the periodic maintenance, repair and replacement of those improvements and elements of the Common Area and any other property that must be replaced on a periodic basis. Such reserve fund shall be maintained out of the regular annual assessments.

Section 3. Annual Assessments; Maximum Increase. Until December 31, 1996, the initial maximum annual assessment shall not exceed the annual rate of \$660.00 for each Lot.

A. The Board of Directors may fix the actual annual assessments at any amount not in excess of the maximums permitted hereunder.

B. From and after December 31, 1996, the annual assessment may be continued at the same level as the annual assessments for the previous year, or increased by an amount not exceeding 5 percent of the previous year's assessment without a vote of the membership.

C. From and after December 31, 1996, the maximum annual assessments may be increased in an amount greater than 5 percent only after a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting called for this purpose, but no such increase shall

exceed ten percent (10%) of the maximum annual assessments permitted for the previous year.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon or within the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of not less than two-thirds (2/3) of the total votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum. Written notice of any meeting of Members called for the purpose of taking any action authorized under Article VI, Sections 3 or 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 opening of such meeting, the presence in person or by proxy of Members entitled to cast fifty percent (50%) of the total 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 any subsequent meeting shall be two-thirds (2/3) 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 6. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. Annual assessments shall be collected on a monthly basis, each installment constituting one-twelfth (1/12) of the annual assessment, payable on the first day of each month. Special assessments shall

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ASSESSMENTS

Section 3. Annual Assessments; Maximum Increase

(C.) From and after December 31, 1996, the maximum annual assessments may be increased in an amount greater than 5 percent (5%) only after a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting called for this purpose, but no such increase shall exceed fifteen percent (15%) of the maximum annual assessments permitted for the previous year.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of meeting budget requirements or defraying, in whole or in part, the cost of any construction, etc....

become due and payable, and shall be deemed delinquent as the Board determines.

Section 7. Establishment of Annual Assessments. By November 1 of each year the Board shall fix the amount of annual assessments against each Lot for the following calendar year and shall send written notice thereof to each Owner. At the time the Board fixes the amount of annual assessments, it shall adopt a budget for the following calendar year and shall cause a copy of such budget in reasonable detail to be furnished to each Owner.

Section 8. Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot subjected to this Declaration on the first day of the month following the month within which the Declarant conveys such Lot to a Nonaffiliated Owner. The first annual assessment shall be pro-rated according to the number of months remaining in the calendar year for which such annual assessment is imposed. No Lot owned by the Declarant shall be subject to any annual assessment or special assessment until there shall have been a completed residence constructed thereon and a Certificate of Occupancy for such residence has been issued by the appropriate governmental authority. Installments of annual assessments shall be payable as to such Declarant-owned Lots beginning to first day of the first month following the issuance of the Certificate of Occupancy.

Section 9. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

**NOTICE OF AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR APPLEWOOD ESTATES**

The above entitled Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates, recorded in the Office of the Recorder of Hamilton County, Indiana as instrument number 95-39987 are heretofore Amended as Detailed below:

COVENANT - ARTICLE VI. (Page 18)

Section 9. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

PROPOSED CHANGE:

Section 9. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by the treasurer and one other officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

Revised March 23, 2000 at a duly noticed, and conducted with quorum present Applewood Homeowners Association Meeting.

Timothy Bongfeldt, President Applewood
Homeowners Association

This instrument was prepared by Timothy Bongfeldt,
President Applewood Homeowners Association

Section 10. Nonpayment of Assessments. Any installments of annual or special assessments which are not paid when due shall be deemed delinquent. If an installment is not paid within thirty (30) days after the delinquency date, it shall bear interest from the delinquency date at the rate of twelve percent (12%) per annum and shall remain a continuing lien in favor of the Association on the Lot so assessed and the improvements thereon; and the Association may bring an action at law or in equity against the person personally obligated to pay the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action, and the Association may also enforce and foreclose any lien it has or which may exist for its benefit.

Section 11. Recording and Enforcement of Liens. To evidence a lien for delinquent sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot, the name of the person personally obligated to pay the same and a description of the Lot. Such a notice shall be signed by an officer of the Association and it or a notice of lien or adverse claim thereof may be recorded in the office of the Recorder of Hamilton County, Indiana. No notice of lien shall be recorded until there is a delinquency in payment of the assessment for thirty (30) days. Such lien shall be enforced by legal action in the same manner in which mortgages on real property may be foreclosed in Indiana. In any such foreclosure, the person personally obligated to pay the lien shall be required to pay all costs of foreclosure including reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The person personally obligated to pay the lien shall also be required

to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure.

The Association shall, upon written request, report to any Mortgagee of a Lot any assessments remaining unpaid for longer than thirty (30) days after the same shall have become due with respect to such Lot, provided, however, that such Mortgagee first shall have furnished to the Association written notice of the Mortgage under which it claims and its notice address.

Section 12. Subordination of Lien. The lien of the assessments provided for herein shall be subordinate only to the lien of any first mortgage and to tax liens and liens for special assessments in favor of any taxing and assessing unit of government. Sale or transfer of any Lot pursuant to foreclosure or other remedies provided for in a first mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to charges which were payable prior to such sale or transfer. No such sale or transfer shall relieve a Lot from liability for any assessments thereafter becoming payable or from the lien thereof, and no such sale shall relieve the person personally obligated to pay the same from personal liability for assessments payable prior to such sale or transfer or acquisition. Any delinquent assessments the lien for which is extinguished by reason of this provision may be reallocated and assessed to all Lots as a common expense.

Section 13. Association's Start-Up Funding. At the closing of the initial sale of each Lot by Declarant to an Owner other than Declarant, the purchaser of such Lot shall pay to the Association the sum One Hundred Twenty-five Dollars (\$125.00), which amount shall be held and used by the Association for operating expenses during the initial period of operation of the Property and the Association, to enable the Association to have cash available to pay authorized

expenses, or to acquire necessary equipment, supplies, or services deemed necessary or desirable by the Board. Such payment by the Owner shall not be deemed an advance payment of any installment of assessments.

Section 14. Contributions to the Association By Declarant Prior to Applicable Date. Declarant shall have the duty to contribute to the Association sufficient funds to enable the Association to fulfill its duties after the Association shall have exhausted all start-up funding received pursuant to Section 13 immediately above, as well as all Regular Assessments and Special Assessments theretofore collected from the Owners. The Declarant's duty under this Section shall expire on the applicable date.

ARTICLE VII

APPLEWOOD ARCHITECTURAL CONTROL COMMITTEE

Section 1. Creation. There shall be, and hereby is created and established the Applewood Architectural Control Committee to perform the functions provided for herein. Until the Applicable Date, the Committee shall consist of three (3) members, appointed from time to time by Declarant, and who shall be subject to removal by Declarant at any time with or without cause. After the Applicable Date, the Committee shall be a standing committee of the Association, consisting of three (3) persons, who are from among the Directors of the Association as appointed from time to time by the Board of Directors.

Section 2. Purposes and Powers of Committee. The Committee shall regulate the external appearance of residences, buildings, structures or other improvements placed on any Lot, and the installation and removal of landscaping on any Lot, in such a manner as to preserve and enhance the value and desirability of the Real Estate for the benefit of each Owner and to maintain a

A. In General. No residence, building, structure, antennae, satellite reception dish, fence, wall, mail box, patio or improvement of any type or kind shall be erected, constructed, placed or altered on any Lot without the prior written approval of the Committee. In addition, no change in the exterior color of any residence or accessory building located on any Lot shall be made without the prior written approval of the Committee. Such approval shall be obtained only after written application has been made to the Committee by the Owner of the Lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and, in the case of construction or placement of any improvement, shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction or improvement. Such plans shall include plot plans showing the location of all improvements existing upon the Lot and the location of the improvement proposed to be constructed or placed upon the Lot, each properly and clearly designated. Such plans and specifications shall set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information which the Committee may require. All plans and drawings submitted to the Committee shall be drawn to a scale. When required by the Committee, plot plans shall be prepared by either a registered land surveyor, engineer or architect. Plot plans submitted for the Improvement Location Permit shall bear the stamp or signature of the Committee acknowledging the approval thereof.

B. Power of Disapproval. The Committee may refuse to grant permission to repaint, construct, place or make the requested improvement, when:

(i) The plans, specifications, drawings or other materials submitted are inadequate or incomplete, or show the proposed improvement to be in violation of any restrictions of in this Declaration, or of any subdivision plat of the Real Estate recorded in the Office of the Recorder of Hamilton County, Indiana;

(ii) The design or color scheme of a proposed repainting or improvement is not in harmony with the general surroundings of the Lot or with adjacent buildings or structures; or

(iii) The proposed repainting or improvement, or any part thereof, would, in the opinion of the Committee, be contrary to the interests, welfare or rights of any other Owner.

