

Code of By-Laws
Of
Sugarberry Court at Ridgefield Homeowners' Association, Inc.

ARTICLE 1

Identification and Applicability

Section 1.1. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration to which these By-Laws are attached and made a part thereof. The Declaration is incorporated herein by reference and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Section 1 of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to Sugarberry Court and the administration and conduct of the affairs of the Association.

Section 1.2. Individual Application. All of the Owners, tenants, future owners, future tenants, or their guests and invitees, or any other person that might use or occupy any Lot or any part of the Phase I Real Estate or Additional Real Estate annexed to the Declaration as provided therein, shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration and these By-Laws.

ARTICLE 2

Meetings of Association

Section 2.1. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meeting of the Owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses and assessments, and for such other purposes as may be required by the Declaration and these By-Laws.

Section 2.2. Annual Meeting. The annual meeting of the members of the Association shall be held in November in each calendar year. At the annual meeting the Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.3. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written

petition of the Owners who have not less than twenty-five percent (25%) of the Class A and Class B membership votes. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.4. Notice and Place of Meetings. All meetings of the members of the Association shall be held at any suitable place in Monroe County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner and, if applicable, to any Mortgagee not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association and to the Mortgagee at the address as it appears on the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.5. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 2.4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2.6. Voting. For the purposes of conducting and voting at meetings, the Declarant shall be considered included within the term "Owner" for the purposes of these By-Laws. Voting rights shall be determined in accordance with the Declaration as follows:

Class A – Class A members shall be all Owners except Declarant and shall be entitled to one vote for each Lot owned. All persons holding an interest in any Lot shall be members provided, however, each Lot represented shall have only one vote as the Owners of such Lot may determine.

Class B – The Class B member shall be Declarant and Declarant shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and terminate upon the Applicable Date.

2.6.1. Multiple Owner. Where the Owner of a Lot constitutes more than one person, Limited Liability Partnership, Trust, or is a Partnership, there shall be only one voting representative entitled to the vote allocable to that Lot. At the time of acquisition of title to a Lot by a multiple Owner, Limited Liability Partnership, Trust, or Partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association a proxy appointing one of such persons or partners as the voting representative for such Lot, which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, such appointment is rescinded by an order of a court of competent jurisdiction, or the subject Lot which forms the basis of

the vote is conveyed. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph 2.6.3 of this Section 2.6, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Lot.

2.6.2. Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation shall cast the vote to which the corporation is entitled.

2.6.3. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot; or, upon receipt of notice by the Secretary, or the Board of Directors of the death or judicially declared incompetence of a member; or, upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

2.6.4. Quorum. Except as otherwise expressly provided in the Declaration or these By-Laws, the Owners representing fifty percent (50%) of each class of membership, taken together, shall constitute a quorum at all meetings. The term majority of Owners or majority of vote, as used in these By-Laws, shall mean the Owners entitled to not less than fifty-one percent (51%) of the votes in accordance with the Declaration as such may be amended from time to time.

2.6.5. Conduct of Meeting. The Chairman of the meeting shall be the President of the Association. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:

Reading of the Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

Treasurer's Report. The Treasurer shall report to the members concerning the financial condition of the Association and answer relevant questions of the members concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

Budget. The proposed budget for the current calendar year shall be presented to the members for approval or amendment.

Election of the Board of Directors. Nominations for the Board of Directors may be made by any member from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Each member may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. All voting for election of the members of the Board of Directors shall be conducted by secret ballot.

Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least ten (10) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the vote.

Adjournment.

ARTICLE 3

Board of Directors

Section 3.1. Board of Directors.

3.1.1. The business and property of the Association shall be managed and directed by the Board of Directors composed of five (5) persons, or by such Committees as the Board may establish pursuant to the By-Laws.

3.1.2. The initial Board of five (5) Directors shall be selected by the Declarant from the date upon which this Declaration is recorded in the Monroe County, Indiana public records until the Applicable Date and the qualification of successor directors elected at a meeting of voting members.

3.1.3. This paragraph governs directors elected after the term of initial Board of Directors has expired pursuant to 3.1.2. Directors shall be elected at the annual meeting of the Association and those persons who receive the highest number of votes shall be deemed to have been elected. The size of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of seventy-five percent (75%) of all Owners provided that the Board of Directors shall not be less than five (5) in number nor more than seven (7). After the Applicable Date, each Director shall hold office for a period of three (3) years or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified. Terms shall be staggered. Each Director shall be one of the Owners; provided, however, that in the event an Owner is a

corporation, partnership, trust or other legal entity, other than a natural person, or persons, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board of Directors. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself.

3.1.4. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board shall be filled by majority vote of the remaining members thereof, except that a vacant position of the Board last filled by a person appointed by the Declarant shall be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director he succeeds. Except as otherwise provided in this Declaration, the Common Area shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members of the Board shall constitute a quorum.

3.1.5. All meetings of the Board shall be open to attendance by any Lot Owner, except the President may call the Board into executive session on matters of personnel, infractions of the rules and regulations of the Association, and matters of similar sensitivity. Any action taken by the Board in executive session shall be recorded in the minutes.

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

Section 3.2. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

3.2.1. To employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

3.2.2. To purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

3.2.3. To procure for the benefit of the Owners fire and extended coverage insurance covering the Buildings, to the full replacement value thereof and to procure public liability and property damage insurance, Directors and officers liability insurance, Workmen's Compensation insurance, and such

other insurance as the Board of Directors may determine is necessary for the benefit of the Owners and the Association;

3.2.4. To employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;

3.2.5. To include the costs of all of the above and foregoing as Common Expenses and assessments and to pay all such costs therefrom;

3.2.6. To consent to amendment to the Declaration as therein provided;

3.2.7. To adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of Sugarberry Court or the Common Areas;

3.2.8. To open and maintain a bank account or accounts in the name of the Association.

Section 3.3. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$10,000.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

3.3.1. Contracts for replacing or restoring portions of the Common Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

3.3.2. Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting.

Section 3.4. Compensation. No Directors shall receive any compensation for any service rendered to the Association except to such extent as he may be reimbursed for actual expenses incurred in the performance of his duties.

Section 3.5. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

Special meetings of the Board may be called by the President or any two members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail and at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of this meeting shall contain a statement of the purpose for

which the meeting is called. Such meeting shall be held at such place and at such time within Monroe County, Indiana, as shall be designated in the notice.

