



CROSS REFERENCE: 2022-07839 (SECTION 6 PLAT)

**DECLARATION OF COVENANTS, CONDITIONS
RESTRICTIONS AND RESERVATION OF EASEMENTS FOR
ENCLAVE AT HEARTLAND CROSSING VILLAS
HOMEOWNERS' ASSOCIATION**

Declarant, Enclave at Heartland, LLC, an Indiana limited liability company, is the owner of certain real estate in Morgan County, Indiana, described in Exhibit "A", attached hereto and incorporated herein (hereinafter referred to as the "Property").

Declarant hereby declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions and reservation of easements herein, which are for the purpose of protecting the value and desirability of and which shall run with the Property submitted hereunder or Additional Land which may subsequently be added, and shall be binding on all parties having any right, title or interest in the Property, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

GENERAL PROVISIONS

I. DEFINITIONS

As used in this Declaration, the following terms have the meanings set forth below:

"Assessments" means, the Lifestyle Annual Assessments and the Lifestyle Special Assessments.

"Association" means the legal entity (and its successors and assigns) formed for the purpose of maintaining and repairing certain elements located in individually owned areas of the Property on behalf of the Owners as set forth herein. The Association shall be named Enclave at Heartland Villas Homeowners' Association and shall be formed as an Indiana non-profit corporation or other non-profit entity.

"Association Documents" means the formative documents of the Association, consisting of the articles of incorporation, Code of Regulations and any and all procedures, rules, regulations or policies adopted by the Association, or comparable formative documents if the Association is not a corporate entity.

"Board" means the board of directors or other management body of the Association.

"Builder" means any party who acquires one or more developed Lots from Developer for the purpose of resale to an Owner or for the purpose of constructing improvements thereon for resale to an Owner.

"Code of Regulations" means the Code of Regulations of Brandywine Homeowners' Association attached hereto as Exhibit E.

“Lifestyle Annual Assessments” means the amount to be paid to the Association by each Lifestyle Owner, as provided in Article IX, Paragraph G.

“Lifestyle Executive Committee” shall have the meaning set forth in the Code of Regulations.

“Lifestyle Lot” means a discrete parcel of land on the Lifestyle Property identified upon the recorded plat of the Subdivision and any other discrete parcel of land on the Lifestyle Property designated by Developer, excluding the Common Property and any portion of the Lifestyle Property dedicated for public use.

“Lifestyle Owner” means the record owner, whether one or more persons or entities, of fee simple title to a Lifestyle Lot, excluding Developer”. “Lifestyle Owner” does not include persons or entities having an interest merely as security for performance of an obligation.

“Lifestyle Property” means the Property described on Exhibit B attached hereto and such additional real property as may be annexed by amendment to this Declaration and designated as Lifestyle Property, together with all easements and appurtenances thereto.

“Lifestyle Special Assessment” means an assessment levied by the Association against all Lifestyle Lots pursuant to Article IX, Paragraph H.

“Developer” means Enclave at Heartland, LLC, and any manager, general partner, shareholder, successor or assign thereof to which Developer specifically assigns any of its rights under this Declaration by a written instrument.

“Improvements” means all man-made or man-installed alterations to the Property which cause the Property to deviate from its natural condition, including but not limited to buildings, outbuildings and garages; overhead, aboveground and underground installations, including, without limitation, utility facilities and systems, lines, pipes, wires, towers, cables, conduits, poles, antennae and satellite dishes; storm sewer pipes, catch basins, headwalls, manholes, detention/retention facilities and low flow gutters; flagpoles; swimming pools, basketball backboards and hoops, swing sets, playground equipment and tennis courts; slope and drainage alterations; roads, driveways, uncovered parking areas and other paved areas; fences, trellises, walls, retaining walls, exterior stairs, decks, patios and porches, trees, hedges, shrubs and other forms of landscaping, and all other structures of every type.

“Lot” means a discrete parcel of land identified upon the recorded plat of the Subdivision and any other discrete parcel of land designated by Developer, excluding the Common Property and any portion of the Property dedicated for public use. Lot and Lifestyle Lot have the same meaning.

“Manager” means the person or entity retained by the Board to assist in the management of the Association as set forth in Article VIII, Paragraph F.

“Member” means any person or entity entitled to membership in the Association as provided for in Article VII.

"Owner" means the record owner, whether one or more persons or entities, of fee simple title to a Lot, excluding Developer.

"Property" means the real property described in Exhibit A, hereto and such additional real property as may be annexed by amendment to this Declaration, or that is owned in fee simple by the Association, together with all easements and appurtenances thereto.

"Rules" means the rules and regulations governing use of the Property as may be established by the Board from time to time pursuant to Article VIII, Paragraph D.

"Site Plan" means the site plan of the Subdivision which is attached hereto as Exhibit D.

"State" means the State of Indiana, and, unless the context requires otherwise, any political subdivision thereof exercising jurisdiction over the Property.

"Subdivision" means Enclave at Heartland Section 6 as are hereafter subjected to this Declaration as contemplated by Article II, Paragraph A.

"Turnover Date" means the first date as of which Developer has conveyed all of the Lots in the Subdivision, or, if applicable, such earlier date as of which Developer relinquishes its right under the Association Documents to appoint any members of the Board.

II. APPLICABILITY

- A. This Declaration shall apply to the entire Property.
- B. Developer shall create the Association for the purpose of carrying out and performing certain obligations as described herein. The Association shall be formed and shall operate in accordance with the terms and conditions of, and shall be subject to, this Declaration. Developer or the Association may create sub-associations or equitably allocate the governance of the Association with respect to discrete portions of the Subdivision, whether related or connected by geography, product type, property type or such other characteristics as Developer or the Association may reasonably determine.

III. GOALS

The easements, covenants, conditions and restrictions contained in this Declaration are declared to be in furtherance of the following purposes:

- A. Compliance with all zoning and similar governmental regulations;
- B. Promotion of the health, safety and welfare of all Owners and residents of the Property;
- C. Preservation, beautification and maintenance of the Property and all Improvements; and

VI. EASEMENTS AND LICENSES

A. Easement for the Association. The Association, its agents, employees and contractors are hereby granted an easement on, over, in, under and through each Lifestyle Lot to perform its obligations pursuant to this Declaration.