C. Rules and Regulations. The Committee may, from time to time, make, amend and modify such additional rules and regulations as it may deem necessary or desirable to guide Owners as to the requirements of the Committee for the submission and approval of items to it. Such rules and regulations may set forth additional requirements to those set forth in this Declaration or any subdivision plat of the Real Estate recorded in the Office of the recorder of Hamilton County, Indiana as long as the same are not inconsistent with this Declaration or such subdivision plat(s).

Section 3. Duties of Committee. The Committee shall approve or disapprove the proposed repainting, construction or improvements within fifteen (15) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such disapproval. In the event said Board, or its designated Committee, fails to approve or disapprove such construction, improvement and location within thirty

(30) days after said written plans and specifications have been submitted to it, or if no suit to enjoin the making of such additions, alterations or changes or to force the cessation thereof has been commenced within thirty (30) days of such submission, such approval will be deemed to have been given.

Section 4. Liability of Committee. Neither the Committee, the Declarant, the Association nor any agent of any of the foregoing shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

Section 5. Inspection. The Committee may inspect work being performed to assure compliance with this Declaration and the materials submitted to it pursuant to this Article VII.

Section 6. Non-application to Declarant. Notwithstanding the provisions this Article VII or any other provisions of this Declaration requiring the approval of the Committee, neither the Declarant nor any entity related to Declarant shall be required to apply for or secure the approval of the Committee in connection with any construction, installation, painting or repainting by Declarant or by any entity related to Declarant, of any residence, building, structure, or other improvement on the Real Estate or the installation or removal of any trees, shrubs or other landscaping on the Property.

ARTICLE VIII.

GENERAL AND MISCELLANEOUS POWERS

AND RESPONSIBILITIES OF ASSOCIATION

Section 1. Board of Directors. The Association shall elect a Board of Directors as prescribed by the Association's Articles of Incorporation and By-Laws. The Board of Directors of the Association shall manage the affairs of the Association.

Section 2. Responsibilities of the Association. The responsibilities of the Association include, but shall not be limited to the following:

A. Maintenance, repair and replacement of Declarant installed perimeter fencing around the property, decorative street entry walls, driveway aprons, street lights, and street signs within or upon the Property, landscaping and other improvements in and upon the Common Areas and within the Drainage or Utility Easements as the Association deems necessary or appropriate, in a clean and attractive condition and in good repair.

B. Maintenance and repair of the paved portion of the Cul De Loops, Blocks A and B, including curbs, and maintenance of the landscaping located within such Cul De Loops.

C. The Association shall mow, trim and water the Common Areas and otherwise care for and maintain all grass, trees, shrubbery, plants and other landscaping located on such Common Areas.

D. The Association shall provide to all Owners, regular and routine lawn cutting, and lawn maintenance including fertilization and trimming, the expenses incurred for such services being a Common Expense.

E. The Association shall provide to all Owners snow removal from each Owner's driveway and upon front sidewalks from the driveway to the front door of each residence, under such circumstances and with such frequency as is reasonable and customary under common standards for property management.

F. Upon such terms and conditions as the Association may require, the Association may contract with any Owner to provide special landscape care, gutter cleaning services, and also tree removal and tree replacement services. The charges due the Association for services provided to any Owner pursuant to such contract shall be paid in advance by the Owner prior to the rendering of any

such services. Whenever the Association may, pursuant to any such contract, undertake to provide such services to an individual Owner, the Association shall not be responsible for any damage to the Owner's lawns, plantings, trees and other landscaping or other improvements, including structures thereon, except as the same shall be the result of gross negligence or willful misconduct by the Association, its agents or employees.

G. Maintenance, repair and replacement of any drainage systems in and upon the Drainage Easements (shown and identified as such on any subdivision plat of the Real Estate now or hereafter recorded in the Office of the Recorder of Hamilton County, Indiana) as installed by Declarant in good condition and repair, subject, however, to the obligation of the Owner of a Lot subject to a Drainage Easement to keep the portion of the Drainage Easement on his Lot free from obstructions so that the surface water drainage will be unimpeded.

H. Procuring and maintaining for the benefit of the Association, its Board of Directors and the Owners the insurance coverage required under Article XII of this Declaration and such other insurance as the Association deems necessary or advisable.

I. Payment of taxes, if any, assessed against and payable with respect to the Common Area.

J. Assessment of annual and special assessments and collection of such assessments from the Owners for the Common Expenses.

K. The Association may obtain and pay for the services of any persons or entities to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Property whether such personnel are furnished or employed directly by the Association or by any person

or entity with whom it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property, the enforcement of this Declaration or any proceedings or controversy in which the Board determines it is necessary or advisable to have professional advice. The Association shall, or may arrange with others to furnish trash collection and such other common services to each Lot as it deems desirable, on a basis consistent with recognized guidelines for normal and customary property management. Any agreement for professional management of the Property, or any other contract providing for services to the Association for the benefit of the Owners must provide for termination by either party without cause and without payment of a termination fee on sixty (60) days or less written notice and by either party for cause upon thirty (30) days or less written notice and shall have a maximum contract term of one (1) year, but may be renewable by agreement of the parties for successive one-year terms.

L. Adopting, amending or rescinding such reasonable rules and regulations (not inconsistent with the provisions of this Declaration) governing the use and enjoyment of the Common Areas, and the management and administration of the Association, as the Association deems necessary or advisable, and enforcement of the same. As part of such rules and regulations, the Association may provide for reasonable interest and late charges on past due installments of any Regular or Special Assessments or other charges against any Lot. Copies of such rules and regulations shall be furnished by the Association to the Owners prior to the time when the same shall become effective.

Section 3. Compensation. No director of the Association shall receive compensation for his services as such director, except to the extent expressly authorized by a majority vote of the Owners.

Section 4. Non-Liability of Directors and Officers. The directors and officers of the Association shall not be liable to the Owners or any other persons for any error or mistake of judgment in carrying out their duties and responsibilities as directors or officers of the Association, except for their own individual willful misconduct or gross negligence. The Association shall indemnify and hold harmless and defend each person, his heirs, assigns or legal representatives, who is or was a director or officer of the Association against any and all liability to any person, firm or corporation arising out of contracts made by or at the direction of the Board of Directors (or the managing agent, if any) of the Association, unless any such contract shall have been made in bad faith. It is intended that the directors and officers of the Association shall have no personal liability with respect to any contract made by them on behalf of the Association except in their capacity as Owners.

Section 5. Additional Indemnity of Directors and Officers. The Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives (collectively, the "Indemnitee"), made or threatened to be made a party to any action, suit or proceedings by reason of the fact that he is or was a director or officer of the Association, against all costs and expenses, including attorneys' fees, actually and reasonably incurred by the Indemnitee in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except (unless otherwise specifically provided herein) in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Indemnitee is liable for gross negligence or willful misconduct in the performance of his duties. The Association shall also reimburse any such Indemnitee for the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote

of the Owners that such director or officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against an Indemnitee, no director or officer shall be considered or deemed to be guilty of or liable for gross negligence or willful misconduct in the performance of his duties where, acting in good faith, such director or officer relied on the books and records of the Association or statements or advice made by or prepared by the managing agent of the Association (if any) or any officer or employee of the Association, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service, unless such director or officer had actual knowledge of the falsity or incorrectness thereof; nor shall a director be deemed guilty of or liable for gross negligence or willful misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors of the Association. The costs and expenses incurred by an Indemnitee in defending any action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the amount paid by the Association if it shall ultimately be determined that the Indemnitee is not entitled to indemnification as provided in this Section 5.

Section 6. Bond. the Board of Directors of the Association may provide surety bonds and may require the managing agent of the Association (if any), the treasurer of the Association, and such other officers as the Board of Directors deems necessary, to provide surety bonds, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors, and any such

bond shall specifically include protection for any insurance proceeds received by any reason by the Board of Directors. The expense of any such bonds shall be a Common Expense.

ARTICLE IX.

OWNERS' MAINTENANCE AND RESPONSIBILITIES

Section 1. Maintenance of Lots and Improvements. Except to the extent such maintenance shall be the responsibility of the Association under any of the foregoing provisions of this Declaration, it shall be the duty of the Owner of each Lot to keep the Lot free of weeds and trash and otherwise neat and attractive in appearance and to make necessary replacements of Declarant or builder installed landscaping and all maintenance of the exterior of any structures on such Lot, all at the Owner's sole cost and expense. The Owner of each lot shall also be responsible for maintenance and repair of that portion of Declarant installed street-side sidewalks which lie upon each Owners Lot, at such Owner's cost and expense. In the event the Owner of any Lot fails to maintain his Lot and the improvement thereon in a manner satisfactory to the Association, the Association after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right (but not the obligation), through its agents, employees and contractors, to enter upon said Lot and to repair, maintain and restore the Lot, the landscaping and the exterior of the improvements erected thereon. The cost of such maintenance, repair and restoration shall be and constitute special assessment against such Lot and the Owner thereof, to be collected and enforced in the manner provided in this Declaration for the collection and enforcement of assessments in general. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work performed hereunder.