Section 3.6. Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.7 Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.8. Non-Liability of Directors. The Directors shall not be liable to the Association for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every contract made by the Board shall provide that the Board of Directors, in executing such contract, is acting as Agent for the Association and shall have no personal liability thereunder.

Section 3.9 Additional Indemnity of Directors. The Association shall indemnify any person, his heirs, assigns and legal representatives, made a part to any action, suit or proceeding by reasons of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding, if it shall be found by a majority of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of the Association or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for

negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.10. Bond. The Board of Directors shall require any or all officers and employees of the Association handling or responsible for Association funds to be covered by an adequate bond. The premiums on such bonds shall constitute a Common Expense.

Section 3.11. Information Action of Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

ARTICLE 4

Officers

Section 4.1. Officers of the Association. The principal officers of the Association shall be the President, Vice President and Secretary/Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person. Every officer will serve for a term of one (1) year except an officer filling the vacancy created by resignation, death or removal of his successor in which case, the officer shall serve for the unexpired term of his successor.

Section 4.2. Election of Officers. The officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a two-thirds (2/3) majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.3. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to, the power to appoint committees from among the Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

4.3.1. At the organizational meeting of the Board of Directors, following the election of officers, the President shall appoint an Insurance Committee, consisting of the Board Vice President along with two individual Owners whose duties include ensuring compliance by individual homeowners to insurance coverage requirements as set forth in Section 9.2, paragraph 2.

Section 4.4. The Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 4.5. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provision of these By-Laws.

Section 4.6. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association.

Section 4.7. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officer whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 4.8. Compensation. No officer shall receive compensation from the Association for acting as such.

ARTICLE 5

Assessments

Regular and Special Assessments shall be determined and collected as follows:

5.1. Annual Accounting. Annually after the close of each calendar year of the Association, the Board of Directors shall cause to be prepared and furnished to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred or paid during the preceding calendar year.

5.2. Proposed Annual Budget. Annually on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a

proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year, and shall furnish a copy of such proposed budget to each Owner prior to the annual meeting. The proposed annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Owners, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by a majority of the Owners present or represented at the meeting (provided a quorum is present); provided, however, in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owner shall not constitute a waiver or release of the Owner to pay the Common Expenses.

5.3. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Lot based on the total amount of said budget divided by the total number of Lots. The Regular Assessment against each Home shall be paid in twelve (12) monthly installments on the first day of each month beginning in January following adoption of the budget. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors as directed by the Board of Directors; provided, however, that any Owner may elect to pay Regular Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Lot as of the date the payment is due.

5.4. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto; and, (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and working capital of the Association; provided that no Special Assessments shall be levied without the assent of a majority of the Owners at a meeting duly called for this purpose. Each Owner shall pay the Association a Special Assessment based on the total sum approved to meet the costs and expenses as heretofore provided divided by the total number of Lots in Sugarberry Court. The Association may, in connection with the levy of any Special Assessment, specify that the same shall be payable in installments and specify the due dates thereof.

5.5. Adjustments. In the event that the approved budget and Regular Assessment plus the reserves and working capital of the Association shall prove insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved and Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s) or returned to the Owners proportionately as the Board of Directors shall elect.

5.6. Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any such year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and Regular Assessments are determined in accordance with the Declaration and the By-Laws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary in said temporary budget and Regular Assessments.

5.7. Reserve Funds. The Association shall be obligated to establish a reserve fund for the repair of the Common Area based upon good faith estimates of the useful life and replacement cost of such Common Area made or obtained by the Association. The reserve fund shall be funded through the payments by the Owners of Common Expenses and not by an extraordinary or Special Assessment. Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied therefor. All amounts held by the Association pursuant to this Section 5.7 shall be maintained in a federally-insured account and any interest thereon shall be added to and deemed a part of such fund.

5.8. Status of Funds Collected by Association. All funds collected pursuant to this Section 5 shall be held and expended by the Association solely for the purposes designated herein, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Owners for the payment of Common Expenses.

5.9. Accounting Practices of the Association. The annual budget, the Regular Assessment and all sums assessed by the Association shall be established by using generally accepted accounting principles. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and of Homes to the extent such capital expenditures and replacement and repair is the obligation of the Association, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Area. Such replacement reserve fund for capital expenditures and repair of the Common Area shall be maintained by the Association in a separate, federally insured interest-bearing account or accounts selected from time to time by the Board of Directors.

5.10. Community Assessments. Any regular Assessment or Special Assessment levied by the Community Association shall be in addition to the Regular Assessments and Special Assessments provided for in this Section 5.

5.11 Collection of Assessments. Each Regular Assessment shall be due and payable on the first day of the month, and shall be paid in twelve monthly installments. Any Regular or Special Assessment which is not paid in full by the Delinquency Date, the tenth (10) of the month, shall be deemed delinquent without further notice or demand

of the defaulting Owner. The Homeowners' Association shall impose a late fee on delinquent Regular Assessments paid after the last day of the month which said Regular Assessment became delinquent. The late fee shall be ten percent (10%) of the delinquent Regular Assessment due. If the Regular Assessment continues to be delinquent after the last day of the next following month, another late fee of ten percent (10%) will be charged on the previous delinquent Regular Assessment plus an additional late fee of ten percent (10%) for the present month delinquent Regular Assessment. This formula for late fees for delinquent payment of Regular Assessments will be used for each following delinquent monthly payment. In the event that any costs or expenses, including reasonable attorney's fees and costs, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eighteen percent (18%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Lot as of the date on which such delinquent Assessment first became a lien. In the event that any Assessment is not fully paid on or before the Delinquency Date, the Association shall be entitled to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. The Owner and any occupant of the Home shall be jointly and severally liable for the payment to the Association of reasonable rental for such Home and the Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Home and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular Assessments or Special Assessments. The Board of Directors may at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same.

5.12. Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in the Declaration, the Articles of Incorporation of the Association or these By-Laws, any sale or transfer of a Lot or Home to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior Owner from personal liability therefor.

ARTICLE 6

Rules and Regulations

Section 6.1. Right of Board to Adopt Rules and Regulations. The Board of Directors may promulgate such additional rules and regulations regarding the operation of Sugarberry Court, including but not limited to the use of the Common Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a

vote of a majority of the Board, and the Board shall cause copies of such rules to be delivered or mailed promptly to all Owners.

ARTICLE 7

Amendment to By-Laws

Prior to the Applicable Date, these By-Laws may be amended by a majority vote or by written consent of all initial directors. After the Applicable Date, these By-Laws may be amended by a vote of not less than sixty-six and two-thirds percent (66 2/3%) of the vote of the Owners in a duly constituted meeting called for such purpose.