HOMEOWNERS' ASSOCIATION

VII. MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every Owner shall be deemed to have a membership in the Association. Membership in the Association is a right appurtenant to and inseparable from an Owner's fee simple title in a Lot, and such right of membership shall automatically transfer to any transferee of fee simple title to a Lot at the time such title is conveyed or at such time as a land installment contract is entered for the conveyance of fee simple title. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest or mortgage shall not terminate an Owner's membership. No Owner, whether one or more persons, shall have more than one membership in the Association per Lot owned. In the event an Owner consists of more than one person, such persons shall have one membership in the Association in common.

B. Governance. Voting and all other matters regarding the governance and operation of the Association shall be set forth in the Association Documents.

VIII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

A. Manager. The Board may retain and employ on behalf of the Association a Manager, which may be Developer, and may delegate to the Manager such duties as the Board might otherwise be authorized or obligated to perform. The compensation of the Manager shall be a Common Expense. The term of any such management agreement shall not exceed three years and shall allow for termination by either party, without cause, and without penalty, upon no more than 90 days' prior written notice.

B. Insurance.

1. The Association shall obtain and maintain adequate blanket property insurance, liability insurance in an amount as is commonly required by prudent institutional mortgage investors.
2. The Association may, in the Board's discretion, obtain and maintain the following insurance: (a) fidelity bond coverage and workers' compensation insurance for all officers, directors, board members and employees of the Association and all other persons handling or responsible for handling funds of the Association, (b) adequate comprehensive general liability insurance, (c) officers' and trustees' liability insurance, (d) additional insurance against such other hazards and casualties as is required by law, and (e) any other insurance the Association deems necessary.

C. Books. Records. Subject to any limitations provided by the laws of the State, upon reasonable request of any Member, the Association shall be required to make available for inspection all books, records and financial statements of the Association.

D. Lifestyle Lots. The Association shall be responsible for the ordinary care and maintenance of the landscaping located within that portion of the Lifestyle Lot lying outside the foundation of any single-family residence located thereon as set forth herein. Such maintenance shall include lawn cutting; driveway and walkway edging; lawn weed control; lawn fertilization; once annually removal/spraying of weeds in landscape beds; once annually trimming of all landscape plants; spring mulching and mid-summer mulch turning for landscape beds up to 800 square feet in size (a separate charge will be assessed for landscape beds in excess of 800 square feet); and the activation and winterization of any lawn irrigation system installed in compliance with Association requirements. The Association shall also be responsible for snow removal and ice control treatment above two inch per occurrence for the driveway. The Association shall only be responsible for those specific items of maintenance set forth herein and shall not be responsible for any maintenance not enumerated in this Article VIII, Paragraph J. All other maintenance, repair and replacement of the landscaping on a Lifestyle Lot shall be the responsibility of the Lifestyle Owner. Notwithstanding the foregoing or anything contained herein to the contrary, each Lifestyle Owner shall be responsible for the trimming and maintenance of all landscape plants located on his/her Lot and shall be required to use the dark mulch selected by the Association unless the Association approves otherwise. The Association shall have no maintenance and repair obligations with respect to any Lifestyle Lot containing a market or model home of a Builder.

E. Types of Assessments. Except as set forth below, Developer, for each Lot owned, covenants and agrees, and each Owner, by accepting a deed to a Lot, is deemed to covenant and agree, to pay to the Association the following assessments: (i) Lifestyle Annual Assessments and (v) Lifestyle Special Assessments. No Owner may gain exemption from liability for any Assessment by waiving or foregoing the services described herein or by abandoning such Owners Lot. Annual Assessments and Special Assessments shall be at a uniform rate for all Lots. Lifestyle Annual Assessments and Lifestyle Special Assessments shall be at a uniform rate for all Lifestyle Lots.

F. Lifestyle Annual Assessments. The Board shall annually estimate the Lifestyle Expenses it expects the Association to incur in the Associations next ensuing fiscal year based on the level of service required by the Lifestyle Executive Committee (as approved by the Board), and shall assess each Owner of a Lifestyle Lot a Lifestyle Annual Assessment equal to such estimated Lifestyle Expenses divided by the total number of Lifestyle Lots. The Lifestyle Annual Assessments shall be in addition to the Annual Assessments and shall be due and payable in installments as established by the Board. If the Board determines that the estimate that formed the basis for the Lifestyle Annual Assessments is inaccurate, the Board may revise such estimate and the resulting Lifestyle Annual Assessments, in which event the remaining installments of such Lifestyle Annual Assessments shall be adjusted accordingly. The Lifestyle Annual Assessments

shall be paid in accordance with the procedures set forth in the Rules. As of the date of this Declaration, the Lifestyle Annual Assessment is \$1,800.00 per year (\$150.00 per month). In no event shall the Lifestyle Annual Assessment exceed \$250.00 per month during the three (3) year period after the date of this Declaration. Notwithstanding the foregoing to the contrary, prior to the Turnover Date, Developer may elect to pay the Lifestyle Annual Assessments applicable to Lifestyle Lots owned by Developer or in lieu thereof, not pay such Lifestyle Annual Assessments and may pay any deficit incurred in maintaining and repairing the Lifestyle Lots.

G. Lifestyle Special Assessments. The Board may levy against the Lifestyle Lots a Lifestyle Special Assessment to pay for capital expenditures or interest expense on indebtedness incurred for the purpose of making capital expenditures in connection with the Lifestyle Property and not projected to be paid out of reserves; provided that any such Lifestyle Special Assessment shall have the assent of two-thirds (2/3) of Members who own Lifestyle Lots who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of any meeting called for the purpose of levying a Lifestyle Special Assessment shall be sent to all Members who own Lifestyle Lots not less than 30 days nor more than 60 days in advance of the meeting. A quorum as defined in the Code of Regulations must be present at any such meeting.

