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**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
PRAIRIE RIDGE SUBDIVISION**

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

PRAIRIE RIDGE SUBDIVISION

THIS DECLARATION, made this 1st day of June,
20 07 by Valpo-Sturdy Road, LLC, an Indiana limited liability company ("Developer").

WITNESSETH

WHEREAS, the Developer is the owner of the real estate legally described herein and commonly known as Prairie Ridge Subdivision ("Subdivision"); and

WHEREAS, the Developer desires the Subdivision to develop as a residential community; and

WHEREAS, the Developer desires to promote the orderly development of the Subdivision and to provide for the maintenance of the Subdivision's Common Area by subjecting the real estate owned by the Developer to the covenants, restrictions, conditions, reservations, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the Subdivision and real estate comprising the development; and

WHEREAS, the Developer deems it desirable to subject the real estate to said covenants, restrictions, conditions, reservations, easements, charges and liens for the mutual benefit of the real estate and under a general plan and scheme of development and improvement of the Subdivision.

NOW THEREFORE, the Developer hereby declares that all of the platted lots and real estate located within the Subdivision as they become platted are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, restrictions, conditions, reservations, easements, charges and liens, all of which are declared and agreed to be in furtherance of a plan for the improvement of the real estate and sale of the said lots in the Subdivision, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of the said lots situated therein.

Article I

DEFINITIONS

The following terms or words, when used in this Declaration, shall have the meanings attributed below:

Section 1. "Assessment" shall refer to prorata shares of expenses incurred by for the taxes, insurance, maintenance, reconstruction, and repair of the Common Area(s) assessed against each lot in the Subdivision.

Section 2. "Association" shall mean and refer to Prairie Ridge Home Owners Association, Inc., an Indiana not-for-profit corporation, duly organized under the laws of the State of Indiana, whose Articles of Incorporation and By-Laws are hereby expressly incorporated herein by reference and made a part hereof.

Section 3. "Board" shall mean the Board of Directors of the Association.

Section 4. "Committee" shall mean the Architectural Control Committee for the Subdivision which is created and shall have the authority and duties as provided for herein.

Section 5. "Common Area" shall mean all real estate, whether in one or more separate parcels, which the Association or the Developer owns for the non-exclusive common use and enjoyment of the Owners of Lots shown on the recorded Subdivision plat or plats.

Section 6. "Developer" shall mean Valpo-Sturdy Rd, LLC, an Indiana limited liability company, its successors and assigns, if any such successor or assignee acquires an undeveloped portion of Prairie Ridge Subdivision from the Developer for the purpose of development.

Section 7. "Lot" shall mean and refer to any lot or other tract in the Subdivision, together with any and all improvements thereon, as shown on the plat or plats thereof and designated thereon with a number for identification on which a residential structure could be constructed, whether or not one has been constructed.

Section 8. "Maintenance" shall mean the exercise of reasonable care, including buildings, easements of ingress and egress, drainage easements, water detention or retention easements, utility easements, parks, landscaping, lighting and other related improvements and fixtures in a condition comparable to their original condition.

Section 9. "Member" shall mean every person or entity holding membership in the Association.

Section 10. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision, including the Developer, and including contract sellers, but not including contract purchasers.

Section 11. "Subdivision" shall mean and refer to all such existing properties, and additions thereto and less and excepting any retractions therefrom, as are subject to this Declaration and any supplemental Declaration or Declarations, under the provisions of Article II hereof, and shall initially include the real property described in Article II, Section 1.

Article II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO, DELETIONS THEREFROM; EASEMENTS

Section 1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied, subject to this Declaration, is located in Porter County Indiana, and comprises all of the Lots, tracts, and easements shown and/or platted within or upon the property legally describe as follows:

A parcel of land in the S. E. 1/4 of section 31, Township 35 North, Range 5 West of the 2nd P.M. in Center Township, Porter County, Indiana described as follows:

Commencing at the N. W. corner of said S. E. 1/4; thence S 00 degrees 06' 45" E along the West line of said S. E. 1/4, 866.00 feet to the Point of Beginning; thence continuing S 00 degrees 06' 45" E along said West line, 1212.00 feet; thence S 89 degrees 48' 17" E, parallel to the North line of said S. E. 1/4, 1079.72 feet; thence N 00 degrees 06' 45" W, parallel to said West line, 1212.00 feet; thence N 89 degrees 48' 17" W, parallel to said North line 1079.72 feet to the Point of Beginning, Containing 30.04 Acres, more or less, and subject to all Legal Highways and Easements.

Section 2. Platting and Subdivision Restrictions. The Developer shall be entitled at any time and from time to time, to plat, replat or vacate existing plattage of all or any part of the real estate subjected to this Declaration, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion, or portions of, or additions to the Subdivision.

Section 3. Additional Real Estate. The Developer may, but shall have no obligation to, add at any time or from time to time to the scheme of this Declaration additional real estate, provided only that (a) any portion of the real estate from time to time added to the scheme of this Declaration shall be contiguous to property then subject to the scheme of this Declaration, (b) any portion of such real estate shall, at the time of addition to the scheme of this Declaration, be platted as single family residential lots, (c) said plat of added real estate shall dedicate, or commit to dedicate, the Common Area of said plat of real estate (to the Association or Developer), (d) the real estate which may be added to the scheme of this Declaration shall not only be contiguous real estate to the subject real estate of this Declaration but shall also have been approved as an addition by the Porter County Plan Commission, and (e) upon addition of the real estate to the scheme of this Declaration, the owners of the property therein shall be and become subject to this Declaration, and shall have all privileges and obligations set forth in this Declaration, including assessment by the Association for their prorata share of Association expenses. The addition at any time or from time to time of all or any portion or portions of the real estate to the scheme of this Declaration shall be made and evidenced by filing in the Office of the Recorder of Porter County, Indiana, a supplementary Declaration with respect to that portion of real estate to be

added. Developer reserves the right to so amend and supplement this Declaration without the consent or joinder of the Association or of any Owner and/or Mortgagee of land in the Subdivision.