ARTICLE 8

Mortgages

Section 8.1. Notice to Association. Any Owner who places a first mortgage lien upon his Lot, or the mortgagee being the holder of any such first mortgage lien, shall notify the secretary of the Association and provide the name and address of the mortgagee. A record of such mortgagee and such name and address shall be maintained by the secretary and any notice required to be given to any Owner pursuant to the terms of the Declaration or these By-Laws shall be given in the same manner and in the same effect to such mortgagee.

Section 8.2. Notice of Unpaid Assessments. The Association shall, upon request of a Mortgagee, a proposed mortgagee or purchaser who has a contractual right to purchase a Lot, furnish to such mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the Lot, which statement shall be binding upon the Association and the Owners, and any mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement.

Section 8.3. Notice and Representative. Any and all Mortgagees shall receive notice of meetings of the Association and shall receive specific notice from the Association of the intention of the Association to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association; and any and all Mortgagees shall have the right to designate a representative to attend any meetings of the Association.

ARTICLE 9

Insurance

ASSOCIATION RESPONSIBILITY

Section 9.1. Minimum Requirements for Association Insurance. The Association shall as a minimum obtain and carry a policy of property insurance in an amount equal to the full replacement value (i.e. 100% of current "replacement cost" exclusive of land) of the common facilities owned by the Association, a "Demolition Endorsement" or its equivalent, and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, such insurance to protect against at least the following: loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage.

9.1.1.

- a. Footings.
- b. Foundations.
- c. Exterior walls and load bearing walls.
- d. Fireplace (except inserts) and chimney.
- e. Windows.
- f. Exterior doors, including garage door.
- g. Guttering, soffets and fascia.
- h. Exterior wallboard, siding and brick
- i. Framing.
- j. Sub-flooring.
- k. Original decks and patio slabs.
- l. Electrical service to the meter.
- m. Plumbing to the interior of the exterior wall.
- n. Grinder pump.

9.1.2. Owners will be billed annually for the premium.

9.1.3. Sugarberry Court Homeowners Association shall be responsible for payments of the deductible on insurance carried by it when the damage is to property that is the Association's responsibility. However, in cases where the Board determines that the owner was responsible for the loss, the owner shall deposit with the Board as insurance trustee the amount of the deductible.

9.1.4. All proceeds payable as a result of casualty losses covered by insurance purchased by the Board shall be paid to the Board and the Board shall act as an insurance trustee. The sole duty of the insurance trustee shall be to receive the proceeds as they are paid and to hold the proceeds in trust for the benefit of the homeowners and their respective mortgagees.

The Board retains the right to adjust with the insurance company the proceeds payable under policies purchased by the Board.

The Owner shall have the right to select the contractor or contractors subject to Board approval. Owner's selection of a contractor shall be submitted to the Board in writing together with a projected timetable for work to be completed which shall also require Board approval.

In no such event shall any distribution of proceeds be made by the Board to a homeowner where there is a mortgagee endorsement on the certificate of insurance. In such an event, the distribution of proceeds shall be to the homeowner and mortgagee jointly.

In the event of damage to or destruction of any home by fire or other disaster, the Board shall arrange for its prompt repair and restoration using the proceeds of insurance. The Board shall disburse the proceeds of its insurance policies to the contractors engaged in such repair and restoration, or as the Board otherwise deems appropriate to assume reconstruction.

HOMEOWNERS' RESPONSIBILITY

Section 9.2. Insurance on Individual Lots. The Owner of any Lot shall be solely responsible for obtaining insurance, at the individual's expense, for coverage of personal property; the contents of the unit; and for personal liability. It shall include coverage for:

- a. External modification to the original unit.
- b. Interior improvements finishing ballerments and permanent addition to the unit .
- c. All mechanical, both exterior and interior, including without limitation, air conditioners, furnaces, hot water heaters, filtering units, ceiling and exhaust fans, and appliances.
- d. Electrical wiring from the meter in outlet boxes, exterior lights.
- e. Interior drywall, wall boards, doors and trim.
- f. Plumbing from the interior of the exterior wall.
- g. Ceiling.
- h. Flooring and floor covering.
- i. Wall finishes, including without limitation paint, wallpaper and painting, tile, decorative trim.
- j. Fireplace inserts.
- k. Counter top, cabinets, vanity.
- l. Bathroom fixtures and cabinets.
- m. Appliances.
- n. Window treatments.
- o. Owners furnishing and personal property.

Note: The above list is demonstrative and shall not be considered as limited to the specific items denoted.

The homeowners will determine the level of coverage and deductible for their individual policies. The level of coverage, excluding personal property and personal liability, shall be subject to Board approval. The Board will not approve coverage of less than 100% of replacement value. The Owner shall furnish the Insurance Committee with proof of insurance in complying with this provision (refer to Section 4.3.1.).

In the event a damaged or destroyed home is not insured or in the event the insurance proceeds are insufficient to pay the full cost of repair or reconstruction, uninsured repair or reconstruction cost shall be paid by the homeowners directly affected by the damage.

If any one or more of the homeowners directly affected by the damage or destruction shall refuse to make payments, the Board and the other homeowners directly affected shall be entitled to enforce such payment by any legal means.

Section 9.3. Public Liability Insurance. The Board shall purchase and maintain insurance to protect against any and all liability or casualty which might accrue to the real property in the Sugarberry Court Homeowners Association, the homeowners, the Corporation, and Board of Directors. The limits of such insurance will be not less than \$500,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and, if applicable, garage-keeper's liability, host liquor liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use. The cost of such insurance shall be billed equally to each individual owner apart from the Owner assessment.

Section 9.4. Minimum Bonding Requirement. The Association shall be required to maintain adequate fidelity insurance coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of such Association and all others who handle, or are responsible for handling funds of the Association. Such insurance shall meet the following requirements:

9.4.1. Shall name the Association as an obligee;

9.4.2. Shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Association, including reserves, unless a greater amount is required by FNMA;

9.4.3 . Shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

9.4.4. Shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice.

Section 9.5. Director and Officers Insurance. The Association shall carry Directors and Officers' liability insurance in order to protect it from any causes of action resulting from the actions or inactions of the Board.

Section 9.6. Workmen's Compensation Insurance. The Association shall carry Workmen's Compensation insurance if and to the extent necessary to meet the requirements of law.

Section 9.7. Additional Insurance. The Association shall carry any additional insurance as the Board of Directors may determine or the Declaration may required.