H. Remedies.

1. Late Charge: Acceleration. If the initial Reserve Fund contribution or any Assessment remains unpaid for 10 days after all or any part thereof shall become due and payable, the Board may charge interest at the lesser of the rate of 12% per annum or the highest rate permitted by law, together with an administrative collection charge of \$25.
2. Liability for Unpaid Assessments. The initial Reserve Fund contribution and each Assessment or installment thereof, together with interest thereon and any costs of collection, including reasonable attorneys' fees, shall become the personal obligation of the applicable Owner(s) beginning on the date the same becomes due and payable. The Board may authorize the Association to institute an action at law on behalf of the Association against the Owner(s) personally obligated to pay any delinquent initial Reserve Fund contribution or Assessment. An Owner's personal obligation for a Lot's delinquent initial Reserve Fund contribution or Assessments shall also be the personal obligation of such Owner's successors in title who acquire an interest after any initial Reserve Fund contribution or Assessment becomes due and payable, and both such Owner and such Owner's successor in title shall be jointly and severally liable therefor. Except as otherwise provided herein, the transfer of an interest in a Lot shall neither impair the Association's lien against that Lot for any delinquent initial Reserve Fund contribution or Assessment nor prohibit the Association from foreclosing that Lien.

3. Liens. All unpaid initial Reserve Fund contributions and Assessments, together with any interest and charges thereon or costs of collection, shall constitute a continuing charge in favor of the Association and a lien on the Lot against which the initial Reserve Fund contribution or Assessment was levied. If any initial Reserve Fund Contribution or Assessment remains unpaid for 10 days after it is due, then the Board may authorize any officer or appointed agent of the Association to file a certificate of lien for all or any part of the unpaid balance of that initial Reserve Fund contribution or Assessment, together with interest and costs, with the appropriate governmental office containing a description of the Lot which the lien encumbers, the name(s) of the Owner(s) of that Lot, the amount of the unpaid portion of the initial Reserve Fund contribution or Assessment, and such other information as the laws of the State may require. The certificate may be signed by any officer, authorized agent or Manager of the Association. Upon the filing of the certificate, the subject Lot shall be encumbered by a continuing lien in favor of the Association. The initial Reserve Fund contribution or Assessment lien shall remain valid for a period of five years from the date such certificate is duly filed, unless the lien is released earlier or satisfied in the same manner provided by the law of the State for the release and satisfaction of mortgages on real property, or unless the lien is discharged by the final judgment or order of any court having jurisdiction. Notwithstanding the foregoing, the lien for the initial Reserve Fund contribution and Assessments provided for in this Paragraph shall be subordinate to the lien of any bona fide first mortgage on a Lot.

X. MAINTENANCE

A. Maintenance of Lifestyle Lots by Association. To provide and maintain the exterior harmony of the Lots located on the Lifestyle Property, the Association shall maintain the landscaping located within that portion of the Lifestyle Lot in accordance with Section VIII (J) herein. Planting or gardening shall be allowed, and hedges or walls shall be permitted to be erected upon a Lifestyle Lot provided that they are allowed or installed in accordance with the initial construction or the approved initial construction plans of the single-family residence, or as approved by the Lifestyle Design Review Board or Developer, as applicable. If such Improvements are made to a Lifestyle Lot, then such Improvements must be maintained by the Owner of the Lifestyle Lot benefited in a manner acceptable to the Board. In the event the Owner shall fail to maintain such Improvements in a manner acceptable to the Board, the Board shall have the right to remove the Improvement and restore the Lifestyle Lot to a condition compatible with the remainder of the Lifestyle Property. The cost of such removal and restoration shall be charged to the Owner as a Lot Assessment in accordance with Article IX, Section F above. In the event such repair, maintenance and/or replacement results from the willful act, omission neglect or destruction by an Owner or the guest of such Owner, the Board shall have the right to charge the cost of such repair, maintenance and/or replacement to such Owner by a Lot Assessment in accordance with Article TX, Section F above. Determination of whether repair or maintenance is the obligation of

the Association, or if the repair or maintenance is necessary, shall rest solely with the Board, which will have the sole responsibility for determining the kind and type of materials used in such repair and maintenance. All other Lifestyle Lot maintenance or repair shall be the sole responsibility of, and at the sole expense of, the Owner of such Lifestyle Lot. Notwithstanding anything contained herein to the contrary, the Association shall have no maintenance and repair obligations with respect to any Lifestyle Lot containing a market or model home of a Builder.

MISCELLANEOUS TERMS

XI. MISCELLANEOUS

A. Term: Binding Effect. This Declaration shall be effective for a term of 30 years from and after the date that this Declaration is filed for recording with the appropriate governmental office, and thereafter, unless terminated by a recorded instrument executed by a majority of the Owners, shall automatically renew forever for successive periods of 10 years each. This Declaration shall be binding upon and inure to the benefit of Developer, the Owners, and their respective heirs, legal representatives, successors and assigns, and shall run with the land.

B. Enforcement: Waiver. This Declaration may be enforced by any proceeding at law or in equity by Developer, any Owner, the Association, the Design Review Board, and their respective heirs, successors and assigns, against any person(s) violating, or attempting to violate, any covenant or restriction, to restrain and/or to enjoin violation, to obtain a decree for specific performance as to removal of any nonconforming Improvement, and to recover all damages, costs of enforcement and any other costs incurred (including without limitation reasonable attorneys' fees). Failure of Developer, the Association or any Owner to enforce any provision of this Declaration or the Rules in any manner shall not constitute a waiver of any right to enforce any violation of such provision. By accepting a deed to a Lot, each Owner is deemed to waive the defenses of laches and statute of limitations in connection with the enforcement of this Declaration or the Rules.