Section 2. Damage to Common Area. Notwithstanding any obligation or duty of the Association hereunder to repair or maintain the Common Area or any Drainage Easement, or Utility Easement areas, if due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused to the Common Area (or such Easement areas) or if maintenance, repairs or replacement shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Association, the cost of repairing such damage shall be added to and constitute a special assessment against such Owner and his Lot to be collected and enforced in the manner provided in this Declaration for the collection and enforcement of assessments in general.

Section 3. Additional Restrictions Concerning Existing and Planted Trees. Existing or newly planted trees on any Lot shall not be removed by an Owner, after his occupancy, without the prior written approval of the Committee; provided, however, that nothing herein shall prevent the removal of trees by or at the direction of the Declarant during the development of the Real Estate and by Declarant, or at the direction of the Declarant during the initial construction of a residence or accessory building on any Lot.

ARTICLE X.

GENERAL RESTRICTIONS, OBLIGATIONS AND RIGHTS

APPLICABLE TO PROPERTY

Section 1. Lot Restrictions. No more than one residence shall be erected or maintained on any Lot. No residence shall be used for purposes other than as a single family residence, nor shall any trade or business of any kind be carried on within a residence or upon a Lot, nor shall any Lot or any part thereof be leased, sublet, assigned or suffered to be used for hotel or transient occupancy, provided that none of the following activities shall be considered a violation of this covenant:

A. The maintenance of model residences and business and sales offices by Declarant during the construction and sale periods.

B. The maintenance of offices by the Association or its designated manager

purposes for which the same are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board. Without limiting the generality of the foregoing, the lake to be provided in Block "C" shown on the Site Plan is intended to be an integral part of the storm water drainage system serving the Property and is intended to be used for such purpose and primarily as a visual and aesthetic amenity and not as a recreational amenity. Accordingly, no use shall be made of such lake which in any way interferes with its proper functioning as part of such storm water drainage system. No boating, swimming, diving, skiing or ice skating shall be permitted in or on said lake. No sewage, garbage, refuse, or other solid, liquid, gaseous or other materials or items shall be put into said lake, except the Association may take steps to clear and purify the waters thereof by the addition of chemicals or other substances commonly used for such purposes. Fishing from the shore of such lake shall be permitted subject to obedience and compliance with all applicable fish and game laws, ordinances, rules and regulations.

Section 3. 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.

Section 4. Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or in any residence 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 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 in any residences, 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 4.

Section 5. Fences, Walls and Patios. No Owner shall relocate, heighten, lower or otherwise move or change any fence, wall or patio upon the Property except as provided in Article VII hereinabove.

Section 6. 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 Areas shall be kept free and clear of all rubbish, debris and other unsightly materials.

Section 7. 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 common household pets 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.

Section 8. Prohibited Structures. No structure of a temporary character, and no trailer, boat, camper-bus, freestanding basketball goal, outdoor swing set, 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 quarter, either temporarily or permanently.

Section 9. Storage. 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 on regularly scheduled trash collection days. In addition, 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 (including station wagons and small trucks such as pickups of 3/4 ton capacity or less and vans) shall at any time be stored or parked on any Lot outside of a garage, or on any street within the Property, or on any part of the Common Area, either permanently or temporarily.

Section 10. Signs. No signs 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 or Common Area, except that a "For Sale" or "For Lease" sign may be displayed on a Lot which is being offered for sale or lease provided that it is in

such form, style and location 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 11. Antennae. No exterior television or radio antennae or receptor of any sort shall be placed, allowed or maintained upon any portion of any Lot, except that with the prior written approval of the Committee granted pursuant to the provisions of Article VII, an exterior satellite transmission receptor not exceeding 24 inches in diameter may be installed if, but only if, the same is securely affixed to the roofed portion of the residence located upon the Lot.

Section 12. Rentals. Any lease between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. No residence may be leased for a period of less than 30 days. Other than the foregoing, there shall be no restrictions on the right of any Owner to lease his residence.

Section 13. Rules and Regulations. The Board may adopt, and may amend, modify, rescind and cancel, such other rules and regulations from time to time governing the use and enjoyment of the Property, including the Common Area, as the Board in its sole discretion deems appropriate or necessary.

ARTICLE XI.

RIGHTS FOR THE PROTECTION OF FIRST MORTGAGEES

Section 1. Precedence. The provisions of this Article take precedence over any other conflicting provisions of this Declaration.

Section 2. Notice of Action. Upon written request made to the Association,

the holder, insurer or guarantor of a First
such party, any such mortgage holder or
to timely written notice of:

any casualty loss which affects a
y or any Lot or residence on which
insured, or guaranteed by such
guarantor, which remains uncured for

ymment of assessments or charges
he performance of any obligation
s or Articles of Incorporation, by an

object to a First Mortgage held,
a holder or insurer or guarantor,
riod of 60 days;

material modification of any insurance
ed by the Association;

would require the consent of a
re holders as specified in this Article

ion. Any election to terminate the legal
destruction or a substantial taking or
ve the written approval of at least 51% of
entitled to notice as provided in Section 2.

usal. The right of an Owner to sell,
or residence will not be subject to any right
on in favor of the Association, the

Declarant or other Owners.

Section 5. Liability for Unpaid Assessments. Any First Mortgagee who obtains title to or comes into possession of a Lot pursuant to the remedies provided in its First Mortgage or by foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale in connection with any such First Mortgage, shall not be liable for the unpaid assessments on the Lot which were payable prior to the acquisition of title to such Lot by the First Mortgagee or such purchaser.

Section 6. Examination of Books and Records. First Mortgagees and holders, insurers and guarantors of First Mortgages shall have the right to examine the books and records of the Association, as set forth more fully in the By-Laws.

Section 7. Designation of Representative. Any holder of a First Mortgage on a Lot or residence may designate a representative to attend meetings of members, but such representative shall not have any voting privileges unless such voting privileges have been granted to the holder of such First Mortgage by the Owner of the Lot involved.

Section 8. Distribution of Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the By-Laws shall be construed as giving to the Owner or to any other party priority over any rights of First Mortgagees of Lots pursuant to their First Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of any of the Common Area.

ARTICLE XII.

INSURANCE

Section 1. Casualty Insurance. The Association shall purchase and maintain

fire and extended coverage insurance in an amount equal to the full replacement cost of all improvements, if any, which the Association is required to maintain hereunder. If the Association can obtain such coverage for a reasonable amount, it shall also obtain "all risk coverage." The Association may also insure any other property, whether real or personal, owned by the Association against loss or damage by fire and such other hazards as the Association may deem desirable. Such insurance coverage shall name the Association as the insured. Such insurance policy or policies shall contain provisions that (i) the insurer waives its rights to subrogation as to any claim against the Association, its Board of Directors, officers, agents and employees, any committee of the Association or of the Board of Directors, and all Owners and their respective agents and guests, and (ii) waives any defense based on invalidity arising from the acts of the insured. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried.

Section 2. Liability Insurance. The Association shall also purchase and maintain a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time, but in any event with a minimum combined limit of One Million Dollars (\$1,000,000.00) per occurrence. Such comprehensive public liability insurance shall cover all of the Common Area, and shall insure the Association, its Board of Directors, officers, professional managers, agents and employees, any committee of the Association or of the Board of Directors, and all other persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Property. Such public liability insurance policy shall include a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other

Owners.

Section 3. Other Insurance. The Association shall also purchase and maintain any other insurance required by law to be maintained, including but not limited to workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including but not limited to officers' and directors' liability insurance.

Section 4. Miscellaneous. The premiums for the insurance described above shall be paid by the Association as part of the Common Expenses.

ARTICLE XIII.

AMENDMENTS OF DECLARATION

Section 1. By the Association. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

A. Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting of the members of the Association at which the proposed amendment is to be considered; which notice shall be given in writing to all Owners and others entitled to such notice not less than 30 days prior to the date of the scheduled meeting.

B. Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by Owners having in the aggregate at least a majority of the votes of all Owners.

C. Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting of the members of the Association duly called and held in accordance with the provisions of the By-Laws.

D. Adoption. Any proposed amendment to this Declaration must be

approved by a vote of not less than two-thirds (2/3) in the aggregate of the votes of all Owners; provided, however, that any such amendment shall require the prior written approval of Declarant so long as Declarant or any entity related to Declarant owns any Lots within and upon the Real Estate. In the event any Lot is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors of the Association in accordance with the provisions of the foregoing Article XI., Section 2.

E. Special Amendments. No amendment to this Declaration shall be adopted which changes any provision of this Declaration which would be deemed to be of a material nature by the Federal National Mortgage Association under Section 402.02 of Part V, Chapter 4 of the Fannie Mae Selling Guide or any similar provision of any subsequent guidelines published in lieu of or in substitution for the Selling Guide, without the approval of all Mortgagees who have given prior notice of their mortgage interest to the Board of Directors of the Association in accordance with the provisions of the foregoing Article XI., Section 2.