Section 4. Retractable Real Estate. At the sole election of the Developer, subject to approval by the Porter County Plan Commission, all of the real estate specifically described in Section 1 of this Article and subject to this Declaration may be withdrawn from submission hereunder at one time, or portions thereof at different times; provided, however that no real estate may be withdrawn which has been developed. All Owners, mortgagees and the Association are hereby deemed to consent to the vacation, and waive all right to remonstrate thereto, of any portion of the plat of the Subdivision not developed in which the Developer has withdrawn from this Declaration.

Section 5. Easements. There are platted on the plat of the Subdivision certain easements which shall be and are hereby reserved for the installation, construction, maintenance, repair or replacement of any and all public utilities and drainage, along with poles, ducts, wires, pipelines, lines, conduit, sewers, manholes and/or other collateral utility or drainage facility. No permanent structure shall be erected or allowed to be maintained on any easement. No Owner shall grant an easement, license or permit others to use any Lot, or portion thereof, in the Subdivision for access to any property or real estate not located within the Subdivision. No Owner shall obstruct or rechannel drainage flows after drainage swales, storm sewers, or storm drains have been located and installed with, however, an exception to the Developer and/or the Association to undertake and complete a relocation and subsequent installation of drainage swales, storm sewers, or storm drains. The ability of the Developer and the Association to take such action in relocating and installing a drainage swale, storm sewer, or storm drain shall not materially diminish the value or unreasonably interfere with the use or enjoyment of any Lot.

The Easement areas shown on each lot and all improvements thereon shall be continuously maintained by the Owner of such lot, other than improvements for maintenance which a public authority or utility company is responsible. No dwelling unit or any structure of any kind shall be built or erected or maintained on any such easement, reservation, or right-of-way, and such easements, reservations, and rights-of-way shall at all times be open and accessible to public and quasi-public utility entities, their employees and contractors, and shall also be open and accessible to the Developer, its successors and assigns, in the event Developer is approved to add real estate to the Subdivision which is contiguous to the Subdivision.

Article III

PROPERTY RIGHTS

Section 1. Title to Common Area. Developer may retain the legal title to the Common Area so long as it owns at least one Lot in the Subdivision. On or before conveyance by Developer of the last Lot which Developer owns in the Subdivision, Developer shall convey the Common Area to the Association subject to taxes for the year of conveyance and to restrictions, conditions, limitations, reservations and easements of record; subject, however to a

reservation hereby perpetually reserved to the Developer, its successors and assign, of the non-exclusive right to use and enjoy the common utility easements, easements of drainage, and ingress and egress easements for the benefit of real estate owned and to be owned by the Developer located on real estate which is contiguous to the Subdivision.

Section 2. Owner's Easements of Enjoyment. Every owner of a lot shall have a non-exclusive right and easement of enjoyment for ingress and egress in and to the Common Area which shall be appurtenant to and shall pass with the title to each Lot, subject to the following:

- (a) The right of the Association to take such steps as are reasonable necessary to protect the Common Area properties against foreclosure;
- (b) All provisions of this Declaration, any plat of all or any part or parts of the property, and the Articles and By-Laws of the Association;
- (c) Rules and regulations governing the use and enjoyment of the Common Area adopted by the Association;
- (d) Restrictions contained on any and all plats of all or any part of the Common Area or filed separately with respect to all or any part or parts of the property.

Section 3. Right of Entry. The Developer and the Association, through their duly authorized employees and contractors, shall have the right, after reasonable notice to the Owner thereof, to enter any Lot or tract of real estate at any reasonable hour on any day to perform such maintenance as may be authorized herein.

Section 4. No Partition. There shall be no judicial partition of the Common Area, nor shall Developer, or any Owner or any other person acquiring any interest in the Subdivision, or any part thereof, seek judicial partition of the Common Area. In order to effectuate the intent of this Declaration and to preserve the ownership of the Lots, the Real Estate shall remain undivided, and no person, irrespective of the nature of his/her/their interest in the real estate, shall bring any action or proceeding for the partition or division of a lot, unless and until this Declaration has been terminated.

Article IV

MEMBERSHIP, STRUCTURE AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Purpose of the Association. The primary purpose of the Association shall be to insure high standards of maintenance and operation of all property and real estate in the Subdivision, including that property reserved by the Developer for the detention and management of storm water easements, to insure the provision of services and facilities of common benefit, and in general to maintain and promote the desired character of the

Subdivision. The Association shall assist and coordinate with the Porter County Drainage Board which shall have jurisdiction of drains established within the Subdivision as provided pursuant to I.C. § 36-9-27 *et seq.* In addition, the Association shall consider its primary purpose to manage and support financially all real estate owned by the Association, if any, as well as the storm drainage detention easements located within the Subdivision.

Section 2. Creation of the Association. As soon as is practicable following the recordation of this Declaration, Developer shall cause the Association to be incorporated as an Indiana not-for-profit corporation. Prior to the appointment of the Board of Directors by the Developer, responsibility for the control of the Association shall remain the exclusive responsibility and obligation of the Developer or its designated agents or nominees.

Section 3. Membership. Every Owner, including the Developer, at all times so long as the Owner owns all or any part of the property subject to this Declaration, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 4. Classes and Voting. The Association shall have such classes of membership, which classes shall have such voting rights, as are set forth in the Articles of Incorporation.