C. Amendments.

1. By Developer. Until the Turnover Date, Developer may, in its sole and absolute discretion, unilaterally amend this Declaration at any time and from time to time, without the consent of any other Owners. Any such amendment may impose easements, covenants, conditions and restrictions upon the Property in addition to those set forth herein including, without limitation, restrictions on use and covenants to pay additional charges with respect to the maintenance and improvement of the Property. After the Turnover Date, Developer may unilaterally amend this Declaration, without the consent of any other Owners, if such amendment is: (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial order, (b) necessary to enable any reputable title insurance company to issue title insurance coverage on

the Lots, (c) necessary to conform to the requirements of the United States Federal Housing Administration, or (d) necessary to correct errors; provided, however, any such amendment shall not materially adversely affect the title to any Lot unless the Owner thereof has consented to such amendment in Writing. No amendment may remove, revoke or modify any right or privilege of Developer without the written consent of Developer or the assignee of such right or privilege. Developer shall have the right and power, but neither the duty nor the obligation, in its sole and absolute discretion and by its sole act, to subject additional property to this Declaration at any time and from time to time by executing and recording in the appropriate governmental office an amendment to this Declaration specifying that such additional property is part of the Property. Such additional property may be used for single-family residential, multi-family residential, commercial or mixed-use purposes. An amendment to this Declaration shall not require the joinder or consent of the Association, other Owners, mortgagees or any other person. In addition, such amendments to the Declaration may contain such supplementary, additional, different, new, varied, revised or amended provisions and memberships as may be necessary or appropriate, as determined by Developer, to reflect and address the different character or intended development of any such additional property.

2. By Owners. After the Turnover Date, this Declaration may be amended by the affirmative vote of not less than seventy-five percent (75%) of the Owners. The Board or any Owner wishing to submit an amendment to the Owners as a group shall furnish the Owners with such proposed amendment in writing along with a ballot for each Owner to approve or reject the proposed amendment. If the amendment is approved by the required percentage of Owners, the Association shall prepare and record an amendment document certifying the contents of the amendment and indicating that it has been approved by not less than seventy-five percent (75%) of the Owners. The amendment need not be signed by the approving Owners, but shall be signed by the President and Secretary of the Association. In addition, the Secretary shall sign the certification stating that the amendment was approved by not less than seventy-five percent (75%) of the Owners. The ballots reflecting the approval or rejection of any proposed amendment shall be kept with the permanent books and records of the Association.

D. Developers Rights to Complete Development. Developer and Builder(s) shall have the right to: (a) complete the development, construction, promotion, marketing, sale, resale and leasing of properties; (b) construct or alter Improvements on any property owned by Developer; (c) maintain model homes, offices for construction, sales or leasing purposes, storage areas, construction yards or similar facilities on any property owned by Developer or the Association; or (d) post signs incidental to the development, construction, promotion, marketing, sale and leasing of property within the Property. Further, Developer or Builder(s) shall have the right of ingress

and egress through the streets, paths and walkways located in the Property for any purpose whatsoever, including, but not limited to, purposes related to the construction, maintenance and operation of Improvements. Nothing contained in this Declaration shall limit the rights of Builder(s) to obtain approval from Developer to: (i) excavate, cut, fill or grade any property owned by such Builder or to construct, alter, remodel, demolish or replace any Improvements on any property owned by such Builder as a construction office, model home or real estate sales or leasing office in connection with the sale of any property; or (ii) require Builder(s) to seek or obtain the approval of the Association or the Design Review Board for any such activity or Improvement on any property owned by such Builder. Nothing in this Paragraph shall limit or impair the reserved rights of Developer or Builder(s) as elsewhere provided in this Declaration.

E. Developer's Rights to Replat Developer's Property. Developer reserves the right, at any time and from time to time, to amend, alter or replat any plat or development plan and to amend any zoning ordinance which affects all or any portion of the Property; provided, however, that only real property owned by Developer shall be the subject of any such amendment, alteration or replatting. Each Owner and Member and the Association, for themselves and their successors and assigns, hereby consents to and approves any such amendment, alteration or replatting and shall be deemed to have joined in the same.

F. Mortgagee Rights. A holder or insurer of a first mortgage upon any Lot, upon written request to the Association (which request shall state the name and address of such holder or insurer and a description of the Lot), shall be entitled to timely written notice of (a) any proposed amendment of this Declaration; (b) any proposed termination of the Association; and (c) any default under this Declaration which gives rise to a cause of action by the Association against the Owner of the Lot subject to the mortgage of such holder or insurer, where the default has not been cured in 60 days. Each holder and insurer of a first mortgage on any Lot shall be entitled, upon request and at such mortgagor's expense, to inspect the books and records of the Association during normal business hours.

G. Indemnification. Association shall indemnify every Board member, officer and director of the Association against any and all claims, liabilities, expenses, including attorneys' fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board) to which he/she may be a party by reason of being or having been an officer or director. The Board members, officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misconduct, bad faith or gross negligence. The Board members, officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Board members, officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such Board member, officer and director free from and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided herein shall

not be exclusive of any other rights to which any Board member, officer or director, or former Board member, officer or director, may be entitled.

H. Severability. If any Article, Paragraph, section, sentence, clause or word in this Declaration is held by a court of competent jurisdiction to be in conflict with any law of the State, then the requirements of such law shall prevail and the conflicting provision or language shall be deemed void in such circumstance; provided that the remaining provisions or language of this Declaration shall continue in full force and effect.

I. Captions. The caption of each Article, Paragraph and section of this Declaration is inserted only as a matter of reference and does not define, limit or describe the scope or intent of the provisions of this Declaration.

J. Notices. Notices to an Owner shall be given in writing, by personal delivery, at the Lot, if a residence has been constructed on such Lot, or by depositing such notice in the United States Mail, first class, postage prepaid, to the address of the Owner of the Lot as shown by the records of the Association, or as otherwise designated in writing by the Owner. Notices to Developer shall be given in writing, by personal delivery or by depositing such notice in the United States Mail, first class, postage prepaid, to Enclave at Heartland, LLC, 6330 E. 75th Street, Suite 156, Indianapolis, IN 46250, or as otherwise designated in Writing by Developer.

ENCLAVE AT HEARTLAND, LLC,
An Indiana limited liability company



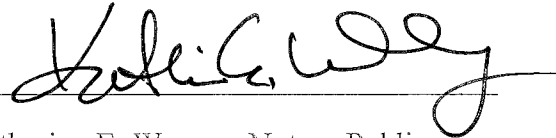
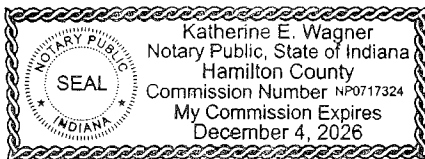
By: Mark D. Gradison, Manager

STATE OF INDIANA

COUNTY OF MARION

BE IT REMEMBERED, That on 7th day of July, 2022, before me, the subscriber, a Notary Public in and for said state, personally came Mark D. Gradison, the Manager of Enclave at Heartland, LLC, an Indiana limited liability company, who acknowledged that he did sign said instrument as such member on behalf of the limited liability company, duly authorized, that said instrument was signed as his free act and deed individually and the free act and deed of said limited liability company.