Any Mortgagee which has been duly notified of the nature of any proposed amendment shall be deemed to have approved the same if said Mortgagee or a representative thereof fails to appear at the meeting in which such amendment is to be considered (if proper notice of such meeting was timely given to such Mortgagee). In the event that a proposed amendment is deemed by the Board of Directors of the Association to be one which is not of a material nature, the Board of Directors shall notify all Mortgagees whose interests have been made known to the Board of Directors of the nature of such proposed amendment, and such amendment shall be conclusively deemed not material if no Mortgagee so notified objects to such proposed amendment within thirty (30) days of the date such

to comply with the requirements of any statute, ordinance, regulation or order of any public agency having jurisdiction thereof, or to comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration or any other governmental agency to induce any of such agencies to make, purchase, sell, insure or guarantee first mortgages, or to correct clerical or typographical errors in this Declaration or any amendment or supplement hereto; provided that Declarant shall not be entitled to make any amendment which has a materially adverse effect on the rights of any Mortgagee, nor which substantially impairs the benefits of this Declaration to any Owner or substantially increases the obligations imposed by this Declaration on any Owner.

Section 3. Recording. Each amendment to the Declaration shall be executed by Declarant only in any case where Declarant has the right to amend this Declaration without any further consent or approval, and otherwise by the President or Vice President and Secretary of the Association; provided, that any amendment requiring the consent of Declarant shall contain Declarant's signed consent. All amendments shall be recorded in the Office of the Recorder of Hamilton County, Indiana, and no amendment shall become effective until so recorded.

ARTICLE XIV.

GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of these covenants and restrictions and of the provisions contained in the Articles of Incorporation and By-Laws of the Association may be by any proceeding at law or in equity instituted by the Association or by any Owner against any person (including the Association) violating or attempting to violate any covenant or restriction, either to restrain violation, to compel compliance, or to recover damages, and against the land, to enforce any lien created by these covenants; and failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Attorneys' fees and costs of any such actions to restrain a violation or to recover damages as determined by the Court shall be assessable against and payable by any persons violating the terms contained herein.

Section 2. Mergers. Upon a merger or consolidation of the Association with another corporation as provided in its Articles and By-Laws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions herein and hereby established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or additions to the covenants established by this Declaration within the Property, except as hereinabove provided.

Section 3. Access. For the purpose solely of performing the repairs and maintenance authorized by this Declaration, the Association through its duly authorized agents, employees and contractors, shall have the right, after reasonable notice to the Owner (except in an emergency in which case no notice shall be required), to enter upon and into any Lot.

Section 4. Emergency Access. For the purpose of performing emergency repairs under this Declaration, or of taking emergency action to seal a residence from weather or otherwise to prevent damage or destruction to any Lot or residence, the Association, through its duly authorized agents, employees and contractors, shall have the right to enter upon and into any Lot or residence at any time, without notice, with such persons and material as the Association deems necessary, to accomplish such emergency repairs or take such emergency action.

Section 5. Severability. Invalidation of any one or more of these covenants or restrictions by legislation, judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 6. Notices. Any notice required to be sent to any Member of the Association under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member appearing on the records of the Association at the time of such mailing.

Section 7. Captions. The Article and Section headings herein are intended for convenience of reference only and shall not be given any substantive effect.

Section 8. Construction. In the event of an apparent conflict between this Declaration and The Articles of Incorporation or the By-Laws, the provisions of this Declaration shall govern.

NOTICE OF AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR APPLEWOOD ESTATES

10.00
①
1.00 NONC

The above entitled Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates, recorded in the Office of the Recorder of Hamilton County, Indiana as instrument number 95-39987 are heretofore Amended as Detailed below:

COPY

200000049879
Filed for Record in
HAMILTON COUNTY, INDIANA
MARY L CLARK
On 10-05-2000 At 11:00 am.
AMEND DECL 10.00

COVENANT - ARTICLE VI. (Page 18)

Section 9. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

PROPOSED CHANGE:

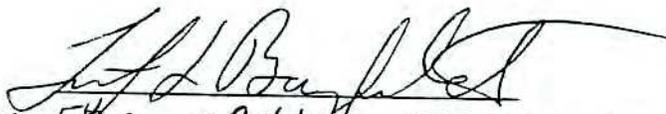
Section 9. Proof of Payment. Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by the treasurer and one other officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

Revised March 23, 2000 at a duly noticed, and conducted with quorum present Applewood Homeowners Association Meeting.

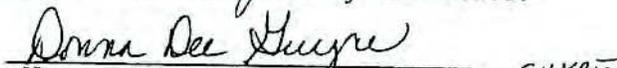

Timothy Bongfeldt, President Applewood Homeowners Association

This instrument was prepared by Timothy Bongfeldt,
President Applewood Homeowners Association

State of Indiana
County of Hamilton



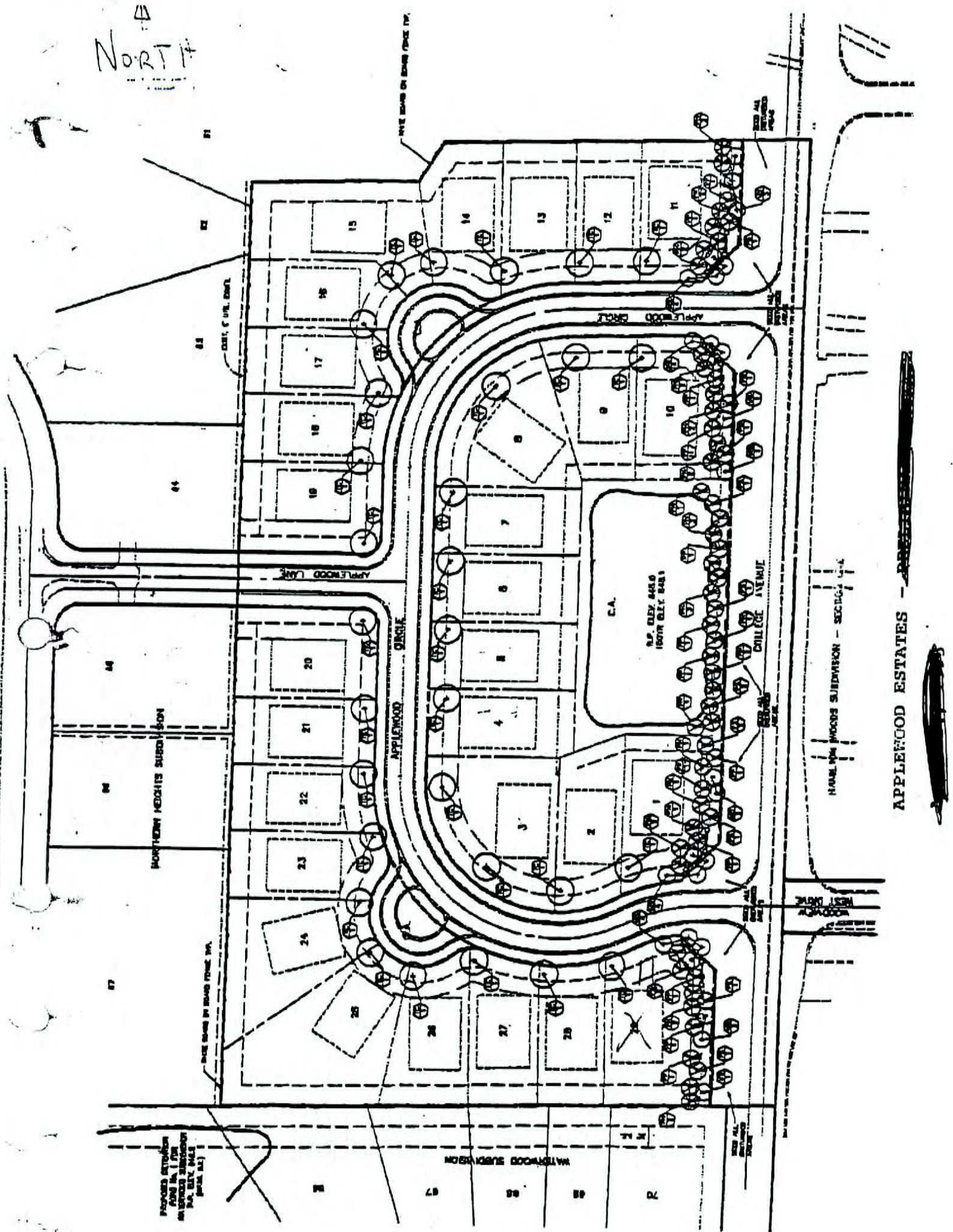
Subscribed and sworn to this 5th day of October 2000 before the undersigned, a Notary Public in and for said county and state.