Section 5. Board of Directors. The Association shall have a Board of Directors which shall consist of no less than three (3) members, or such greater number as may be determined by the Owners of a majority of the lots within the Subdivision. The Board of Directors shall have the following powers and duties:

- (a) All powers which exist under common law and statute, in the Articles of Incorporation, in the By-Laws of the Corporation, and in this Declaration.
- (b) Subject to the limitations of the Articles of Incorporation, the By-Laws of the Corporation, and this Declaration, the powers of the Board shall include without limitation the following:
 - 1) Making and collecting assessments against members to defray tax, insurance, utility, repair, replacement, construction costs, and the like relating to the Common Area of the Subdivision;
 - 2) Plan the funds of the Association in accordance with the provisions of the Corporation's By-Laws and this Declaration;
 - 3) Enforcing by legal means the provisions of the Corporation's Articles of Incorporation, the By-Laws of the Corporation, this Declaration, and all duly established regulations for the use of Lots in the Subdivision;
 - 4) Paying taxes and assessments against the Common Area property

of the Subdivision;

- 5) Maintaining insurance for the protection of the Common Area of the Subdivision against casual and liability losses, as the Board of Directors deems appropriate in the circumstances;
- 6) Paying the cost of all common utility expenses not otherwise chargeable to an individual Lot Owner.
- (c) 7) To maintain and otherwise manage the storm drainage detention basins located within the Subdivision, along with vacant and unimproved property, if any, and to do any and all other things necessary or desirable in the sole judgment of the Board of Directors of the Association.
- 8) To care for and maintain the landscaping, plantings and signs located within the Subdivision in a good and neat appearance.
- 9) To make such improvements to the facilities under the Association's control within the Subdivision, and to provide such other facilities and services (all as are directed to the Board of Directors from time to time by the affirmative vote of a majority of the members of the Association at a meeting of the members of the Association acting in accordance with its Articles of Incorporation, By-Laws, and this Declaration; provided, however, that any such actions so authorized shall always be for the express purpose of keeping the Subdivision a highly desirable and exclusive residential community).
- 10) Until such time as the Board of Directors is duly elected, all the powers and duties enumerated above shall be exercised exclusively by the Board of Directors, as appointed by the Developer. The Developer, at Developer's discretion may appoint Owners to serve on the Board of Directors at such time as it deems appropriate. The first elected Board shall be elected no later than one year after 100% of those Lots which have been subjected to this Declaration have been sold and title has been conveyed from the Developer to an Owner or Owners. All Owners of record who have been subjected to this Declaration shall be eligible to vote for said Board. All Directors of the first elected Board of Directors and all subsequent Boards of Directors of the Association shall be nominated and elected pursuant to the By-Laws of the Association (the not-for-profit corporation).
- (c) The Directors and Officers of the Association shall not be liable to any Owner for any mistake of judgment or any acts or omissions made in good

faith by such Director or Officer. The Owners shall indemnify any hold harmless each of the Directors or Officers against all liability arising out of contracts made by such Directors or Officers on behalf of the Owners and Members of the Association, unless any such contracts shall have been made in bad faith or contrary to the provisions of this Declaration.

Article V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessment. The Developer, for each Lot owned by it within the Subdivision, hereby covenants and each Owner of any Lot (by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance) including any purchases at judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual assessments or charges, and any special assessments for capital improvements or major repair; such assessments to be fixed, established and collected from time to time as provided herein. All such assessments, together with interest thereon from the due date at the rate of ten percent (10%) per annum, and costs of collection thereof (including reasonable attorneys fees), shall be a charge on the real estate and shall be a continuing lien upon the Lot or Lots against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment, or otherwise.

Section 2. Purpose of Assessment. The annual and special assessments levied by the association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Subdivision, including but not limited to the following:

- a) Improvement, maintenance and repair of the Common Area;
- b) Water, sewer, garbage, electrical lighting, telephone, gas and other necessary utility services for the Common Area;
- c) Maintenance and repair of all storm drains, drainage easements, storm water detention or retention easements (except those maintained by the Porter County Drainage Board), sanitary sewers, parks, and easements shown on the plat or plats of the Subdivision recorded in the Office of the Recorder of Porter County, Indiana.
- d) Fire insurance covering the full insurable replacement value of all improvements located on the Common Area with extended coverage;
- e) Liability insurance insuring the Association and the Board, as well as each Director in their individual capacity, against any and all liability to the public, to any Owner, or to licensees, invitees, or tenants of any Owner

arising out of the Occupation and/or use of the Common Area. The policy limits shall be set by the Association and shall be reviewed at least annually and increased or decreased in the discretion of the Association;

- f) Worker's compensation insurance to the extent necessary to comply with the Indiana law, and any other insurance deemed necessary by the Board, including, but not limited to, errors and omissions insurance;
- g) Acquisition of furnishings and equipment for use of the Common Area as determined by the Association.
- h) Any other materials, supplies, equipment, labor, management, supervision, services, personnel, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of this declaration, or by law, or which shall be necessary or proper for the operation of the Common Area, for the benefit of the Owners, or for the enforcement of the Covenants and restrictions of this Declaration.

Section 3. Annual Assessments. Except as hereinafter provided, the annual assessment, excluding any special assessment for capital improvements or major repairs, which shall be in an amount per Lot, per annum, determined in accordance with the projected financial needs of the Association and as to which the decision of the Board of Directors shall be dispositive. By the vote of two-thirds (2/3) of the members of the Board of Directors, the assessments to each Lot Owner may be increased or decreased from the preceding year's assessments, all as determined in accordance with the projected financial needs of the Association.

Section 4. Uniform Rate of Assessment. All regular and special assessments shall be at a uniform rate for each Lot in the Subdivision without adjustment for size of Lots, number of residents or use or nonuse of the Common Area.