IN TESTIMONY THEREOF, I have hereunto subscribed my name and affixed my seal on the day and year last aforesaid.



Katherine E. Wagner, Notary Public
Resident of Hamilton County, Indiana
My Commission Expires: 12/4/2026

This document was prepared by Mark D. Gradison, on behalf of Enclave at Heartland, LLC.

I affirm, under the penalties of perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law – Mark D. Gradison

EXHIBIT A

Lots Numbered 251-341 in The Enclave at Heartland Crossing, Section 6, an Addition to Morgan County, State of Indiana, as per plat thereof recorded July 5, 2022, as Instrument No. 202207839, in the Office of the Recorder of Morgan County, Indiana

EXHIBIT "B"

**CODE OF REGULATIONS
OF
ENCLAVE AT HEARTLAND CROSSING VILLAS
HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I.

NAME AND LOCATION

The name of the corporation is ENCLAVE AT HEARTLAND CROSSING VILLAS HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in Morgan County, Indiana, but meetings of Members and Directors may be held at such places within or without the State of Indiana, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 2.1 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Brandywine Homeowners' Association, including any amendments thereto.

Section 2.2 As used in this Second Amended and Restated Code of Regulations (these "Regulations"), the terms "Association", "Board", "Lifestyle Lot", "Lifestyle Owner", "Lifestyle Property", "Developer", "Lot", "Member", "Owner", "Property", and any other defined term in these Regulations not otherwise defined herein shall have the same meaning as each is defined to have in the Declaration.

Section 2.3 The following terms as used in these Regulations have the following meanings:

"Lifestyle Executive Committee" means those persons elected by the Association in accordance with these Regulations who have the exclusive power to make decisions delegated to them by the Association concerning matters affecting the Property in accordance with these Regulations and the Declaration.

"Lifestyle Members" means each of the Owners of a Lifestyle Lot.

ARTICLE III.

PURPOSE

The specific purposes for which the Association is formed are (i) to provide for the maintenance, preservation, and control of the Property in the planned community of Enclave at Heartland Crossing Section 6 (the “Subdivision”); (ii) to provide for the maintenance, preservation and control of certain portions of the Lifestyle Property, (iii) to promote the health, safety, and welfare of the Owners and users of the Subdivision; and (iv) for such other purposes for which the Association is formed as specified in the Declaration.

ARTICLE IV.

ASSENT

All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of the Subdivision in any manner are subject to the Association Documents, including these Regulations and any rules adopted by the Board of Directors. The acquisition or rental of any of the Lots in the Subdivision or the occupancy of any of the Lots will constitute ratification and acceptance of these Regulations and an agreement to comply with those rules.

ARTICLE V.

MEMBERSHIP

Section 5.1 Membership. Ownership of a Lot is required in order to qualify for membership in the Association.

Section 5.2 Responsibilities of Members. Any person, including Developer, on becoming an Owner, will automatically become a Member and be subject to these Regulations. Such membership will terminate without any formal Association action whenever such person ceases to own a Lot, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Lot and membership in the Association and the covenants and obligations incident thereto.

Section 5.3 Membership Certificates. No certificates of stock will be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card will be surrendered to the Secretary of the Association whenever ownership of the Lot designated on the card will terminate.

Section 5.4 Classes of Membership. Initially, the Association will have one class of voting membership, composed of all Owners, including Developer. The Board may establish additional classes of membership from time to time.

Section 5.5 Voting Privileges. All Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned; however, the Developer shall maintain control over all matters of the Association until such time as the Developer has formally turned over the Association to the Members or the Developer no longer has ownership of a Lot. When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners of a Lot are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners of such Lot. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Any Owner of a Lot that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on behalf of the Owner by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

Section 5.6 Proof of Membership. Any person or entity, on becoming an Owner, will furnish to the Manager or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument will remain in the files of the Association. An Owner will not be deemed a Member of the Association in good standing and will not be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

ARTICLE VI.

MEETING OF MEMBERS

Section 6.1 Annual Meeting. Except during a period of Developer control (i.e. the period of time during which the Developer remains the Owner of at least one Lot and has not formally turned over the Association to the Members), an annual meeting of Members shall be held for the election of Directors, the consideration of reports to be laid before such meeting, and such other business as may come before the meeting. During a period of Developer control, no annual meeting of the Members shall be required. The regular annual meetings of the Members shall be held on the first Monday of May of each year, at the hour of 7:30 p.m., or at such other date and time designated by the President. In the event that an annual meeting is omitted by oversight or otherwise, the Directors shall cause a meeting in lieu thereof to be held as soon as practicable and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. Such meeting shall be called and notice thereof given in the same manner as the annual meeting.

Section 6.2 Special Meetings. Special meetings of the Members may be called at any time by the President, a majority of the Board of Directors acting with or Without a meeting, or upon written request of Members representing at least 50% of the voting power of the Association.

Section 6.3 Waiver of Notice. Any Member may waive in writing notice of the time, place, and purposes of any meeting of Members, either before or after the holding of such meeting. Such writing shall be filed with or entered upon the records of the meeting. The attendance of any Member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting.

Section 6.4 Notice of Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing or delivering a copy of such notice, not less than 10 nor more than 60 days before the date of the meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 6.5 Quorum. The presence at the meeting of Members and/or proxies entitled to cast thirty percent (30%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation of the Association, the Declaration or these Regulations. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6.6 Adjourned Meetings. If, at any regular or special meeting of the Members of the Association, there be less than a quorum present, a majority of those Members present and entitled to vote may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which time the quorum requirement shall be fifteen percent (15%) of the votes of the membership of the Association, and any business which might lawfully have been transacted at the meeting as originally called may be transacted without further notice.