Notary Public DONNA DEE GURRE

County of Residence Madison

My commission Expires 10-3-2007

NORTH



PROPOSED SUBDIVISION
 PLAN No. 1 OF
 AN UNINCORPORATED SUBDIVISION
 S.A. BLYE BALS
 (PARTIAL PLAN)

WATERWOOD SUBDIVISION

HARLEM WOODS SUBDIVISION - SECTION 1

APPLEWOOD ESTATES -

ADDRESS TABLE

LOT NO.	STREET	ADDRESS
1	BLOSSOM WAY	11513
2	BLOSSOM WAY	11515
3	BLOSSOM WAY	11521
4	BLOSSOM WAY	11529
5	BLOSSOM WAY	11531
6	BLOSSOM WAY	11533
7	APPLEWOOD CIRCLE	11535
8	APPLEWOOD CIRCLE	11537
9	APPLEWOOD CIRCLE	11545
10	APPLEWOOD CIRCLE	11547
11	APPLEWOOD CIRCLE	11548
12	APPLEWOOD CIRCLE	11546
13	APPLEWOOD CIRCLE	11544
14	APPLEWOOD CIRCLE	11542
15	APPLEWOOD CIRCLE	11540
16	APPLEWOOD CIRCLE	11538
17	APPLEWOOD CIRCLE	11536
18	APPLEWOOD CIRCLE	11534
19	APPLEWOOD CIRCLE	11532
20	BLOSSOM WAY	11530
21	BLOSSOM WAY	11528
22	BLOSSOM WAY	11526
23	BLOSSOM WAY	11524
24	BLOSSOM WAY	11522
25	BLOSSOM WAY	11520
26	BLOSSOM WAY	11518
27	BLOSSOM WAY	11516
28	BLOSSOM WAY	11514
29	BLOSSOM WAY	11512

2018009165 AMEN \$25.00
03/06/2018 04:18:15PM 32 PGS
Jennifer Hayden
Hamilton County Recorder IN
Recorded as Presented



Cross-Reference:

Applewood Estates, Section One (Plat), Instrument #9543505
Applewood Estates, Declaration of Covenants, Instrument #9539987

AMENDMENT

to the

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
for
APPLEWOOD ESTATES

The Applewood Homeowners Association, Inc., by its Board of Directors, on this 1st day
of MARCH, 20 18, states the following:

INTRODUCTION

The residential community in Hamilton County, Indiana, commonly known as Applewood Estates was established upon the recording of certain Plats and other documents with the Office of the Recorder for Hamilton County, Indiana; and

The Plat for Applewood Estates, Section One, was recorded with the Office of the Hamilton County Recorder on July 18, 1995, as **Instrument #9543505**, and corrected by a Certificate of Correction recorded with the Office of the Hamilton County Recorder on July 25, 1995, as **Instrument #9544455**; and

The Lots shown on the Plat are subject to the covenants contained in the Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates ("Declaration"), recorded in the office of the Hamilton County Recorder on June 22, 1995, as **Instrument #9539987**; and

The Declaration states that by taking a deed title to any Lot shown on the Plat for the Applewood Estates development, each owner automatically becomes a mandatory member of the subdivision's homeowner's association known as Applewood Homeowners Association, Inc. ("Association"), an Indiana nonprofit corporation; and

The Association was incorporated as provided in the Declaration as a non-profit corporation by the Articles of Incorporation filed with, and approved by, the Indiana Secretary of State on October 22, 1996; and

The Declaration, Article XIII, Section 1, states the Declaration may be amended if the proposed amendment(s) are approved by a vote of not less than two-thirds (2/3) in the aggregate of the votes of all Owners in Applewood Estates”; and

There are twenty-nine (29) Lot Owners in Applewood Estates, which means the amendments needed twenty (20) votes to pass. The Association held a meeting of the Members on February 16, 2018, and at this meeting, a sufficient number of Owners voted to approve these amendments; and

The ballots/proxies cast by the Owners for these amendments are attached to this amendment document as “**Exhibit A**”; and

AS A RESULT, the following amendments to the Declaration are hereby adopted and approved by the Members under the authority granted to the Association by the Declaration.

[End of Introduction]

[Remainder of Page Left Blank]

Article VI, Section 13, of the Declaration is amended to read as follows:

Section 13. Reserve Fund Contribution. Each time the ownership of a Lot in Applewood Estates is transferred, conveyed or otherwise changes ownership, a Reserve Fund Contribution from the incoming member/owner in the amount of two hundred fifty dollars (\$250.00) is required and will be collected at the time the ownership is transferred. This contribution may not be deleted or waived by the Association or its directors. Further, the Association, its members, or directors may not reduce the Reserve Fund Contribution, but it may be increased subject to the approval of two-thirds (2/3) of the members voting on such increase at a duly called and constituted meeting called for that purpose. These contributions will be deposited in an account separate from the operating funds of the Association. Notwithstanding anything contained in this section or elsewhere in this Declaration, any sale or transfer of a Lot to a mortgagee pursuant to a foreclosure on its mortgage, a deed in-lieu of foreclosure, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, will not be subject to paying this Reserve Fund Contribution.

Article X, Section 12, of the Declaration is amended to read as follows:

Section 12. Owner-Occupancy Requirement and Leasing. To maintain the congenial and residential character of Applewood Estates, for the protection and maintenance of property values by encouraging the maintenance, improvement and updating of the Lots within Applewood Estates community, and in an effort to limit investment purchasers, institutional buyers, and others from buying properties within Applewood Estates subdivision solely for the purpose of leasing or renting the properties in the subdivision, all homes in Applewood Estates development must be OWNER-OCCUPIED for a minimum of five (5) years from the date the Owner(s) takes title to a property within the Development, which means the titled Owner of the home (i.e. the name on the deed) must live in the home.

The term "Owner-Occupied" does not include the representatives, employees, agents or guests of a corporation, partnership, or other entity. In addition, titled Owner(s), or their agent or representative, cannot rent, lease, sell on contract, rent to own, or enter into any other form of agreement that would allow a non-owner to use a home in the Applewood Estates subdivision as their primary residence during this five (5) year period of required Owner-Occupancy. If any Owner enters into a lease agreement, rental agreement, land sale contract, lease to own agreement, or other form of agreement that would allow a non-owner to use a home in the Applewood Estates subdivision as their primary residence during the Owner-Occupancy period, those agreements will be voidable in the sole discretion of the Association's Board of Directors.

The Board may approve a hardship exception to any portion(s) of this restriction if requested in writing by the titled Owner. A request for a hardship exception must state the reason(s) the hardship exception is being requested and what kind of exception, including length of time, the Owner is requesting. Once an Owner has submitted a request for a hardship exception to the Board, the Board has thirty (30) days from the date of receiving the request to make a ruling on the request. If the Board does not rule on the request within that time period,

then the request is automatically denied. A decision of whether to grant a hardship exception is strictly within the sole discretion of the Board.

However, this "Owner-Occupancy" restriction is not intended to prevent residents whose primary residence is in Applewood Estates, but who are not the titled Owner of their home as the result of estate planning, such as placing their home in a trust, reserving a life estate, or Medicaid planning, from living in Applewood Estates. In this situation, the Owner will be considered in compliance with this covenant so long as the residents living in the home do not pay rent or other form of compensation to anyone in return for living in the home, and the residents and Owner also follow all remaining restrictions in this provision.

Once the five (5) year Owner-Occupancy period has expired, the titled Owner(s) of a lot may lease his property, but all leases must rent the whole home (no roomers or boarders) for a period of at least one (1) year without automatic renewal, must provide a copy of the Declaration to the renter and inform the renter that failure to comply with the covenants and restrictions in the Declaration is a default under the lease, and the Owner must provide the Association with a copy of the lease (amounts redacted) within thirty (30) days of signing the lease. Short-term rentals of thirty (30) days or less, roomers, or boarders are strictly prohibited at any time. This Owner-Occupancy restriction takes effect on the date this covenant is recorded with the Hamilton County Recorder's Office. This Owner-Occupancy restriction will apply to all Owners taking deeded title to a property in Applewood Estates after this covenant is recorded. Any Owner taking deeded title to a property within Applewood Estates before this covenant is recorded will not be subject to the five (5) year Owner-Occupancy restriction but will be subject to all other provisions of this covenant. Likewise, this provision does not apply to institutional mortgagees of any home in Applewood Estates which come into possession of the home by reason of foreclosure, judicial sale, or deed-in-lieu of foreclosure. Any Owner found to be in violation of any portion of this covenant or the Declaration by a court of competent jurisdiction will be permanently banned from renting his property.

All other provisions of the Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates remain unchanged;

The foregoing amendment(s) will run with the land and will be binding upon all owners and upon the parties having or acquiring any right, title or interest, legal or equitable, in and to the real property or any part or parts thereof subject to these covenants.

[End of Amendments]

[Remainder of Page Left Blank]

STATE OF INDIANA)
)
COUNTY OF HAMILTON)

Before me a Notary Public in and for said County and State, personally appeared ANDREW M. SANDUEN and THERESA A. OSBORN, the President and Secretary, respectively, of Applewood Homeowners Association, Inc., who acknowledged execution of the foregoing Amendments to the Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates, and who, having been duly sworn, stated that the representations contained herein are true.