Certified to be the By-Laws adopted by consent of the Directors of Sugarberry Court at Ridgefield Homeowner's Association, Inc. dated this 3rd day of August, 2005


Secretary, Sugarberry Court at Ridgefield

STATE OF INDIANA)
) ss:
COUNTY OF MONROE)

Before me a Notary Public personally appeared Lee Marchant to be known to be the Secretary of Sugarberry Court at Ridgefield Homeowners' Association and on behalf of said Homeowners' Association executed the above this 3rd day of August, 2005


Notary Public Residing in Monroe County, IN

My Commission Expires:
1/23/13



This Instrument was prepared
by Frank A. Barnhart

ARTICLES OF INCORPORATION OF
SUGARBERRY COURT AT RIDGEFIELD HOMEOWNERS ASSOCIATION, INC.

The undersigned incorporator or incorporators, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971 (hereinafter referred to as the "Act"), hereby execute the following Articles of Incorporation.

ARTICLE I

Name

The name of the Corporation is Sugarberry Court at Ridgefield Homeowners' Association, Inc.

ARTICLE II

Purposes

1. For the acquisition, construction, management, maintenance, and care of "association property," as defined in Section 528(c) of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), which association property includes, but is not limited to, the Easement Area within that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Sugarberry Court at Ridgefield recorded in the Office of the Recorder of Monroe County, Indiana ("Declaration").

2. To exercise all powers, rights and privileges and to perform the duties and obligations imposed upon the Corporation by the Plat Declaration and By-Laws and any amendments thereto as recorded in the office of the Recorder of Monroe County, Indiana, and to fix, levy, collect and enforce assessments pursuant to such Declaration and any amendments thereto.

3. Subject to the limitations or restrictions imposed by law, or these Articles of Incorporation, or any amendment thereto, this Corporation shall, in addition to the above, have the following general rights, privileges and powers:

- (a) To continue as a Corporation under its corporate name in perpetuity;
- (b) To sue and be sued in its corporate name;
- (c) To have a corporate seal and to alter the same at pleasure; provided, however, that the use of a corporate seal or an impression thereof shall not be required upon, and shall not affect the validity of, any instrument whatsoever;

(d) To acquire, own, hold, use, lease, mortgage, pledge, sell, convey or otherwise dispose of property, real or personal, tangible or intangible;

(e) To borrow money and to issue, sell or pledge its obligations and evidences of indebtedness, and to mortgage its property and franchises to secure the payment thereof, provided, however, that a vote of two-thirds (2/3) of the vote of the members is required before any such action to encumber the common area(s) is undertaken;

(f) To carry out its purposes in this state and elsewhere;

(g) To acquire, hold, own and vote, and to sell, assign, transfer, mortgage, pledge or otherwise dispose of the capital stock, bonds, securities, or evidences of indebtedness of any other corporation, domestic or foreign, insofar as the same shall be consistent with the purposes of the Corporation;

(h) To appoint such officers and agents as the affairs of the Corporation may require and to define their duties and fix their compensation;

(i) To make by-laws for the government and regulation of its affairs;

(j) To cease its activities and to dissolve and surrender its corporate franchise, provided, however, that a vote of two-thirds (2/3) of the vote of the members is required before any such action is undertaken;

(k) To do all acts and things necessary, convenient or expedient to carry out the purposes for which it is formed; provided, however, that the Corporation shall not, by implication or construction, be deemed to possess the power of engaging in any activities for the purpose of or resulting in the pecuniary remuneration of its members as such, but this provision shall not be deemed to prohibit reasonable compensation to members for services actually rendered; nor shall the Corporation be prohibited from engaging in any undertaking for profit so long as such undertaking does not inure to the profit of its members.

ARTICLE III

Limitation of Powers

1. The Corporation shall not issue capital stock.
2. The Corporation must receive sixty percent (60%) or more of its gross income from membership dues, fees or assessments from the Owners.
3. The Corporation must make ninety percent (90%) or more of its expenditures for the acquisition, construction, management, maintenance, and care of Corporation property.

4. Upon dissolution of the Corporation, no member, director, officer, or any private individual will be entitled to share in the distribution of the Corporation's assets. Upon dissolution, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a Judge of the Circuit Court of Monroe County, Indiana, exclusively for such purposes, or to such organization(s), as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IV

Period of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE V

Resident Agent and Principal Office

1. Resident Agent. The name and address of the Resident Agent in charge of the Corporation's principal office is: Lee Marchant, 3800 Gifford Road, Bloomington, Indiana 47403.

2. Principal Office. The post office address of the principal office of the Corporation is: 3800 Gifford Road, Bloomington, Indiana 47403

ARTICLE VI

Membership

1. Classes. There shall be one class of members and the qualification of membership shall be ownership of a home in Sugarberry Court at Ridgefield, a planned unit development in the City of Bloomington, Monroe County, Indiana.

2. Rights, Preferences, Limitations and Restrictions of Classes. All members shall have equal powers.

3. Voting Rights of Classes. Each home shall have one vote, the exercise thereof to be decided among the owners of the home. No vote shall be cast unless all assessments and dues on said home are current.

ARTICLE VII

Directors

1. Number of Directors. The initial Board of Directors shall be composed of three (3) members. If the exact number of Directors is not stated, the minimum number shall be three (3) and the maximum number shall be seven (7). Provided, however, that the exact number of directors shall be prescribed from time to time in the By-Laws of the Corporation: AND PROVIDED FURTHER THAT UNDER NO CIRCUMSTANCES SHALL THE MINIMUM NUMBER BE LESS THAN THREE (3).

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

<u>Name</u>	<u>Building or Number and Street</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>
Lee J. Marchant	3818 Devonshire Lane	Bloomington	IN	47408
Maureen A. Marchant	3818 Devonshire Road	Bloomington	IN	47408
Carolyn Spencer	4727 W. Brown Road	Ellettsville	IN	47429

ARTICLE VIII

Incorporator

<u>Name</u>	<u>Building or Number and Street</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>
Lee J. Marchant	3818 Devonshire Lane	Bloomington	IN	47408

ARTICLE IX

Statement of Property (If Any)


A statement of the property and an estimate of the value thereof, to be taken over by this Corporation at or upon its incorporation are as follows: The Corporation shall take over certain real estate located in Sugarberry Court at Ridgefield, a subdivision of the City of Bloomington, in Monroe County, State of Indiana, which area has been reserved upon the plat or plats of the subdivision of Sugarberry Court at Ridgefield, the estimates value of which is \$10,000.00.