Section 6.7 Actions Binding on Members. A majority of votes intended to be cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles of Incorporation of the Association, or these Regulations.

Section 6.8 Majority of Owners. As used in these Regulations, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than 50% of the total number.

Section 6.9 Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6.10 Designation of Voting Representative by Non-Individual Owners - Requirement for Proxy. If title to a Lot is held in whole or in part by a firm, corporation, partnership, association,

or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Lot at the meeting.

Section 6.11 Designation of Voting Representative by Multiple Owners: Use of Proxy. If title to a Lot is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 6.12 Voting. The vote of the majority of those present, either in person or by proxy, shall decide any questions brought before the meeting, unless the question is one upon which a different vote is required by provision of the laws of Indiana, the Declaration, the Articles of Incorporation of the Association or these Regulations.

Section 6.13 Suspension of Voting Privileges. No Member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books of the Association to be more than thirty (30) days delinquent in the payment of any Assessment due the Association.

Section 6.14 Action Without a Meeting. Any action which may be authorized or taken at a meeting of the Members may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the Members who would be entitled to notice of a meeting for such purpose, or such other proportion or number of voting Members, not less than a majority, as the Articles of incorporation of the Association or these Regulations permit. Any such writing shall be filed with or entered upon the records of the Association.

ARTICLE VII.

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 7.1 Number. Except as to those matters which are to be handled by the Lifestyle Executive Committee pursuant to these Regulations, the affairs of this Association shall be managed by a Board of Directors Who, except for Directors appointed or elected by Developer, shall be Members of the Association. If an Owner is not an individual, any principal, member of a limited liability company, partner, director, officer, trustee, or employee of the Owner may be elected to the Board of Directors. The Board of Directors shall consist of not less than three (3) and not more than five (5) individuals, as determined from time-to-time by the Developer (as long as the Developer remains the Owner of a Lot and has not formally turned over the Association to the Members) or, after the Turnover Date, by resolution of the Members. Except during a period of Developer control (i.e. the period of time during which the Developer remains the Owner of at least one Lot and has not formally turned over the Association to the Members), at least one (1) Director shall be a Lifestyle Owner.

Section 7.2 Term of Office: Resignations. Each Director shall be appointed to a three (3) year term, which terms shall be staggered. In order to appropriately stagger the terms of the Directors, the following Directors are elected for the following initial terms beginning on the effective date of these Regulations and ending on the dates set forth below:

Name	Term Ending
Mark D. Gradison	12/31/2025
Joseph L. Gradison	12/31/2025
Adam S. Mears	12/31/2025

Each Director shall hold office until his or her successor is appointed or until his or her earlier resignation, removal from office or death. As long as Developer shall remain the Owner of a Lot, Developer reserves the right to appoint the successor to any Director appointed by Developer. Any Director may resign at any time by oral statement to that effect made at a meeting of the Board of Directors or in writing to that effect delivered to the Secretary of the Association; such resignation shall take effect immediately or at such other time as the Director may specify. Notwithstanding anything contained herein to the contrary, the terms of at least one fifth (1/5) of the Directors shall expire annually.

Section 7.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association except as limited below. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. However, any Director elected or appointed by the Developer may only be removed by the Developer and his successor may only be appointed by Developer, to serve for the unexpired term.

Section 7.4 Compensation. Members of the Board of Directors shall serve without compensation. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7.5 Vacancies. In case of a vacancy in the Board of Directors, the remaining Directors by a unanimous vote may elect a successor who shall hold office for the unexpired term. If the number of Directors should at any time be less than the number necessary to constitute a quorum, or the remaining Directors fail to agree promptly on a successor, then a special meeting of the Members shall be called and held for the purpose of electing Directors.

ARTICLE VIII.

NOMINATION AND ELECTION OF DIRECTORS

Section 8.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of

the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors sixty (60) days prior to each annual meeting of the Members, to serve from the time of appointment until the close of the next annual meeting of the Members, and such appointment shall be announced at the next regular Board meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Notwithstanding the foregoing or anything contained herein to the contrary, as long as Developer shall remain the Owner of a Lot, Developer shall have the right to appoint all Directors; provided, however, that Developer shall have the right, at any time, to relinquish its right to appoint the Directors.

Section 8.2 Election. Election to the Board of Directors shall be by secret written ballot at each and every annual meeting of the Members. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and Section 6.12 of Article VI of these Regulations. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Notwithstanding the foregoing or anything contained herein to the contrary, as long as Developer shall remain the Owner of a Lot, no annual meeting of the Members shall be required and Developer shall have the right to appoint all Directors; provided, however, that Developer shall have the right, at any time, to relinquish its right to appoint the Directors.

ARTICLE IX.

MEETING OF DIRECTORS

Section 9.1 Regular Meetings. The Board of Directors shall meet annually within thirty (30) days after the annual meeting of Members (if an annual meeting of Members is required pursuant to Article VI hereof) or at such other place, date and time as may be fixed by the Board of Directors and, in addition to the annual meeting, may meet at regular meetings established as to time and place by resolution of the Board. Should any regular meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. No Owner other than a Director may attend or participate in any discussion or deliberation of a meeting of the Board of Directors unless the Board of Directors expressly authorizes that Owner to attend or participate.

Section 9.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director. No Owner other than a Director may attend or participate in any discussion or deliberation of a meeting of the Board of Directors unless the Board of Directors expressly authorizes that Owner to attend or participate.

Section 9.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present

at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A Director shall be considered present at a duly held meeting if he is represented by proxy.

Section 9.4 Notice of Meetings. The Secretary shall give written notice either by personal delivery or by mail of the time and place of each meeting of Directors, other than the annual meeting, to each Director at least two days before the meeting. Directors' meetings may be held at any place designated in the notice, Within or without the State of Indiana. If mailed, such notice shall be deemed to have been given when deposited in the mail. The notice need not specify the purposes of the meeting, and the Directors may consider any matter at any meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

Section 9.5 Waiver of Notice. Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

Section 9.6 Committees. The Directors may create from time to time such committees, standing or special, and give them such powers and authority as they shall deem appropriate. The Directors may create an executive committee of not less than three Directors and delegate to such committee any or all of its powers, except the power to fill vacancies among the Directors or any committee of the Directors. Each committee shall serve at the pleasure of the Directors, shall act only in the intervals between meetings of the Directors, and shall be subject to the control and direction of the Directors.