Witness my hand and Notarial Seal of this 1ST day of MARCH, 2018.

[Signature]
Notary of Public – Signature
FRANCIS A. AMPIL
Printed

MARION
County of Residence
03-01-2023
Date Commission Expires

I hereby affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. –Scott A. Tanner

**This document was prepared by and should be returned to:
Scott A. Tanner, TANNER LAW GROUP, 6125 S. East St., Suite A, Indianapolis, IN 46227**



EXHIBIT A

Amendments must be approved by a vote of not less than two-thirds (2/3) in the aggregate of the votes of all Owners in Applewood Estates

(2/3 of 29 Total Owners = 20)

**Article VI, Section 13 (Reserve Fund Contribution)
(Amendment approved by 22 Lot Owners)**

**Article X, Section 12 (Owner-Occupancy)
(Amendment approved by 20 Lot Owners)**

BY-LAWS

Of

APPLEWOOD HOMEOWNERS ASSOCIATION, INC.

**CODE OF BYLAWS OF
APPLEWOOD HOMEOWNERS ASSOCIATION, INC.
An Indiana Nonprofit Corporation**

ARTICLE I

NAME

Section 1.1. Name. The name of this Corporation is Applewood Homeowners Association, Inc. (hereinafter referred to as "Corporation"), a mutual benefit corporation.

ARTICLE II

IDENTIFICATION & APPLICABILITY

Section 2.1. Identification and Adoption. The provisions of these Bylaws shall apply to the Property and the administration and conduct of the affairs of the Corporation. These Bylaws shall also constitute the Bylaws of the Corporation.

Section 2.2. Individual Application. Each of the Owners within Applewood Estates shall automatically and mandatorily be Members of the Corporation and be entitled to all of the privileges and subject to all of the obligations thereof. All owners, by their acceptance of their respective deeds to their Lots, covenant and agree to be bound by the conditions, restrictions, and obligations contained in the Declaration of Covenants, Conditions, Restrictions and Easements for Applewood Estates, said Declaration having been recorded in the Hamilton County Recorder's Office on the 22nd day of June, 1995, as Instrument No. 95-39987, the Articles of Incorporation, the rules and regulations of the Corporation, the provisions hereof, and to any amendments to such documents. All of the Owners, future owners, tenants, future tenants, their guests and invitees, or any other person who might now or hereafter use or occupy a residence upon any Lot or any part of the Property shall be subject to the rules, restrictions, terms, and conditions set forth in the Declaration, the Articles of Incorporation, these Bylaws, and the Indiana Nonprofit Corporation Act of 1991 (the "Act"), all as the same may be amended from time to time, and to any rules and regulations adopted by the Board of Directors as herein provided. The Declaration is incorporated herein by reference. All of the covenants, rights, restrictions, and liabilities contained in the Declaration shall apply to and govern the interpretation of the Articles of Incorporation and this Code of Bylaws. The definitions and terms, as defined and used in the Declaration, shall have the same meaning in the Articles of Incorporation and in this Code of Bylaws.

ARTICLE III

MEETINGS OF CORPORATION

Section 3.1. Purpose of Meetings. At least annually, and at such other times as may be necessary or appropriate, a meeting of the Applewood Estates Home Owners Association Members (hereinafter referred to as "Members" or "Members of the Corporation") shall be held for the purpose of electing the Board of directors, receiving and approving the annual budget, providing for the collection and payment of Common Expenses, and for such other purposes as may be required by the Declaration, these By-Laws, the Articles, or the Act.

Section 3.2. Annual Meeting. The annual meeting of the Members of the Corporation shall be held between December 1 and December 15 in each calendar year. At each annual meeting, the Members shall elect the Board of Directors of the Corporation in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 3.3. Special Meetings. A special meeting of the Members of the Corporation may be called by the President, by resolution of the Board of Directors or upon a written petition of the designated Owners of not less than twenty percent (20%) of the Lots. The resolution or petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 3.4. Notice and Place of Meetings. All meetings of the Members of the Corporation shall be held within the Property or at any suitable place in Hamilton County, Indiana, as may be designated by the Board of Directors. Written notice stating the time, place of any meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the secretary of the Corporation to each Member entitled to vote thereat not less than fourteen (14) days prior to the date of such meeting. Any written notice delivered to the Members as part of a newsletter or other publication regularly sent to the Members constitutes a written notice. If at any meeting an amendment to the Declaration, the Articles of Incorporation, or these Bylaws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. All notices shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the Members at their respective addresses as the same shall appear upon the records of the Corporation. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Corporation to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Corporation with its name and address in accordance with section 8.1 of these Bylaws. Such Mortgagee may designate in writing a representative to attend the meeting.

Section 3.5. Voting.

(a) Number of Votes. Each Class A Member is entitled to cast one (1) vote upon each matter coming before the meeting. The Class B Member is entitled to cast four (4) votes for each Lot in the Property owned by it upon each matter coming before the meeting. To the extent provided in the Act, plurality voting shall be permitted such that at any meeting, if a quorum exists, action on a matter is approved if the votes cast in favor of the proposed action exceed the votes opposing the action.

(b) Multiple Owners. When more than one (1) person or entity constitutes the owner of a particular Lot, all such persons or entities shall be Members of the Corporation, but all of such persons or entities shall have only one (1) vote. This one (1)

vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

(c) **Voting by Corporation or Trust**. Where a corporation or trust is an owner or is otherwise entitled to vote, the trustees may cast the votes on behalf of the trust, and the agent or other representative of the corporation duly empowered by the board of directors of such corporation shall cast the votes to which the corporation is entitled. The secretary of such corporation or a trustee of such trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary of the Corporation stating who is authorized to vote on behalf of said corporation or trust.

(d) **Proxy**. A written proxy vote may be cast by a member of the Association. All proxy votes must be in the hands of one of the officers of the Association prior to the commencement of the meeting.

(e) **Quorum**. Except where otherwise expressly provided in the Declaration, these Bylaws, or the Articles or the Act, the presence of Members or their duly authorized representatives owning at least thirty percent (30%) of the total Lots within the Property shall constitute a quorum at all meetings. Unless otherwise required herein or by the Act, the Members at a meeting at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. As used elsewhere in these Bylaws, the term / "Majority of Owners" shall mean at least fifteen (15) of the twenty-nine (29) lots which is at least fifty-one percent (51%) of the total Lot Owners, and the term "Majority of the Vote" shall a majority of the votes cast by Members present or represented at such meeting at which a quorum is present.

Section 3.6. Conduct of Annual Meeting. The Chairman of the annual meeting shall be the President of the Corporation. The President shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

(1) **Minutes**. The minutes of the last annual meeting and the minutes of any regular or special meeting of the Members held subsequent thereto shall have been mailed to all owners prior to the annual meeting and shall not be read at the annual meeting.

(2) **Treasurer's Report**. The Treasurer shall report to the Co-Owners concerning the financial condition of the Corporation and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current fiscal year.

(3) **Budget**. The proposed budget for the current fiscal calendar year shall be presented to the Owners for approval or amendment.

(4) **Election of Board of Directors**. Nominations for the Board of Directors may be made by a Member from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Corporation at least ten (10) days prior to the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast

the total number of votes to which he or she is entitled for as many nominees as are to be elected; however, no Member shall be entitled to accumulate his or her votes. Those persons receiving the highest number of votes shall be elected.

(5) **Other Business.** Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Corporation at least ten (10) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a Majority of the Vote as defined in Section 3.5(e) hereof.

(6) **Committee Reports.** Reports of committees designated to supervise and advise on the respective segments of maintenance and operations prescribed in the Declaration or assigned by the Board of Directors shall be presented.

(7) **Adjournment.** Upon completion of all business before the Corporation, the President, upon the motion of any Member, seconded, and voted upon by the Members, may adjourn the meeting, provided, however, that no annual meeting shall be adjourned until a budget is approved by the Members for the upcoming year.

Section 3.7. Conduct of Special Meeting. The President of the Corporation shall act as Chairman of any special meetings of the Corporation if he or she is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be in consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

Section 3.8. Written Ballots. In lieu of any annual or special meeting of the Members, written ballots may be utilized in the manner prescribed in the Act.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. Board of Directors. The affairs of the Corporation shall be governed and managed by the Board of Directors (herein sometimes collectively called "Board" and individually called "Directors"). The initial Board of Directors shall be composed of three (3) persons who are either officers of the Class B Member or who each own at least one Lot. The number of Directors may be increased or decreased from time to time, upon resolution having the assent of a Majority of the Vote of the Members, but in no event shall the number of Directors exceed seven (7) nor be decreased to less than three (3). No reduction in the number of Directors shall have the effect of removing a Director from office prior to the expiration of his or her term.

Section 4.2. Additional Qualifications. Except for the initial Board of Directors, each Director shall be a Member as defined in the Declaration. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot may be represented on the Board of Directors by more than one person at a time.