ARTICLE X

Provision for Regulation and Conduct
Of the Affairs of Corporation


Other provisions, consistent with the laws of this state, for the regulation and conduct of the affairs of this Corporation, and creating, defining, limiting or regulating the powers of this Corporation, of the directors or of the members or any class or classes of members, are as follows: The regulation and the conduct of the affairs of this Corporation, and the creation, definition, limitation and regulation of the powers of the Corporation, other than specifically set forth hereinabove, shall be accomplished by the "By-laws" of the Corporation, which shall be adopted by the Board of Directors of the Corporation, pursuant to law.

IN WITNESS WHEREOF, the undersigned, being the Incorporator designated in Article VIII, executes these Articles of Incorporation and certifies to the truth of the facts there stated this 3 day of Aug, 2005.



Lee J. Marchant

I affirm under the penalties for perjury that the above and foregoing representations are true and correct to the best of my knowledge and belief.



Lee J. Marchant

This Instrument Prepared By:

Frank A. Barnhart
BARNHART, STURGEON & SPENCER
P.O. Box 1234
Bloomington IN 47402
(812) 332-9476

DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS

OF

SUGARBERRY COURT AT RIDGEFIELD

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 3rd day of August, 2005, by the Sugarberry Court at Ridgefield Homeowners' Association.

RECITALS

(A) Declarant is the sole owner of the fee simple title to the Real Estate;

(B) Declarant plans to improve the Real Estate by construction of sixteen (16) residential units.

(C) Declarant intends to sell the individual Lots and Homes together with the right to use the Common Areas.

NOW, THEREFORE, Declarant declares that Sugarberry Court at Ridgefield, Phase I and any Additional Phases subjected to the terms of this Declaration shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the covenants and restrictions hereinafter set forth expressly and exclusively for the use and benefit of the Real Estate and of each and every person or entity who now or in the future owns any Home within Sugarberry.

Section 1. Definitions. The following terms used in this Declaration shall have the following meanings:

1.1. **Applicable Date.** "Applicable Date" means the first to occur of the following events: (i) the date the Class "B" member voluntarily resigns by tendering a written resignation to the resident agent of the Association, or, (ii) the date when Declarant sells all lots in all Phases of Sugarberry.

1.2. **Association.** "Association" means Sugarberry Court at Ridgefield Homeowners' Association, Inc., its successors and assigns, an Indiana not-for-profit corporation, which is the incorporated association of Owners, more particularly described in Section 10. A copy of the *Articles of Incorporation* for the Association is attached as **Exhibit "A"**.

1.3. Board of Directors. "Board of Directors" means the governing body of the Association elected by the Owners in accordance with the By-Laws.

1.4. By-Laws. "By-Laws" means the By-Laws of the Association, providing for the administration and management of the Association, a true copy of which is attached to this Declaration as **Exhibit "B"** and incorporated herein by reference.

1.5. Common Area. "Common Area" means all the area in Sugarberry Court at Ridgefield outside the boundaries of any Lot.

1.6. Common Expenses. "Common Expenses" means the expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Area and other costs and expenses incurred by the Association for the common benefit of all Owners; provided, however, that Common Expenses shall not include any costs of initial construction of any Home or any expenses assumed or incurred by the Community Association.

1.7. Declarant. "Declarant" means Bloomington Home Builders, Inc., developer of Sugarberry Court at Ridgefield, and any successor or assignee of its interest in all or part of Sugarberry Court or in this Declaration under an instrument or instruments which expressly state that the successor or assignee thereunder shall become the Declarant for purposes of this Declaration.

1.8. Delinquency Date. "Delinquency Date" means the date which is ten (10) days after the due date of any Regular or Special Assessment.

1.9. Lot. "Lot" means any plot of ground designated as such upon the recorded Plat of Sugarberry Court at Ridgefield or any part and thing upon which one (1) Home is constructed, is to be constructed or has existed. Whenever used in the Declaration, "Lot" will be deemed to include the Home, if any, located thereon.

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

1.11. Owner. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, which owns the record fee simple title to a Lot; provided that persons or entities owning a single Lot as tenants in common, joint tenants, tenants by the entireties or any form of joint or divided ownership, shall be deemed one Owner for purposes of this Declaration.

1.12. Home. "Home" means one of the attached single-family residential living units constructed upon a Lot.

1.13. Plat. "Plat" means the Plat prepared by Smith Neubecker of Sugarberry Court at Ridgefield, Phase I, being on record in the Office of the

Recorder of Monroe County, Indiana, as Instrument Number IN2005003674 SPL dated 03/03/05 in Plat Cabinet C, Envelope 398. Additional sections subsequently recorded and subjected to the terms of this Declaration, upon recording of the Plat with the Monroe County Recorder's Office, will also be included in such definition.

1.14. Sugarberry. "Sugarberry" means all phases of Sugarberry, as platted.

1.15. Property. "Property" means the Common Area, Homes and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate and used in connection with the operation, use and enjoyment of Sugarberry.

1.16. Phase I Real Estate. "Phase I Real Estate" means the real property described on Exhibit "C", which has been subjected to this Declaration and all of the Property located upon the Real Estate.

Section 2. Declaration. Declarant hereby expressly declares that the Phase I Real Estate shall be held, conveyed and transferred in accordance with the provisions of this Declaration.

Section 3. Description of Sugarberry, Phase I. Sugarberry Court at Ridgefield, Phase I, consists of sixteen (16) Lots numbered 1-16, inclusive, together with the Common Area shown on the Plat. The sizes of the Lots are as designated on the Plat. The legal description for each Lot in Sugarberry Court at Ridgefield, Phase I, shall be as follows:

Lot _____ in Sugarberry Court at Ridgefield, Phase I a subdivision in Monroe County, Indiana, as shown on the Plat thereof recorded as Instrument Number _____ in Plat Cabinet __, Envelope __, as shown in the Office of the Recorder of Monroe County, Indiana.

Section 4. Lots and Easements. The boundaries of each Lot in Sugarberry shall be as shown on the Plat; provided, however, in the event any vertical boundary line of any Home does not coincide with the actual Lot line because of inexactness of construction, settling after construction or for any other reasons, whether from the initial construction or subsequent reconstruction, the boundary lines shall be deemed to be treated for purposes of occupancy, possession, maintenance, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Owner of each Lot in and to such base line outside the actual boundary line of the Lot.