Section 5. Developer Assessments. The Developer shall not be responsible or liable for any assessments on Lots owned by Developer and held as inventory prior to sale to an Owner. In the event that the Developer owns any Lot that is improved with a residential dwelling that is occupied as a residence, the Developer shall be obligated to pay assessments levied against the Lot.

Section 6. Special Assessments for Capital Improvements and Major Repairs. In addition to the annual assessment, 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, re-construction, unexpected repair or replacement of a capital improvement as approved by the Board of Directors, including the necessary fixtures and personal property related thereto. Any such special assessment shall require the approval of two-thirds (2/3) of the Members of the Board of Directors who are voting in person or by proxy at a meeting duly called for this purpose, written notice of the Special Meeting of the Board of Directors shall be sent to

all Members of the Board of Directors not less than ten (10) days in advance, and shall set forth the purpose of the Special Meeting of the Board of Directors.

Section 7. Date of Commencement of Annual Assessments: Due Date. The assessments for which provision is herein made shall commence on the first day of the month, or as fixed by the Board to be the date of commencement. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The due date of any assessment shall be fixed in the resolution authorizing such assessment and any such assessment shall be payable in advance in monthly installments unless such other periods are determined by the Board.

Section 8. Duties of the Board of Directors With Respect to Annual Assessments. The Board of Directors shall fix the date of the commencement of the lot assessments, along with the amount of assessment against each Lot at least thirty (30) days in advance of such date or period and shall at that time prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by the Owners. Written notice of the assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof. The Association shall, on demand, and for a reasonable charge, furnish to any Owner liable for an assessment payment a certificate, in writing, signed by a representative of the Association, setting forth payment of an assessment. Such certificate shall be conclusive evidence of payment of an assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment: The Lien. Personal Obligation. Remedies of Association. If any assessment is not paid on the date when due, such assessment shall then become delinquent and shall, together with interest thereon, and the cost of collection thereof, become a continuing lien on the Lot or Lots against which such assessment is made that shall bind such Lot in the hands of the Owner, and the Owner's heirs, devisees, personal representatives and assigns, and shall also be continuing personal obligation of the Owner against whom the assessment is levied.

If the monthly or other assessment is not paid within ten (10) days of the monthly or other due date, then the assessment shall be deemed delinquent and the assessment shall bear interest from the date of delinquency through the payment date at the rate of ten percent (10%) per annum, and the Association may, at any time thereafter, bring an action to foreclose the lien against the Lot or Lots in like manner as a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner, and there shall be added to the amount of such assessment the costs of any such action (including reasonable attorneys' fees), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the Court, together with the costs of the action.

Section 10. Subordination of Assessment Lien to Mortgages. The assessment lien for which provision is herein made shall be subordinate to the lien of any first mortgage to a bank, life insurance company, Federal or State savings and loan association, or real estate investment trust provided such mortgage is a purchase money mortgage. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot

pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage. No such sale or transfer or proceeding in lieu of foreclosure shall relieve any Lot or Lots from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment. The written opinion of either the Developer or the Association that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

Article VI

EXTERIOR MAINTENANCE ASSESSMENT

Section 1. Exterior Maintenance. In addition to maintenance of the Common Area, the Association may require any Lot Owner, when the Board of Directors so determine, to provide maintenance to preserve the beauty, quality and value of the neighborhood. Examples of the maintenance which may be required of a Lot Owner by the Board of Directors includes, but is not limited to, paint, repair, roof repair and replacement, gutters, down-spouts, exterior building surfaces, and yard clean-up and/or maintenance. The Board of Directors shall provide the Lot Owner with notice regarding the maintenance which the Board of Directors requires the Lot Owner to perform; however, in the event the Lot Owner thereafter fails to conduct the required maintenance, in ten (10) days after receiving written notice, then the Board of Directors may employ third parties to perform the maintenance required of the Lot Owner.

Section 2. Assessment of Cost. The cost of such maintenance shall be assessed against the Lot or Lots upon which such maintenance is performed, or, in the opinion of the Board, against the Lot or Lots benefiting from same. The assessment shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board. If no allocation is made, the assessment shall be uniformly assessed against all of the Lots in the affected area. The exterior maintenance assessment shall be a lien on the Lot or Lots and the personal obligation of the Owner or Owners and shall become due and payable in all respects, together with interest, reasonable attorney's fees, and cost of collection, as provided for other assessments of the Association and shall be subordinate to mortgage liens as provided for herein.

Section 3. Access at Reasonable Hours. For the purpose of performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after notice as set out herein to the Owner and Owner's failure to complete the required maintenance/repair described in the notice, to enter upon any Lot or Lots to perform the improvements thereon at reasonable hours any day except Sunday.

Article VII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Power of Committee. There is hereby created an Architectural Control Committee ("Committee") for the purpose of architectural and engineering control to secure and maintain an attractive, harmonious residential community. The Developer shall function as and grant all approvals and variances provided for herein (in this Article VII) until Developer

conveys the last Lot which Developer owns in the Subdivision, except that Developer may elect to delegate and assign such duties and responsibilities to the Committee prior to that time. The Committee shall be composed of no less than three (3) individuals and no more than five (5) individuals appointed by the Developer or the Board of Directors (of the Association), to serve at the Board's pleasure. Two-thirds (2/3) of the Committee shall also be Members of the Association or Owners. A majority of members of the Committee shall constitute the decision of the Committee.