Section 4.3. Term of Office and Vacancy. Members of the initial Board of Directors who have been appointed by the Incorporator shall serve for a term of two years from the date of

appointment. Thereafter, Directors shall be elected at the annual meeting of the Corporation. Each Director so elected shall serve a term of two (2) years. Any vacancy or vacancies occurring in the Board caused by a death, resignation, or otherwise other than a vacancy created by removal or an increase in the number of Directors, shall be filled until the next annual meeting of the Members through a vote of a majority of the remaining Directors. At the first annual meeting of the Members following any such vacancy, a Director shall be elected by the Members to serve for the balance of the term of the Director in respect to whom there has been a vacancy. Each Director shall hold office throughout the term of his or her election until his or her successor is elected and qualified.

Section 4.4. Removal of Directors .

A Director or Directors elected by the Members or elected by the Directors to fill a vacancy, may be removed by the Members with or without cause if the number of votes cast to remove would be sufficient to elect the Director(s) at a meeting to elect Directors. A Director or Directors elected by the Members may be removed by the Members only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of the meeting is for voting upon the removal of the Director(s). A Director shall be removed from his/her office upon missing three (3) consecutive Board meetings without prior notification to the President or the Vice President of his/her absence. The Board shall then appoint a new Director from the Members comprising the Applewood Estates Homeowners Association.

Section 4.5. Duties of the Board of Directors . The Board of Directors shall perform or cause to be performed, when and to the extent deemed necessary or appropriate in the Board's business judgment, the following:

- (a) Protection, repair and replacement of the Common Areas and Landscape Easements, unless the same are otherwise the responsibility or duty of the owners; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
- (b) Procuring of utilities, removal of garbage and waste if not provided by the municipality;
- (c) Landscaping, mowing and cleaning of the Common Areas and Landscape Easements;
- (d) Assessment and collection from the Owners of the Owners' pro-rata share of the Common Expenses;
- (e) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Member at the same time the notice of annual meeting is mailed or delivered;
- (f) Preparing and delivering annually to the Members a full accounting of all receipts and expenses incurred during each year, which accounting shall be delivered to each Member simultaneously with delivery of the notice of the annual meeting of the Members;
- (g) Keeping a current, accurate, and detailed record of receipts and expenditures affecting the Corporation, specifying and itemizing the Common Expenses;

all records and vouchers shall be available for examination by a Member at any time during normal business hours;

(h) Procuring and maintaining in force all insurance coverage required by the Declaration;

(i) Performing such other duties as may be reasonably inferred from the provisions of the Declaration.

Section 4.6. Powers of the Board of Directors . The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of its duties. These powers include, but are not limited to, the power:

(a) To employ a reputable and recognized professional managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties; provided, however, any management agreement shall be terminable for cause upon thirty (30) days written notice and terminable without cause upon sixty (60) days written notice, and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

(b) To purchase for the benefit of the Members such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;

(c) To procure for the benefit of the Corporation public liability and property damage insurance and Workers Compensation insurance, if necessary, and to procure all such other insurance as is required or permitted under the Declaration;

(d) To employ legal counsel, architects, engineers, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;

(e) To employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Common Areas and Landscape Easements ;

(f) To include the costs of all of the above and foregoing as Common Expenses of the Corporation and to pay all of such costs therefrom;

(g) To open and maintain a bank account or accounts in the name of the Corporation and to designate the signatories thereto;

(h) To adopt, revise, amend, and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the Lots and Common Areas within the Property, provided that the Board shall give advance written notice to the Members of such rules and any revision, amendment, or alteration thereof.

Section 4.7. Limitations on Board Action . The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Five Thousand Dollars (\$5,000.00), unless the prior approval of a Majority of Members [as defined in Section 3.5(e) hereof] is obtained, except in the following cases:

(a) Supervision and management of the replacement or restoration of any portion of the Common Areas or Landscape Easements damaged or destroyed by fire or other casualty, where the cost thereof is payable out of insurance proceeds actually received;

(b) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Members at the annual meeting; and

(c) Expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Members.

The said Five Thousand Dollar (\$5,000.00) maximum shall automatically be adjusted every five (5) years from the date of first adoption of these Bylaws to reflect changes in the purchasing power of the dollar, as determined by the most recently published annual GNP Implicit Price deflator or any comparable index.

Section 4.8. Compensation . No Director or Officer shall receive any compensation for his or her services as such except to such extent as may be expressly authorized by a Majority of Owners as defined in Section 3.5(e) hereof.

Section 4.9. Meetings and Notice . Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other board meetings, the Secretary shall give notice of such meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary, who shall either personally or by mail and at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place as shall be designated in the notice. To the extent provided in the Act, a Director may conduct or participate in a regular or special meeting of the Board of Directors through the use of conference telephone or any means of communication by which all directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

Section 4.10. Waiver of Notice. Before or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place, and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.11. Quorum . At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 4.12. Bond . The Board of Directors may require the Managing Agent, Treasurer and such other officers as the Board deems necessary to provide surety bonds, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a Common Expense.

Section 4.13. Informal Action by Directors . Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 4.14. Standards of Conduct and Liability of Directors and Officers . The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Corporation shall be as set forth in the Act, as the same may be amended from time to time.

ARTICLE V

OFFICERS

Section 5.1. Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Members. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 5.2. Election of Officers. The Officers of the Corporation shall be elected by the Members at the Annual Meeting. Each officer shall hold office for two (2) years or until his successor shall have been duly elected and qualified, unless earlier removed by the Board of Directors. Upon recommendation of a majority of all members of the Board, any officer may be removed either with or without cause and his or her successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 5.3. The President. The President shall be elected by the Members and shall be the executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board, shall have and discharge all the general powers and duties usually vested in the office of the president or chief executive officer of a nonprofit corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from among the Owners as he or she may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

Section 5.4. The Vice President. The Vice President shall be elected by the Members and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time be imposed upon him or her by the Board or by the President.

Section 5.5. The Secretary. The Secretary shall be elected by the Members. The Secretary shall attend all meetings of the Corporation and of the Board and shall keep or cause to be kept a true and complete record of proceedings of such meeting, shall authenticate the Corporation's records, shall perform other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically

see that all notices of the Corporation or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 5.6. The Treasurer. The Treasurer shall be elected by the Members. The Treasurer shall maintain a correct and complete record of account showing accurately at all times the financial conditions of the Corporation and such other duties incident to the office of Treasurer. The Treasurer shall be legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Corporation. He or she, acting individually, or acting by or through any duly employed managing agent, shall immediately deposit all funds of the Corporation coming into his or her hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Corporation.

Section 5.7. Assistant Officers. The Board of Directors may from time to time designate and elect from among the Members an Assistant Secretary and/or Assistant Treasurer, who shall have such powers and duties as the Officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

ARTICLE VI

ADDITIONAL RIGHTS AND DUTIES OF THE BOARD

Section 6.1. Right of entry. An Owner or occupant of a lot shall be deemed to have granted the right of entry to his or her Lot to his or her residence to the Board, the Managing Agent, or any person authorized by the Board in case of any emergency, in order to remedy any circumstance threatening his or her residence or any other property or person, whether the Owner is present at the time or not.

Section 6.2. Right of Board to Adopt Rules . The Board may promulgate reasonable rules regulating activities and conduct within the Property as the Board may deem desirable, including but not limited to permitted and prohibited uses of the Common Areas and Landscape Easements.. Such rules as are adopted may be repealed or amended by a vote of a majority of the Board. The Board shall cause copies of all such rules, including any amendments or repeals thereof, to be delivered or mailed promptly to all Members at least fifteen (15) days prior to the effective date thereof. Any rule or regulation promulgated by the Board shall be properly and consistently enforced by the Board.

ARTICLE VII

INDEMNIFICATION

Section 7.1. Indemnification of Directors . To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the corporation shall be indemnified by the corporation as provided in the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended .

Section 7.2. Indemnification of Officers . To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Corporation shall be indemnified by the Corporation as provided in the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended. In addition, every person (and the heirs and personal representatives of such person) who is or was an officer of the Corporation shall be indemnified by the Corporation to the same and fullest extent that directors are indemnified by the Corporation as provided for in the Indiana Nonprofit Corporation Act of 1991, as it now exists or is hereinafter.

ARTICLE VIII

NOTICES AND MORTGAGES

Section 8.1. Notice to Association . Any owner who places a first mortgage lien upon his Lot or the Mortgagee thereof may notify the Secretary of the Corporation and provide the name and address of such Mortgagee, which shall be maintained by the Secretary, and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these Bylaws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of the existence of any such mortgage and the name and address of the Mortgagee are furnished to the Secretary, either by owner or by the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration or these Bylaws shall be required, and no Mortgagee shall be entitled to vote on any matter on which he otherwise may be entitled to vote by virtue of the Declaration or Bylaws or proxy granted to such Mortgagee in connection with the mortgage.