Section 5. Common Area. Common Area includes all area within Sugarberry, except the Lots, including but not limited to the interior roads, sidewalks, parking areas, entrance signage and ponds. Declarant warrants and guarantees to the Association, for one year from the date Declarant executes the Warranty Deed to the Association transferring the Common Area, that all materials and workmanship are free from material

defects and that all improvements in the Common Area have been constructed in substantial compliance with the requirements of applicable government ordinances. This warranty specifically excludes any claims for defects in landscaping materials, paving surfaces or ponds. Upon receipt from any Owner of a written notice specifically identifying the defective condition, Declarant shall, within sixty (60) days thereof, inspect the Common Area and if such inspection discloses material defects in material or workmanship, Declarant will, without cost to the Association, remedy such defects within a reasonable time. Declarant shall not be responsible for any conditions, defects or damage which are the result of ordinary expansion and contraction or caused by acts of God. If no written claim is made as provided herein within one (1) year after the deed is executed by Declarant, all claims against Declarant are expressly waived by the Association and all Owners with respect to the Common Area.

Section 6. Ownership of Common Area. The Common Area shall be conveyed to or owned by the Association, and shall be held for the use and enjoyment of the Owners, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to every Lot, subject to the provisions of this Declaration, including but not limited to the following:

6.1. The right of the Association, upon approval by a written instrument signed by two-thirds of all Class A and B Owners and by two-thirds of all first Mortgagees, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such Common Area purposes and subject to such conditions as may be agreed by the Association.

6.2. The right of the Association to adopt such rules and regulations regarding the Common Area as it deems necessary as provided in Section 11.

6.3. The Common Area for each section in Sugarberry shall be conveyed to or owned by the Association at the time of conveyance of the first Lot in Sugarberry.

Section 7. Delegation of Use of the Common Area. Any Owner may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Association, his right of enjoyment and the use of the Common Area and facilities to members of his family, his tenants or contract purchasers who reside in any Home.

Section 8. Encroachments and Easements in Common Area. If by reason of inexactness of construction, settling after construction or for any other reasons, any Common Area encroaches upon any Lot, an easement shall be deemed to exist and run to the Association for the maintenance, use and enjoyment of such Common Area.

Each Owner shall have an easement in common with all Owners to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, located in any other Homes or in the Common Area and serving his Home.

Section 9. Easement for Utilities and Public and Quasi-Public Vehicles. All public and quasi-public vehicles including but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles and privately owned delivery vehicles shall have the right to enter upon the Common Area in the performance of their duties. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including but not limited to water, sewer, gas, telephone and electricity on the Property, provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines, or other utilities, except as initially designed and approved by Declarant on the Plat or as thereafter may be approved by Declarant or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Property and to affix and maintain electrical and telephone wires, circuits and conduits. All utility pipes, conduits, wires or circuits will be installed underground. In the event any utility furnishing service should request a specific easement by a separate recordable document, Declarant shall have the right to grant such easement on such Property, without conflicting with the terms of this section. The easements granted herein shall in no way affect any other recorded easement on the Property.

Section 10. Association. In order to provide for the maintenance and repair, replacement, administration, operation and ownership of the Common Area, and to perform such other functions as may be designated to it, there is hereby created a not-for-profit corporation which shall be known as Sugarberry Court at Ridgefield Homeowners' Association, Inc. Each Owner shall automatically be a Member of the Association, but membership shall terminate when such person ceases to be an Owner, and will be transferred to the new Owner; provided, however, any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a Member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Association. The Association shall have two classes of Members:

10.1 Class A. Class A members shall be all Owners except Declarant and shall be entitled to one vote for each Lot owned. All persons holding an interest in any Lot shall be Members provided, however, each Lot represented shall have only one vote as the Owners of such Lot may determine.

10.2. Class B. The Class B Member shall be Declarant and Declarant shall be entitled to ten (10) votes for each Lot owned. The Class B Membership shall cease and terminate upon the Applicable Date.

The initial Board of Directors shall be designated in the Articles of Incorporation, and such Directors, notwithstanding any provision in this Declaration or the Articles or the By-Laws to the contrary, shall be Directors until the Applicable Date. If there is a vacancy in the initial Board for any reason prior to the Applicable Date every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the initial Board. After the Applicable Date, the Association shall elect a Board of Directors

annually in accordance with and as prescribed by the By-Laws. The Members shall be entitled to vote for the election of the Board of Directors in accordance with the procedure outline in the By-Laws. The Board of Directors shall be the governing body of the Association representing all of the Members and being responsible for the functions and duties of the Association including but not limited to the management, maintenance, repair, replacement and upkeep of the Common Area. The Common Area shall be owned, operated and managed by the Association.

Section 11. Right of Board of Directors to Adopt Rules and Regulations. The Board of Directors may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Area, as it may deem necessary from time to time. Such rules as are adopted may be amended by vote of a majority of the Board, and the Board shall cause copies of such rules to be delivered and mailed promptly to all Owners.

Section 12. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot, but are assessed and taxed on the Real Estate as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to the land comprising the Real Estate assessed as a whole, which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the Real Estate assessed as a whole; and shall pay his proportionate share of the real estate taxes assessed on any improvements constructed on his Lot. Any real estate taxes or other assessments which are chargeable against the Common Area shall be paid by the Association and treated as a Common Expense.

Section 13. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered shall be treated as and paid as part of the Common Expense, unless otherwise determined by the Association.

Section 14. Maintenance, Repairs and Replacements. Each Owner shall at his expense be responsible for the maintenance, repairs, decoration and replacement within his own Home except as may otherwise be provided herein. All fixtures and equipment installed within the Home commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of a Home shall be maintained and kept in repair by the Owner thereof. Each Owner shall promptly perform all maintenance and repair in his Home which, if neglected, might adversely affect any Home, Common Area or the value of the Property. Such maintenance and repairs include but are not limited to internal water lines, plumbing, electric lines, gas lines, appliances, doors, windows, lamps, and all other accessories belonging to the Owner and appurtenant to the Home. Maintenance, repairs, replacements and upkeep of the Common Area shall be furnished by the Association, as a part of the Common Expense.

In addition to the maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot for the following: paint, repair, replacement

and care of all exterior doors, roofs, gutters, downspouts, exterior building surfaces, and other exterior improvements excluding, however, any glass surfaces, screens, window frames or fixtures, other hardware and decks, which shall be the sole responsibility of the Owner.

The cost of maintaining, servicing and operating any sewer lateral that serves Homes in Sugarberry from the point where the sewer line exits the Home to the point where the sewer lateral connects to the City of Bloomington sewer main and low pressure sewer system and pumps shall be borne by the homeowner. The location of the sewer laterals are shown on the Plat.