Section 9.7 Action Taken Without a Meeting. Any action which may be authorized or taken at a meeting of the Directors may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all of the Directors who would be entitled to notice of a meeting f or such purpose. Any such writing shall be filed with or entered upon the records of the corporation.

Section 9.8 Telephonic or Electronic Meetings. The Board of Directors may hold a meeting by any method of communication, including electronic or telephonic communication, provided that each Director can hear or read in real time and participate and respond to every other Director.

ARTICLE X.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 10.1 Powers. The Board of Directors shall have power to:

- (a) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership or the Lifestyle Executive Committee by other provisions of these Regulations, the Articles of Incorporation of the Association, or the Declaration;
- (d) declare the office of a member of the Board of Directors, except a member appointed by the Developer, to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ such independent contractors, and other employees as they deem necessary, and to prescribe their duties;
- (f) exercise all other powers provided to the Board under Indiana law.

Section 10.2 Duties. In addition to the duties required by Indiana law, it shall be the duty of the Board of Directors to:

- (a) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (b) as more fully provided in the Declaration to:
 - (i) fix the amount of the Lifestyle Annual Assessment against each Lifestyle Lot at least thirty (30) days in advance of each Lifestyle Annual Assessment Period;
 - (ii) send written notice of each Lifestyle Annual Assessment to every Owner subject thereto at least fifteen (15) days in advance of each Lifestyle Annual Assessment period;
 - (iii) levy and collect Lifestyle Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Lifestyle Special Assessments will be in statement form and will set forth in detail the various expenses for which the Lifestyle Special Assessments are being made;
 - (iv) foreclose the lien against any Lot for which Assessments are not paid within sixty (60) days after their due date or bring an action of law against the Owner personally obligated to pay the same, if the Board deems foreclosure or other action necessary.

- (c) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge, not to exceed twenty dollars (\$20.00), may be made by the Board for the issuance of a certificate. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (d) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (e) procure and maintain adequate directors' and officers' liability insurance;
- (f) cause all officers having fiscal responsibilities to be bonded, as may be required by the Declaration;
- (g) oversee the operation of the Design Review Boards and enforce the decisions made by the Design Review Boards;
- (h) enter into contracts within the scope of their duties and powers;
- (i) establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board of Directors;
- (j) cause the maintenance of the lawn, landscape beds, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Lifestyle Lots as determined by the Lifestyle Executive Committee in accordance with the terms of the Declaration; and
- (k) cause the removal of snow and ice on portions of the Lifestyle Lots as required by the Declaration.

ARTICLE XI.

OFFICERS AND THEIR DUTIES

Section 11.1 Enumeration of Officers. The officers of this Association shall be a President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. All officers shall at all times be members of the Board.

Section 11.2 Election of Officers. The election of officers shall take place at each annual meeting of the Board of Directors.

Section 11.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year and until his successor is elected or appointed.

Section 11.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 11.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 11.7 Multiple Offices. The office of Secretary and Treasurer may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Articles of Incorporation of the Association, or these Regulations to be executed, acknowledged, or verified by two or more officers. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 11.4 of this Article.

Section 11.8 Absence of Officers. In the absence of any officer of the Association or for any other reason the Directors may deem sufficient, the Directors may delegate any or all of the powers or duties of such officer to any other officer or to any Director.

Section 11.9 Compensation. Each officer shall receive such compensation for the performance of his duties as may be fixed from time to time by the Directors. He may also be reimbursed for his reasonable expenses incurred in the performance of his duties.

Section 11.10 Duties. The duties of the officers are as follows:

- (a) President - The President shall be the chief executive officer of the Association and shall exercise supervision over the affairs of the Association and over its several officers subject to the control of the Directors. In the absence of or if a chairman of the board shall not have been elected, the President shall preside at all meetings of Members and all meetings of Directors. The President shall have such other powers and duties as the Directors may from time to time assign to him.
- (b) Secretary - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (c) Treasurer - The Treasurer shall receive and deposit in appropriate bank or savings and loan accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books of accounts, cause annual compilation of the Association books to be made by a CPA at the

completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

- (d) Assistant Officers - Assistant and subordinate officers shall perform such duties as the Directors or the President may prescribe.

ARTICLE XII.

COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these Regulations. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII.

ACCOUNTS AND REPORTS

Section 13.1 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$25,000 will require two signatures. Cash disbursements will be limited to amounts of \$200 or less.
- (b) Cash accounts of the Association will not be commingled with any other accounts.
- (c) No remuneration will be accepted by the Board of Directors or the Manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise (except that such persons may be employees of Developer during the period of Developer's control). Anything of value received will be for the benefit of the Association.
- (d) Any financial or other interest that the Manager or a member of the Board of Directors may have in any firm (other than Developer) providing goods or services to the Association will be disclosed promptly to the Board of Directors.
- (e) Commencing at the end of the fiscal year in which the first Lot is sold by Developer and closed, and continuing on an annual basis, financial reports will be prepared for the Board of Directors containing the following:

- (i) an income statement reflecting all income and expense activity for the preceding fiscal year with respect to the the Lifestyle Property;
 - (ii) a balance sheet as of the last day of the preceding fiscal year with respect to the Lifestyle Property; and
 - (iii) a delinquency report listing all Owners who have been delinquent during the preceding fiscal year in paying the initial Reserve Fund contribution or the periodic installments of Assessments and who remain delinquent at the time of the report.
- (f) A balance sheet as of the last day of the Associations fiscal year with respect to the Lifestyle Property and an operating statement for the fiscal year with respect to the Lifestyle Property will be distributed to the Members.
- (g) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations that are in excess of budgeted amounts by an amount exceeding the operating reserves or 10% of a major budget category (as distinct from a specific line item in an expanded chart of accounts) will be prepared for the Board periodically upon the Board's request and will be made available to all Members.

ARTICLE XIV.

INDEMNIFICATION

Section 14.1 Indemnification.