- (a) In General. No dwelling, house, building, structure, fence or improvement of any type or kind shall be constructed or placed on any Lot in the Subdivision without the Committee's prior approval which 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 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. In addition, such plans and specifications shall show the proposed landscaping, together with any other material or information which the Committee may require. All plans and drawings required to be submitted to the Committee shall be drawn to a scale of 1" - 10', or to such other scale as the Committee may require. There shall also be submitted, where applicable, the permits or reports required elsewhere in this Declaration.
- (b) Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested improvement, when:
 - (i) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvement to be in violation of this Declaration;
 - (ii) The design, color scheme or construction materials of a proposed improvement is not in harmony with the general surroundings of the Lot or with adjacent buildings or structures; or
 - (iii) The proposed improvement, or any part thereof, would in the opinion of the Committee be contrary to the interest, welfare or rights of the other Owners.
- (c) Power to Grant Variances. The committee may allow reasonable variances or adjustments of this Declaration where literal application would result in unnecessary hardship, but any such variance or adjustment shall be granted in conformity with the general intent and purposes of this

Declaration, and no variance or adjustment shall be granted which is materially detrimental or injurious to other Lots in the Subdivision.

Section 2. Duties of Committee. The committee shall approve or disapprove proposed improvements within thirty (30) days after all required information is submitted to the Committee. Should the Committee fail to act within the specified time, the requirements of this Article shall have been automatically waived, and the Owner's plans shall be deemed to have complied with all requirements hereof. One copy of all 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 the disapproval.

Section 3. Liability of Committee. Neither the Committee nor any agent thereof, nor the Developer, nor the Association, shall be responsible in any way for any defects in any work done according thereto.

Section 4. Inspection. The Committee may inspect work being performed to assure compliance with this Declaration and applicable regulations.

Article VIII

USE RESTRICTIONS

Section 1. Residential Use. The real estate subject to these covenants and restrictions may be used for single family residential living units and for no other purpose. There shall be no more than one (1) principal dwelling on any one (1) lot. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. No building or other improvements shall be erected upon any Lot without prior written approval of the Developer or the Committee, if the Developer has delegated such duties and responsibilities to the Committee, as elsewhere herein provided. No accessory building shall be erected prior to erection of the principal dwelling or house.

- (a) Subdivision of a Lot. No Lot shall be divided, subdivided or reduced in size.
- (b) Consolidation of Two or More Lots. The consolidation of two or more Lots shall not be permitted.

Section 2. No Temporary Building. All tents, temporary or accessory buildings or other structures shall not be erected or permitted to remain in the front or side yards on any Lot or in the Common Area without the written consent of the Developer, or of the Association after the Developer has conveyed the last Lot which Developer owns in the Subdivision. In the event consent is given as provided for herein, no such property or structure shall be permitted to violate the setback or building line as shown on the Plat of the Subdivision or required by ordinance, county or local (as applicable).

- (a) Accessory Buildings. Accessory buildings must be in rear of property behind rear line of house. Structure is not to exceed two (2) hundred square feet in size. Said structure shall be architecturally consistent with the principal dwelling and of similar construction materials and roof pitch. All out buildings or accessory buildings must be approved by the Committee prior to placement or erection.

Section 3. Boats, Recreational Vehicles, and Motor Vehicles. No boats, recreational vehicles or other motor vehicles, except four-wheel passenger automobiles, shall be placed, parked or stored upon any Lot or in the Common Area, nor shall any maintenance or repair be performed upon any boat or motor vehicle upon any Lot, except within a fully enclosed building and totally isolated from public view.

Section 4. Trees and Landscaping. Each Lot must have at least two (2) trees growing upon it of two (2) inch caliper in the front yard at completion of construction. A minimum of one and one half percent (1 ½%) of construction budget must be utilized for landscaping, exclusive of decks, patio, sidewalks and retaining walls.

- (a) Fences. All fences shall be approved by Developer or the Architectural Committee. Chain link fences shall not be permitted and no fence shall exceed six (6) feet in height nor be erected any closer than the front line of the house.
- (b) Swimming Pools. The design of any swimming pool and any accessory building shall be subject to the prior written consent by the Developer or Committee. All pools shall be fully enclosed by a fence (said fence shall be a non-climbable fence), with outside locking gate, in height to comply with all building codes or protected with a State of Indiana approved pool cover. Swimming pools should be designed with adequate buffers to minimize impact on adjacent lots. When fencing around a swimming pool, the area fenced shall be no larger than necessary to adequately define the pool area.
- (c) Mailboxes. The Developer shall select and designate a standard mailbox and post for the Subdivision. No exterior newspaper receptacles shall be permitted unless incorporated in the approved and designated mailbox and standard post. All repairs and replacements to such standard mailboxes and posts shall be consistent in color, quality and appearance with the original mailbox and post unless the advance written approval of the Developer is obtained.
- (d) Antennae. Any aerial antennae or satellite dish is to be placed in rear of house or in an inconspicuous place whenever possible. No aerial or satellite dish in excess of one (1) meter in diameter shall be placed or

erected upon any lot, or affixed in any manner to the exterior of any building in the Subdivision. The location and placement of a satellite dish antennae in excess of one meter shall be approved by the Developer or the Committee.

- (e) Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind, it being the intention hereof that all such facilities shall be provided within the building to be constructed on a Lot.

Section 5. Automobile Storage Areas. All homes erected upon a Lot shall have a garage attached to and architecturally consistent with the home. No automobile garage shall be permanently enclosed or converted to any other use without the substitution of another enclosed automobile storage area upon the Lot. No carports shall be permitted unless approved by the Committee and all garages shall be at least adequate to house two (2) standard size American automobiles. All garages must have doors that shall be maintained in usable condition.

Section 6. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or on the Common Area. However, dogs, cats and other common household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred, or maintained for commercial purposes. No animals shall be allowed to run loose at any time.

Section 7. Rubbish, Trash and Garbage. No rubbish, trash, garbage or other waste materials shall be kept or permitted on any Lot or on the Common Area, except in sanitary containers located in appropriate areas concealed from public view.