The Association shall also maintain any trees, shrubs, grass or walks which the Association or Declarant originally planted or installed upon any Lot; any trees, shrubs or landscaping done by an Owner upon the Owner's Lot shall be maintained by the Owner.

If the need for maintenance and repair results from the willful or negligent act of the Owner, his family, guests or invitees, and is not covered or paid for by insurance on such Lot, the cost of such maintenance or repair shall be borne by the Owner, and shall be added to and become a part of the assessment to which his Lot is subject and be subject to the same method of collection as the Regular Assessment.

The Board of Directors, or their designated agents, shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice will be required) to enter into each individual Home for purposes of inspection of the Common Area appurtenant thereto and replacement, repair and maintenance of the same.

Section 15. Alterations, Additions and Improvements. Without the prior written approval of the Board of Directors, no Owner may make any alterations, additions, improvements, repairs, change of colors, excavation, changes in grade or other work which in any way alters the exterior of any Lot or Home located thereon from its natural or improved state existing on the date such Lot was first conveyed by Declarant to the Owner except as otherwise expressly provided in this Declaration.

Section 16. Assessments. Regular and Special Assessments shall be determined and collected as follows:

16.1. **Annual Accounting.** Annually after the close of each calendar year of the Association and prior to the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared and furnished to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred or paid during the preceding calendar year.

16.2. **Proposed Annual Budget.** Annually on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year, and shall furnish a copy of such proposed budget to each Owner prior to the annual meeting. The

proposed annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Owners, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by a majority of the Owners present or represented at the meeting (provided a quorum is present); provided, however, in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owner shall not constitute a waiver or release of the Owner to pay the Common Expenses.

16.3. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Lot based on the total amount of said budget divided by the total number of Lots (herein called the "Regular Assessment"). The Regular Assessment against each Home shall be paid in twelve (12) monthly installments on the first day of each month beginning in January following adoption of the budget. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors as directed by the Board of Directors; provided, however, that any Owner may elect to pay Regular Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Lot and Home as of the date of the adoption of the annual budget.

16.4. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto; and, (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and working capital of the Association; provided that no Special Assessment shall be levied without the assent of a majority of the Owners at a meeting duly called for this purpose. Each Owner shall pay the Association a Special Assessment based on the total sum approved to meet the costs and expenses as heretofore provided divided by the total number of Lots in Sugarberry. The Association may, in connection with the levy of any Special Assessment, specify that the same shall be payable in installments and specify the due dates thereof.

16.5. Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Association shall prove insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved and Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s) or returned to the Owners proportionately as the Board of Directors shall elect.

16.6. Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any such year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and Regular Assessments are determined in accordance with the Declaration and the By-Laws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary in said temporary budget and Regular Assessments.

16.7. Reserve Funds. The Association shall be obligated to establish a reserve fund for the repair of the Common Area based upon good faith estimates of the useful life and replacement cost of such Common Area made or obtained by the Association. The reserve fund shall be funded through the payments by the Owners of Common Expenses and not by an extraordinary or Special Assessment. Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied therefore. All amounts held by the Association pursuant to this Section 16.7 shall be maintained in a federally-insured account and any interest thereon shall be added to and deemed a part of such fund.

16.8. Status of Funds Collected by Association. All funds collected pursuant to this Section 16 shall be held and expended by the Association solely for the purposes designated herein, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Owners for the payment of Common Expenses.

16.9. Accounting Practices of the Association. The annual budget, the Regular Assessment and all sums assessed by the Association shall be established by using generally accepted accounting principles. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and of Homes to the extent such capital expenditures and replacement and repair is the obligation of the Association, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Area. Such replacement reserve fund for capital expenditures and repair of the Common Area shall be maintained by the Association in a separate, federally insured interest-bearing account or accounts selected from time to time by the Board of Directors.

16.10. Community Assessments. Any Regular Assessment or Special Assessment levied by the Community Association shall be in addition to the Regular Assessments and Special Assessments provided for in this Section 16.

16.11. Collection of Assessments. Each Assessment shall be due and payable on the due date thereof as specified in this Declaration or in the By-Laws, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner. A penalty of 10% of the unpaid balance will be assessed after the last day of the current month. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eighteen percent (18%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Lot and Home as of the date on which such delinquent Assessment first became a lien. In the event that any Assessment is not fully paid on or before the Delinquency Date, the Association shall be entitled to accelerate and declare due and payable in full all installments of Assessments due for the calendar year in which such delinquency occurs, and to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. The Owner and any occupant of the Home shall be jointly and severally liable for the payment to the Association of reasonable rental for such Home and the Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Home and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular Assessments or Special Assessments. The Board of Directors may at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same.

16.12. Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles of Incorporation of the Association or the By-Laws, any sale or transfer of a Lot or Home to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishments of such lien cannot relieve the prior Owner from personal liability therefor.

Section 17. Insurance. Specific insurance provisions are set forth in Article 9 of the Code of By-Laws of Sugarberry Court at Ridgefield Homeowners' Association, Inc. See **Exhibit "B"** attached hereto. In the event there is a conflict between the general provisions of this Declaration and the Code of By-Laws, then the specific provisions of the By-Laws shall be controlling.

Section 18. Casualty and Restoration. In the event of damage or destruction of any Home by fire or other casualty, the Owner thereof shall cause such Home to be promptly repaired and restored. The proceeds of insurance carried for the benefit of the Owner and Mortgagee for such purpose shall be applied to the cost of such restoration. If the insurance proceeds are inadequate to cover the costs of reconstruction or if there are no proceeds, the Owners of the Homes directly affected by the damage shall pay the cost for restoring the Home. A Home shall be deemed directly affected if and only if a part of such Home, including but not limited to, any party wall of such Home, is damaged or destroyed. If any Owner fails or refuses to reconstruct his Home when required, the Association may pursue whatever legal means are available to cause such restoration, including but not limited to the Association completing the restoration and paying the cost thereof, with the cost attributable to the Owner or Owners who refuse or fail to make the restoration when required becoming a lien on such defaulting Owner's Lot and subject to foreclosure in the same manner as provided for Regular Assessments.

The restoration referred to in this Section 18 shall include the costs of construction incurred rebuilding the Homes in the same condition as they existed immediately prior to the destruction or damage and with the same type of architecture. Notwithstanding any other provisions in this Declaration, all Homes which are destroyed or damaged shall be restored pursuant to the provisions of this Section 18 of this Declaration, unless a majority vote of the Members of the Association decide that such restoration is not necessary, and all improvements in the Common Area which are damaged or destroyed shall be restored by the Association unless two-thirds of the Class A and B Members of the Association and two-thirds of all first Mortgagees decide not to make such restoration or to make such restoration in a different manner.