- (a) To the fullest extent permitted by law, the Association may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding, Whether or not it is by or in the right of the Association, by reason of the fact that he is or was a Director, officer, employee, committee member, Member, manager, agent, or volunteer of the Association, or is or Was serving at the request of the Association as a Director, officer, employee, committee member, Member, manager, agent, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding.

- (b) To the extent that a Director, officer, employee, committee member, Member, manager, agent, or volunteer has been successful on the merits or otherwise in the defense of any action, suit, or proceeding referred to in Section 14.1(a) or in the defense of any claim, issue, or matter in such an action, suit, or proceeding, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection with that action, suit, or proceeding.

Section 14.2 Determination of Indemnification. Any indemnification permitted under Section 14.1 shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee, committee member, Member, manager, agent, or volunteer is proper in the circumstances because he has met the standard of conduct set forth in applicable law. Such determination shall be made in any of the following manners:

- (a) by a majority vote of a quorum consisting of Directors of the Association who were not and are not parties to or threatened with the action, suit, or proceeding referred to in Section 14.1;
- (b) whether or not a quorum as described in Section 14.2(a) is obtainable, and if a majority of a quorum of disinterested Directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with an attorney, who has been retained by or who has performed services for the Association or any person to be indemnified within the past five years;
- (c) by the Members; or
- (d) by the court of common pleas or the court in which the action, suit, or proceeding referred to in Section 15.1 was brought. If an action or suit by or in the right of the Association is involved, any determination made by the disinterested Directors under Section 14.2(a) or by independent legal counsel under Section 14.2(h) shall be communicated promptly to the person who threatened or brought the action or suit by or in the right of the Association, and, within ten days after receipt of such notification, such person shall have the right to petition the court of common pleas or the court in which such action or suit was brought to review the reasonableness of such determination.

Section 14.3 Advancement of Expenses.

- (a) Expenses, including attorney's fees, incurred by a Director, officer, employee, committee member, Member, manager, agent, or volunteer of the Association in defending any action, suit, or proceeding referred to in Section 15.1 may be paid by the Association as they are incurred, in advance

of the final disposition of the action, suit, or proceeding, as authorized by the Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee, committee member, Member, manager, agent, or volunteer to repay the amount if it ultimately is determined that he is not entitled to be indemnified by the Association under this Article XIV.

- (b) Unless the only liability asserted against a Director in an action, suit, or proceeding referred to in Section 14.1 is pursuant to Section 1702.55 of the Indiana Revised Code, the expenses (including attorney's fees) incurred by a Director or volunteer in defending such action, suit, or proceeding shall be paid by the Association. Upon the request of the Director or volunteer, together with an undertaking by or on behalf of the Director or volunteer to repay the amount if it ultimately is determined that he is not entitled to be indemnified by the Association under this Article XV, those expenses shall be paid as they are incurred, in advance of the final disposition of the action, suit, or proceeding. Notwithstanding the foregoing, the expenses (including attorney's fees) incurred by a Director or volunteer in defending an action, suit, or proceeding referred to in Section 14.1 shall not be paid by the Association upon the final disposition of the action, suit, or proceeding, or, if paid in advance of the final disposition of the action, suit, or proceeding, shall be repaid to the Association by the Director or volunteer, if it is proved, by clear and convincing evidence, in a court with jurisdiction, that the act or omission of the Director or volunteer was one undertaken with a deliberate intent to cause injury to the Association or if it was one undertaken with reckless disregard for the best interests of the Association.

Section 14.4 Insurance. The Association may purchase and maintain insurance, or furnish similar protection, including, but not limited to, trust funds, letters of credit, or self-insurance, for or on behalf of any person who is or was a Director, officer, employee, committee member, Member, manager, agent, or volunteer of the Association, or is or was serving at the request of the Association as a Director, officer, employee, committee member, Member, manager, agent, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust, or other enterprise, against any Liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against that liability under this Article XV. Insurance may be so purchased from or so maintained with a person in which the Association has a financial interest.

Section 14.5 Miscellaneous. The indemnification authorized by this Article XIV shall not be exclusive of, and shall be in addition to, any other rights granted to those seeking indemnification, pursuant to the Articles of Incorporation of the Association, any agreement, a vote of Members or

disinterested Directors, or otherwise, both as to action by a Director, officer, employee, committee member, Member, manager, agent, or volunteer in his official capacity and as to action in another capacity while holding his office or position; shall continue as to a person who has ceased to be a Director, officer, employee, committee member, Member, manager, agent, or volunteer; and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XV.

AMENDMENTS

These Regulations may be amended at a regular or special meeting of the Members, by affirmative vote of a majority of the total number of votes held by each class of Members of the Association or by written consent of Members holding a majority of the total number of votes held by each class of Members of the Association or by the Developer prior to the Turnover Date. All amendments shall be placed in the Association's minute book immediately following these Regulations.

ARTICLE XVI.

MISCELLANEOUS

Section 16.1 Books and Records. Subject to any limitations provided by Indiana law, the books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, and any holder, insurer or guarantor of a first mortgage on a Lot. Income and expenses shall be maintained. The Declaration, the Articles of Incorporation of the Association and the Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 16.2 Fiscal Year. The fiscal year shall begin on the first day of January every year, except that the first fiscal year of the Association shall begin on the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board of Directors should corporate practice subsequently dictate.

Section 16.3 Execution of Association Documents. All notes, contracts, other documents, checks, and other drafts shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time designated by the Board of Directors.

Section 16.4 Conflict of Documents. In the case of any conflict between the Articles of Incorporation of the Association and these Regulations, the Articles of Incorporation of the Association shall control, and in the case of conflict between the Declaration and these Regulations, the Declaration shall control.

Section 16.5 Corporate Seal. The Association shall have no seal unless the Directors adopt a seal. If adopted, the seal shall be circular, about two (2) inches in diameter, and shall have the name of the Association engraved around the perimeter and the word “Seal” engraved across the diameter.

Section 16.6 Effective Date. These Regulations, which supersede and replace in their entirety any previous Regulations of the Association, shall be effective upon adoption by Members holding a majority of the total number of votes held by each class of Members of the Association.