Section 8. Nuisances. Nothing shall be done or maintained on any Lot or on the Common area which may be or become a nuisance to the neighborhood.

Section 9. Signs. No sign of any kind shall be displayed to public view on any Lot or any Common area, except for the following:

- (a) The Developer, or the sales agent for the Developer, may place one professional sign on any Lot or Lots advertising the Lot or Lots for sale.
- (b) Owners may display or place one professionally prepared and constructed "For Sale" sign which shall not exceed six (6) square feet in size.

Section 10. Common Areas. Nothing shall be altered in, constructed on or removed from any of the Common Areas except upon the written consent of the Association.

Section 11. Size Requirements: The minimum square footage of living space dwellings constructed on Lots in the Subdivision, exclusive of porches, terraces, garages, accessory buildings, or basements, or portions thereof, or similar facilities not designed for regular and continuous habitation, shall be:

- (a) Minimum of One Thousand Five Hundred (1500) square feet for Ranch style dwellings.
- (b) Minimum of One Thousand Six Hundred and Fifty (1650) square feet for a one and one-half (1 ½) story dwelling.
- (c) Minimum of One Thousand Eight Hundred (1800) square feet for a two (2) story dwelling.
- (d) No bi-level or tri-level dwellings may be erected.

Section 12. Residential setback Requirements. No dwelling, house or other above-grade structure designed to be used in connection with such house shall be constructed or placed on any Lot in the Subdivision except as provided hereunder:

- (a) Front Setbacks. All dwellings or houses and above-grade structures designed to be used in connection therewith shall be constructed or placed on Lots in the Subdivision so as to comply with the front yard setback lines as established in the plat or plats of the various portions of the Subdivision.
- (b) Side Yards. The side yard setback lines shall be the minimum required setback pursuant to the Porter County Zoning Ordinance.
- (c) Rear Yards. The rear yard setback line shall be at least twenty (20) feet from the rear Lot line.

Section 13. Free-Standing Yard Lights. The Developer or Committee shall designate, from time to time, a standard exterior free-standing light fixture and post to be located on all Lots within the Subdivision five (5) feet from the driveway and five (5) feet from the sidewalk. Each dimension shall be measured on the same side of the driveway as the front door of the dwelling. Each Owner of a Lot in the Subdivision shall install the designated light fixture with a dusk to dawn photo cell on the Lot when the dwelling or house is constructed upon said Lot. The Owner shall maintain said light and fixture at all times so as to provide a white light with no less than a 100 watts light bulb from dusk to dawn.

Section 14. Exterior Construction. All structures shall be required to meet the following minimum standards for exterior materials in the construction:

- (a) Roofing materials shall be made of premium asphalt shingles, wood shakes, slate or simulated slate, tile, or similar premium roofing material. No metal roofs shall be permitted.
- (b) All exterior chimneys on the front elevation of the structure facing any street must be of brick, stone, or other similar type material, and all

exterior chimneys must be sided or masonry.

- (c) All driveways shall have a dust-free surface of Portland cement (concrete), brick, cobblestone or other similar type material. No asphalt driveways shall be permitted, unless approved by the Developer or the Committee.
- (d) No structure shall have solar panels that extend above the highest roof line. All plumbing vents, stacks, and prefabricated flues shall be located in the rear roof line not visible from the street unless approved by the Developer or the Committee and have a minimum exposure.
- (e) Not less than twenty-five percent (25%) of the front of the home shall be masonry.
- (f) All exterior construction material shall be approved by the Developer or the Committee.
- (g) The minimum roof pitch on any structure, dwelling or accessory building, shall be not less than 6/12.

Section 15. Building Method. All dwellings constructed on Lots in the Subdivision shall be erected from new materials assembled at and thereafter constructed on the Lot or Lots. No dwelling previously constructed elsewhere shall be moved to a Lot in the Subdivision. Manufactured homes, modular homes, pre-fabricated, mobile homes or other similar building methods are prohibited. For purposes of this paragraph, a "manufactured home" shall mean a structure that (i) is assembled in a factory, (ii) bears a seal certifying that it was built in compliance with the federal manufacturing housing construction and safety standards law (42 U.S.C. 5401 *et seq.*); (iii) is designed to be transported from the factory to another site in one (1) or more units; (iv) is suitable for use as a dwelling in any season; and (v) is more than thirty-five (35) feet long.

Section 16. Owner's Obligation to Maintain Lot. The owner of a Lot in the Subdivision shall at all times maintain the Lot, real estate and improvements, in such a manner as to prevent the Lot and improvements from becoming unsightly. The Lot Owner shall (a) mow and otherwise tend to the landscaping on the Lot at such times as may be reasonably required in order to prevent the unsightly growth of vegetation and weeds; (b) cut down and remove dead trees; (c) remove all debris and rubbish and prevent the existence of any other condition that reasonably tends to detract from or diminish the aesthetic appearance of the Lot or Subdivision; and (d) keep the exterior of the improvements in such a state of repair or maintenance as to avoid the improvements from becoming unsightly. Within any portion of the turf/lawn area of an improved Lot, the Owner shall not permit the grass or other growth to exceed six inches (6") in height.

Section 17. Heating Plants. Every dwelling or house in the Subdivision must contain a heating plant installed in compliance with the required codes and capable of providing adequate heat for year-round human habitation. Residential heat source must be contained within the dwelling.

Section 18. Diligence in Construction. Every dwelling, house or other structure whose construction or placement on any Lot in the Subdivision is begun shall be completed within nine (9) months after the beginning of such construction and the Lot sodded or seeded prior to occupancy. Should weather not permit sodding or seeding, the Owner must request a variance from the Developer or Committee with the granting of any variance being conditioned or withheld as the Developer or Committee deems appropriate in the Developer's or Committee's sole discretion.