In the event the Association has insurance proceeds which are to be used for the benefit of the Owners, no distribution of such insurance proceeds shall be made by the Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance or insurance policy as it applies to such Owner's share of such proceeds. In such event, any remittances shall be to the Owner and his Mortgagee jointly. The same method of distribution shall also apply to the distribution of any condemnation awards in connection with any taking of any of the Common Area.

In the event of damage to or destruction of any of the Common Area due to fire or other casualty or disaster and the insurance proceeds, if any, received by the Association as a result of such fire or other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Common Area, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area so damaged and destroyed (or the cost thereof in excess of insurance proceeds received, if any) shall be paid by the Association through a Special Assessment of the Owners with each Owner being assessed an equal amount.

Section 19. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Homes, Common Area and Property are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, by the

Association, its successors or assigns. Owners and the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages, reasonable attorney's fees and costs for any injuries resulting from any violations thereof, but there shall be no right of reversions or forfeiture of title resulting from such violation.

19.1. Except for the initial construction of Homes, no additional buildings shall be erected or located on the Real Estate other than on the Lots or as otherwise shown on the Plat except as originally constructed by Declarant or as approved in writing by the Board of Directors.

19.2 Homes shall be used for single family residential purposes only. No business, commercial or industrial activity shall be permitted except home occupations which do not involve employees, customer or client visitation, inventory or any form of signage.

19.3. Nothing shall be done or kept in any Home or in the Common Area which will cause an increase in the rate of insurance on any other Home or the contents thereof. No Owner shall permit anything to be done or kept in his Home or in the Common Area which will result in the cancellation of insurance on any other Home or contents thereof, or which would be in violation of any law or ordinance.

19.4. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows, or placed on the outside walls of his Home and no sign, awning, canopy, shutter or radio or television antennae, or other attachment or things shall be affixed to or placed upon the exterior walls or roofs, or on any parts of any Home without the prior written consent of the Board of Directors. No television antennae or satellite dish or the equivalent shall be permitted on the exterior surface of a home or on any part of the lot except with the written permission of the Board of Directors. In no event will an antenna or satellite dish be approved which exceeds 39.37 inches, or in the case of a dish 39.37 inches in diameter. No antenna or dish will be approved that would be over or on a common area or on the front of any home. Board approval will be granted only to the least visible location which can receive a usable signal.

19.5. All Lots and the Common Area shall be kept free and clear of rubbish, debris, and other unsightly materials, except in those areas designated for the temporary storage thereof.

19.6. All Owners and members of their families, guests or invitees, and all occupants of any Home or any other persons entitled to use the same and to use and enjoy the Common Area or any part thereof shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board of Directors governing the operation, use and enjoyment of the Common Area.

19.7. No Owner shall be allowed to plant trees, landscape or do any gardening in the Common Area except with express written permission from the Board of Directors.

Section 20. Notice to Association. Any Owner who places a first mortgage lien upon his Lot or the Mortgagee shall notify the secretary of the Association thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the By-Laws, or otherwise, shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of the Mortgagee are furnished to the secretary either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, the By-Laws or otherwise shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, a proxy granted to such Mortgagee in connection with the mortgage or otherwise.

The Association shall upon request of the Mortgagee who has furnished the Association with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

Section 21. Amendment of Declaration. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

21.1. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered.

21.2. Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by a majority of the votes cast by the Owners.

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

21.4. Adoption. Any proposed amendment to this Declaration must be approved by not less than seventy-five percent (75%) of the Class A and Class B votes cast. In the event any Lot is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed Amendment in the same manner as an Owner, if the Mortgagee has given prior notice its mortgage interest to the Board of Directors in accordance with the provisions of the Declaration.

21.5. Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Association and shall be recorded in the Office of the Recorder of Monroe County, Indiana, and such amendment shall not become effective until so recorded.

21.6. Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in the Articles or in the By-Laws, Declarant shall have the right acting alone and without the consent or approval of the Owners, the Association, the Board of Directors, any Mortgagees or any other person, to amend or supplement this Declaration from time to time:

21.6.1. If such amendment is necessary to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration or any other governmental agency or any other public, or quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entity; or,

21.6.2. To induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Homes; or,

21.6.3. To bring this Declaration into compliance with any statutory requirements; or,

21.6.4. To correct clerical or typographical errors in this Declaration or any exhibit hereto or any supplement or amendment thereto.

Section 22. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trust, associations, or other legal entities who may occupy, use, enjoy or control a Lot or Lots or any part of the Property in any manner shall be subject to this Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended from time to time.

Section 23. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of the insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Lot or its appurtenances or of the Common Area.

Section 24. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by Abandonment of his Lot.

Section 25. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

Section 26. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. The singular shall include and refer to the plural and vice versa as appropriate.

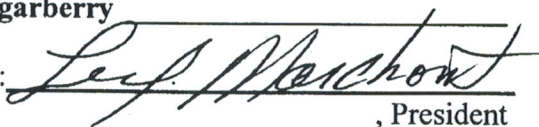
Section 27. Interpretation. The captions and titles of the various articles, sections, sub-sections, paragraphs and sub-paragraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.

Section 28. The Plat. The plat of Sugarberry Court at Ridgefield, Phase I is incorporated into this Declaration by reference and has been filed in the Office of the Recorder of Monroe County, Indiana, as of the ___ day of _____, in Plat Cabinet __, Envelope ___ as Instrument Number _____.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

Sugarberry

By:



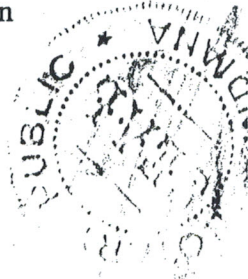
, President

STATE OF INDIANA)
) ss.
COUNTY OF MONROE)

Before me a Notary Public personally appeared Lee Marchant to be known to be the President and Secretary of Sugarberry Court at Ridgewood Homeowners' Association and on behalf of said Homeowners' Association executed the above this 3rd day of August, 2005.

Tonya L. Newlin

TONYA L. NEWLIN, Notary Public Residing in
Monroe County, IN



My Commission Expires:
11/23/13

This instrument prepared by:

BARNHART, STURGEON & SPENCER
P.O. Box 1234
Bloomington IN 47402-1234
(812) 332-9476