Section 8.2. Notice of Unpaid Assessments . Upon ten (10) days written notice to the Corporation and the payment of a reasonable fee, the Corporation shall deliver to any Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of a Lot, a written statement setting forth the amount of all unpaid assessments, if any, with respect to the subject Lot, together with the amount of the current assessments for Common Expenses and the date(s) such assessments become due and payable . Any such written statement shall be binding upon the Corporation in favor of any person relying thereon in good faith, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to any lien for any unpaid assessments in excess of the amount set forth in such statement.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

Section 9.2. Personal Interests. Except as permitted under Section 4.8 hereof, no Member of the Corporation shall have or receive any earnings from the Corporation; provided, however, that a Member who is an officer, director, employee, or agent of the Corporation may be reimbursed for expenses actually incurred on the Corporation's behalf.

Section 9.3. Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the ordinary course of business of the corporation, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by the Treasurer and one other person as designated by the Board of Directors.

ARTICLE X

AMENDMENT TO BYLAWS

Section 10.1. Amendment. These Bylaws may be amended by a Majority of the Owners as defined in Section 3.5(e) hereof in a duly constituted meeting called for such purpose, except as prohibited by any provision of the Declaration, the Act, or these Bylaws, as the same may be amended from time to time.

ARTICLE XI

ASSESSMENTS

Section 11.1. Annual Accounting. Annually, near the close of each calendar year and prior to the date of the annual meeting of the Corporation, the Board shall cause to be prepared and furnished to each Member a financial statement, which statement shall show all receipts and expenses received, incurred, and paid during the preceding calendar year.

Section 11.2. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Regular Assessments; and (2) Special Assessments; such assessments to be established and collected as hereinafter provided. The Regular and Special Assessments, together with interest, late fees, costs, reasonable attorney's fees, and any other obligation which may be charged to an owner pursuant to the Declaration or these Bylaws, shall be a charge on the Lot, and shall be a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, late fees, costs, and reasonable attorney's fees, shall also be the personal obligation of the person or other entity which was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title, unless expressly assumed by them.

Section 11.3. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual

budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year, and furnish a copy of such proposed budget to each Member prior to the annual meeting. The proposed annual budget shall take into consideration all anticipated costs and expenses necessary for maintenance and repair of the Common Areas and Landscape Easements, together with necessary insurance, reserve fund for replacements, maintenance, and operation of the community activities of the Corporation, and for any other necessary function for such maintenance and operation of the Property.

Section 11.4. Regular Assessments . The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Lot. Such assessments shall be uniform for all of the Lots. Immediately following the adoption of the annual budget, each owner shall be given written notice of such assessment against each respective Lot (herein called the "Regular Assessment"). The Regular Assessment against each Lot shall be paid in twelve (12) equal monthly installments commencing on the first day of the month following adoption and on the first day of each calendar month thereafter. Payment of the monthly installment of the regular assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Members may elect to pay monthly assessments semi-annually in advance. The Regular Assessment for the year shall become a lien on each separate Lot as of the first day of the month after adoption .

Section 11.5. Special Assessments . In addition to the Regular Assessments authorized above, the Corporation may levy in any assessment year, Special Assessments for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, and (2) the expense of any other contingencies; provided that any such assessments shall have the assent of a Majority of the Vote (as defined in Section 3.5(e) hereof) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Any Special Assessment shall be fixed at a uniform rate for all Lots.

The amount of the Regular Assessment or of any Special Assessment provided for in this Section, shall be assessed as a lien at the beginning of each Regular Assessment period or at the time of Special Assessment, as the case may be. Each installment of the assessment shall be due and payable not later than the tenth (10th) day of each month, and upon default of payment within such period of time, the Corporation shall be entitled to enforce the payment of said assessment according to the laws of the State of Indiana, and to take any other actions for collection from the defaulting parties as may be authorized by the Declaration, the Articles, or these Bylaws.

Section 11.6. Failure of Owner to Pay Assessment . No Owner may exempt himself or herself from paying Regular or Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or by abandonment of the Lot belonging to him or her. Each owner shall be personally liable for the payment of all Regular and Special Assessments. Where the owner constitutes more than one person, the liability of such persons shall be joint and several. If any owner shall fail, refuse or neglect to make any payment of any Regular or Special Assessment when due, the lien for such Assessment on the Owner's Lot may be foreclosed by the Board for and on behalf of the Corporation as provided by law or contract. Upon the failure of an Owner to make payments of any Regular Assessment or Special Assessment within ten (10) days after such are due, the Board may, in its discretion, (1) impose a late charge of up to twenty-five percent (25%) of the amount in default, (2) accelerate the entire balance of the unpaid Assessments for the remainder of the current fiscal year and declare the same immediately due and payable, notwithstanding any

other provisions hereof to the contrary, and (3) suspend such Owner's right to vote as provided in the Indiana Nonprofit Corporation Act of 1991, as amended. In any action to foreclose the lien for Assessments, the owner and any occupant shall be jointly and severally liable for the payment to the Corporation of reasonable rental for such Lot and its improvements, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and its improvements and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular or Special Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular or Special Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Lot.

Section 11.7. Subordination of the Lien to Mortgages . The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot subject to assessment. Notwithstanding anything contained in this section or elsewhere in these Bylaws or the Declaration, any sale or transfer of a Lot to a first Mortgagee pursuant to a foreclosure on its mortgage or a conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Regular or Special Assessment as to such installments which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior Owner from personal liability therefore. No such sale, transfer or conveyance shall relieve the Lot or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Lot from which it arose).

Section 11.8. Maintenance and Repairs . Every owner shall promptly perform all maintenance and repair upon his own Lot and the improvements thereon which, if neglected, would adversely affect the value of the other Lots within the Property, or which would constitute a hazard or a nuisance.

ARTICLE XII

RESTRICTIONS

Section 12.1 . The following restrictions on the use and enjoyment of the Lots, the Common Areas, and the Landscape Easements are supplemental to or are in addition to those set forth in the Declaration. These restrictions are as follows:

- (a) All Lots and the improvements situated thereon shall be used exclusively for residential purposes and occupancy for a single family.
- (b) No additional buildings shall be erected other than a residence as contemplated in the Declaration.
- (c) Nothing shall be done or kept upon any Lot or within any residence or in the Common Areas or Landscape Easements which would be in violation of any law or ordinance.

(d) No waste shall be committed upon or within the Common Areas or Landscape Easements.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a residence, or on or upon any balcony or patio, and no sign, awning, canopy, shutter, or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roof or any other part of the residence without the prior written consent of the Board.

(f) No animals, livestock, or poultry of any kind shall be raised, bred, or kept upon any Lot or in the Common Areas, except that small pet dogs, cats, or customary household pets may be kept, provided that such pet is not kept, bred, or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash and an Owner shall be fully liable for any damage to the Common Areas or Landscape Easements caused by his or her pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property upon the occurrence of two (2) violations of this paragraph documented by written notices from the Board to the respective owner.

(g) Nothing shall be done or permitted upon any Lot which is likely to cause injury to the reputation of the Property or to be a nuisance, annoyance, inconvenience, or damage to other residents of the Property, including, without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers, or other equipment or machines.

(h) No clothes, sheets, blankets, rugs, laundry, or other things shall be hung out or exposed on any part of the Common Areas. The common Areas shall be kept free and clear of rubbish, debris, and other unsightly material by Owners.

(i) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced, or permitted in the Property other than home professional pursuits clearly incidental to the residential use of the residence without employees.

(j) No "For Sale", "For Rent", or "For Lease" signs or other window advertising display shall be maintained or permitted on any part of the Property or any residence without the prior consent of the Board; provided, however, that the right is reserved by the Declarant to place or allow to be placed "For Sale" or "For Lease" signs on any unsold Lots or unsold residences.

(k) All owners and members of their families, their guests, or invitees, and all occupants of any residence or other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules as may from time to time be issued by the Board governing the operation, use, and enjoyment of the Property.

(l) No boats, campers, trailers of any kind, buses, mobile homes, commercial trucks, motorcycles, mini-bikes, or any other unconventional vehicles of any description shall be parked or stored anywhere within the Property; provided, however, that nothing herein shall prevent the parking or storage of such vehicles completely enclosed within a garage.

(m) No Owner shall be allowed to plant trees, landscape, or do any gardening in any of the Common Areas or Landscape Easements, except with the express written permission of the Board.

(n) All trash or refuse shall be stored in appropriate containers inside the residence (including garage) or designated trash areas except during regular trash collection days.

IN WITNESS WHEREOF, I, the undersigned incorporator, do hereby adopt and execute this Code of Bylaws for the Corporation this 16th day of December, 1996.



Signature
Kevin K. Kirkpatrick,
Incorporator of Applewood
Homeowners Association, Inc.
mutual benefit corporation

As further corrected to incorporate authorized changes through August 7, 2017 by the then current Board of Directors, Andrew Sandler, President, Therese Owen, Vice-President, Terri Osborn, Secretary, and James Wine, Treasurer.