Section 19. Fire and Casualty Damage. No improvement which has been partially or totally destroyed by fire, windstorm or other casualty shall be allowed to remain in such state for more than three (3) months from the time of such destruction or damage.

Section 20. Time to Commence Improvements on Lot. An owner of a Lot within the Subdivision must commence construction of the dwelling or house within two (2) calendar years after the Owner's purchase of the Lot or the Developer's sale of a Lot if the Owner did not directly purchase the Lot from the Developer. If construction does not begin within two (2) calendar years after sale of a Lot, or if a dwelling or house is not completed upon a Lot within the prescribed time, see Section 18 herein, the Developer shall have the option to repurchase such Lot for a price, in cash, equal to the Owners' cost basis in the Lot, without paying the cost of improvements up to the time of repurchase.

Section 21. Prohibition of Used Structures. All structures constructed on any Lot in the Subdivision shall be constructed with new materials (see Section 15), and used structures shall not be located or relocated on any Lot.

Section 22. Necessary Exceptions for Subdivision Development. Developer, or the transferees of Developer, including, but not limited to, third party purchaser of a Lot, shall undertake the work of developing the Lots included within the Subdivision. The completion of that work and the sale or other disposition of the dwellings (single family dwellings) on the Lots is essential to the establishment and welfare of the Subdivision as an on-going residential community. In order that such work may be completed and the Subdivision established as a fully-occupied residential community, nothing in this Declaration shall be understood or construed to prevent the Developer, Developer's transferees (including, but not limited to, third party purchaser of a Lot), the employees of Developer, contractors or sub-contractors to Developer, from performing those undertakings and activities which are reasonable and advisable to establish the Subdivision as a residential community. The term "transferee(s)" excludes purchasers of a Lot or Lots with a completed residence or a Lot or Lots intended to have construction of a residence at a later date by a party other than the Developer. Owner, upon commencement of construction of any residence, dwelling unit or other structure, which is not prohibited by this Declaration shall pursue the performance of any construction diligently and continuously until completion of the structure involved.

Article IX

TRANSFER OF UNIMPROVED LOTS

Section 1. Developer's Right of First Refusal. So long as Developer owns at least one Lot in the Subdivision, no Lot and no interest therein, upon which a single family residence has not been constructed shall be sold or transferred unless and until the Owner of such Lot shall have first offered to sell such Lot or Lots to Developer and Developer has waived, in writing, the right to purchase said Lot.

Section 2. Notice to a Developer. Any Owner or Owners intending to make a bona fide sale of an unimproved Lot or any interest therein shall give to Developer written notice of such intention, together with a fully executed copy of the proposed contract of sale (the "Proposed Contract"). Within thirty (30) days of receipt of such written notice from the Owner, Developer shall either exercise, or waive exercise of the right of first refusal. If Developer elects to exercise the right of first refusal, Developer shall, within thirty (30) days after receipt of such written notice, deliver to the Owner an agreement to purchase the Lot upon the following terms:

- (a) The price to be paid and the terms of payment shall be that stated in the Proposed Contract;
- (b) The sale shall be closed within thirty (30) days after the delivery of the Developer's agreement to purchase.

Section 3. Certificate of Waiver. If Developer shall elect to waive Developer's right of first refusal, or shall fail to exercise said right within thirty (30) days of receipt of the written notice to Developer from Owner with the Proposed Contract, Developer's waiver shall be evidenced by a written instrument reflecting the waiver and executed by Developer in recordable form which shall be delivered to the Owner or the Proposed Contract purchaser.

Section 4. Unauthorized Transactions. Any sale of a Lot, or any interest therein, upon which a single-family residence has not been constructed, without written notice to Developer and the waiver of Developer's right of first refusal, shall be void.

Section 5. Exceptions. This Article shall not apply to a transfer to or sale by any bank, life insurance company, Federal or state savings and loan association, or real estate investment trust which acquires its title as a result of owning a purchase money mortgage upon the Lot concerned, and this shall be so whether the title is acquired by deed from the mortgagor or its successors in title or through foreclosure proceedings; nor shall this Article apply to a sale by any such institution which so acquires title. Neither shall this Article require the waiver by Developer as to any transfer of title to a Lot at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

Article X

GENERAL PROVISIONS

Section 1. Duration and Remedies for Violation. The covenants and restrictions of this Declaration shall run with and bind the real estate submitted pursuant to Article II hereof, and shall inure to the benefit of and be enforceable by the Developer, the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of fifteen (15) years from the date this Declaration is recorded, after which time said covenants and restrictions shall automatically be extended for successive periods of ten (10) years unless amended as provided for elsewhere in this Declaration. Violation or breach of any condition, covenant or restriction herein contained shall give the Developer, Association, or Owner (or any two or more of them in concert or individually), in addition to all other remedies, the right to proceed at law or in equity to compel compliance with the terms of said condition(s), covenant(s) or restriction(s), and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, provided such proceeding results in a finding that Owner was in violation of said covenant(s) or restriction(s). Expenses of litigation shall include reasonable attorneys' fees incurred by Developer and/or the Association in seeking such enforcement; however, attorney fees shall not be allowed to an Owner enforcing these restrictions, covenants, or conditions, unless granted by a Court and based upon an independent finding of entitlement to such damages.

Section 2. Owner's Obligation to Maintain and Repair. Each Owner shall, at Owner's sole cost and expense, maintain and repair Owner's residence, keeping the same in a condition comparable to the condition of such residence at the time of its initial completed construction.

Section 3. Compliance with Soil Erosion Control Plan.

- (a) The developer has established and implemented an erosion control plan pursuant to the requirements and conditions of Rule 5 of 327 IAC 15 relating to Storm Water Run-Off Associated with Construction Activity. Each Owner shall undertake all erosion control measures contained therein as the plan applies to "land disturbing activity" initiated by an Owner or an Owner's builders, contractors and their subcontractors and to comply with the Developer's general permit under Rule 5 as well as all other applicable state, county or local erosion control authorities. All erosion control measures shall be performed by personnel trained in erosion control practices and shall meet the design criteria, standards, and specifications for erosion control measures established by the Indiana Department of Environmental Management in guidance documents similar to, or as effective as, those outlined in the Indiana Handbook for Erosion Control in Developing Areas from the Division of Soil Conservation, Indiana Department of Natural Resources.
- (b) Owner shall indemnify and hold Developer harmless from and against all liability, damage, loss, claims, demands and actions of any nature

whatsoever which may arise out of or are connected with, or are claimed to arise out of or connected with, any work done by Owner, Owner's employees, agents, or subcontractors which is not in compliance with the erosion control plan implemented by the Developer.

- (c) The Owner of each Lot in the Subdivision may pay to the Developer, or the Developer's designee, as determined in the discretion of the Developer or the Developer's designee, a refundable deposit of Five Hundred Dollars (\$500.00) per Lot. This deposit shall be held by the Developer to insure and guarantee the full and complete compliance by the Owner and the Owner's contractors and subcontractors with the soil erosion measures required by state and local law and this Declaration. The deposit shall be paid at the time of closing on the purchase of the Lot from the Developer, or in the event that Developer elects to defer collection of the deposit, at the time of plan submission pursuant to this Declaration. The Developer may use all or a part of the Owner's deposit to install, repair or replace a silt fence, clean the street near the Owner's Lot or do any other work required to comply with the Owner's obligations for soil erosion management. The Owner shall be responsible and shall reimburse the Developer for any costs incurred in excess of the deposit established in this Section. This obligation shall be a lien on the Lot or Lots and the personal obligation of the Owner and shall become due and payable in all respects, together with interest, reasonable attorney's fees, and cost of collection, as provided for herein and shall be subordinate to mortgage liens. Upon completion of the construction of the home on each Lot and all land disturbing activities thereon, the Developer shall refund the deposit, or any unused portion thereof, to the Owner in thirty (30) days after written request.

Section 4. Builder. Any person or entity who purchases a Lot or Lots from the Developer for the purpose to construct a dwelling or dwellings on the Lot or Lots, as the case may be, and to sell the improved Lot or Lots to a third party shall be designated as a Builder. All prospective Builders shall first be approved or rejected by the Developer and the Developer's determination of approval or rejection of a Builder of a Lot or Lots in the Subdivision shall be solely within the discretion of the Developer.

Section 5. Notices. Any notices required to be sent to any Member or Owner under a provision of this Declaration shall be deemed to have been properly notified when the notice is mailed and sent certified or registered mail (postage prepaid), to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

Section 6. Severability. In the event any covenant, restriction, or condition of this Declaration is/are void, invalid, or unenforceable under any federal, state, regional, or local laws, regulations or ordinances, or Court Order, the remaining terms, covenants, restrictions, and regulations of this Declaration shall remain in effect and binding on the parties hereto.

Section 7. Return of Plans. One copy of each plan or other document submitted for review by an Owner shall be retained by the Developer/Committee and one copy shall be returned to the Owner.

Section 8. Amendments to Declaration. All provisions of this Declaration shall be strictly complied with and conformed to by the Developer, Members, and/or Owners, and no amendment to this Declaration shall be made except upon the written consent of the Developer, Members, or Owners, as applicable.

Section 9. Waiver. A waiver by the Developer, Member, or Owner of any provision of this Declaration shall not be taken or held to be a waiver of any term, condition, or restriction itself. When the condition, covenant, or restriction to be waived is a material part of this Declaration, such that its waiver would affect the Developer, Members, or Owners of the Association, the waiver must be supported by consideration and take the form of a Declaration modification/amendment.

Section 10. Usage. Whenever used the singular shall include the plural and singular, and the use of any gender shall include all genders.

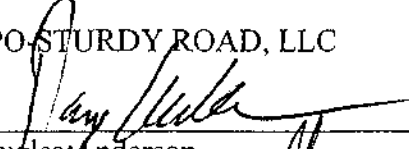
Section 11. Entire Agreement. This Declaration constitutes the entire understanding by and among the Developer, Members of the Association, and Owners of Lots and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, among such parties with respect to this Declaration. No changes, amendment, alterations, or modifications to this Declaration shall be effective unless in writing and signed by the applicable parties hereto (Developer, Members of the Association, and Owners of Lots).

Section 12. Effective Date. This Declaration shall become effective upon its recordation in the Office of the Recorder of Porter County, Indiana.


Section 13. Binding Effect. This Declaration shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Covenants and Restrictions to be executed on the date first written above.

VALPO STURDY ROAD, LLC

By: 
Douglas Anderson

By: 
Arthur D. Gift

By: 
Calvin Schneider

STATE OF INDIANA, COUNTY OF PORTER, SS:

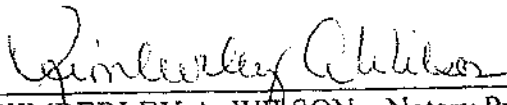
Before me, the undersigned, a Notary Public in and for said County and State, personally appeared **DOUGLAS ANDERSON, ARTHUR D. GIFT, and CALVIN SCHNEIDER** and acknowledged the execution of the above and foregoing to be their voluntary act and deed.

WITNESS my hand and Notarial Seal this 1st day of June, 2007.

My Commission Expires:

08-09-2014




KIMBERLEY A. WILSON – Notary Public
Resident of Porter County, Indiana

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

NAME:

