

THE VILLAGE FARMS

Covenants of the Plat

Dated November 5, 1973

Declaration of Covenants and Restrictions

Dated November 13, 1973

with 1973 and 1993 Amendments

By-Laws of Village Farms, Inc.

As approved at the Annual Meeting on April 18th 2007

COVENANTS OF THE PLAT

THE VILLAGE FARMS

**First Section
through
Fifth Section**

(Additional sections have incorporated these Covenants of the Plat by reference as each section has been approved and recorded.)

The undersigned, Ralph L. Wilfong, owner of the real estate described in the plat of The Village Farms, First Section, does hereby layoff, plat and subdivide the same in accordance with the foregoing plat of The Village Farms, First Section.

This subdivision shall be known and designated as "The Village Farms", First Section, and shall be subject to the following:

1. All streets shown and not heretofore dedicated are hereby dedicated to the public for its use.
2. There are strips of ground as shown on the within plat marked "Utility Easement" (UE); "Drainage Easement" (DE); "Sewer Easement" (SE); "Trail Easement" (TE); "Overflow Easement" (OE), either separate or in any combination of the five, which are reserved for the use of the public utility companies,

governmental agencies and other owners in the addition as follows:

(a) "Utility Easements" (UE) are created for the use of all public utility companies, not including transportation companies, for the installation and maintenance of mains, ducts, poles, lines, wires, and also all rights and uses specified for sewer easements as hereinafter designated;

(b) "Drainage Easements" (DE) are created to provide paths and courses for area and local storm drainage, either overland or in adequate underground conduit, to serve the needs of this and adjoining ground and/or the public drainage system;

(c) "Sewer Easements" (SE) are created for the use of the local governmental agencies or private utilities having jurisdiction over the storm and sanitary waste disposal system of said city or county for the purpose of installation and maintenance of sewers that are a part of its system;

(d) "Trail Easements" (TE) are created for the use of the lot owners of this addition and any neighboring section or subdivision bearing the same name, their respective families, guests and invitees, for horseback riding, jogging, bicycling, or walking trails.

(e) "Overflow Easements" (OE) are created for the use of the governmental unit of the addition and for the benefit of the lot owners in the maintenance and operation of the lake and water course.

The owners of all the lots in this addition will take title subject to the rights of the public utilities, governmental agencies and the rights of other owners in this addition to said easements herein granted for ingress and egress in, along and through the strips of

ground for the purposes herein stated. No permanent or other structure shall be erected or maintained upon said easements, including fences or temporary structures of any kind.

3. All lots in this subdivision shall be known and designated as residential lots. No residential building shall be erected, altered, placed or permitted to remain on any lot other than one (1) single family dwelling.

4. No building shall be erected, placed or altered on any lot in this subdivision unless and until the plot plan showing the location of such building have been approved as to conformity and harmony of external design and location with existing structures in the subdivision and as to the topography and finished ground elevation of such lot by Ralph L. Wilfong ("Owner") or any person to whom the right of such approval has been assigned by Owner; PROVIDED, however, that such requirement shall be conclusively deemed satisfied for all purposes if any such building or alteration is substantially completed without the filing by Owner or any such assignee of an action to enjoin such building or alteration. The requirements set forth in this paragraph may be assigned only in writing by Owner to any person or entity and may be waived by Owner to any successor or assign with respect to any lot or lots.

5. Owner retains the ownership of the Common Properties and reserves the right to place of record an instrument entitled "Declaration of Covenants and Restrictions". Such Declaration of Covenants and Restrictions shall contain such terms, conditions and provisions as are deemed advisable by Owner for the development and preservation of the real estate herein described. Such Declaration of Covenants and Restrictions may have the option for Owner to provide for, among other things, the following:

- (a) The formation of a not-for-profit corporation to which the corporation Owner shall have the option of conveying all or part of the Common Properties.

(b) The reservation of Common Properties shown in this plat for the common use and enjoyment by the owners of lots within the subdivision and by owners of other real estate designated by Owner, which real estate may be described in such Declaration of Covenants and Restrictions, or which Declaration of Covenants and Restrictions may provide for methods of subjecting other real estate to the terms thereof or enabling other real estate to have the benefits of such Common Properties.

(c) The maintenance and repair of Common Properties, the payment of taxes and insurance thereon and other such matters relating to the Common Properties, and the creation of liens upon real estate for failure to pay such costs or an appropriate share thereof.

(d) The continued ownership of the Common Properties by Owner or his successors or assigns until such time as Owner deems it appropriate to convey same to said not-for-profit corporation or some other entity.

(e) Subject to Covenants and Restrictions relating to development, operation and maintenance of said real estate as Owner deems appropriate.

Such Declaration of Covenants and Restrictions shall be effective from the time same are placed of record in Hamilton County, as against all lots in the subdivision not theretofore conveyed by Owner to other persons or entities and shall be effective, valid and binding upon said lots theretofore conveyed only if the record owner thereof joins therein.

6. A dusk to dawn light of the type approved by Owner shall be installed on each lot in the front of the building line.

7. No water of any type other sanitary sewage effluent shall be permitted to flow in the necessary sewer system; that is to say, no basement drains or roof drains, or other sources of non-sanitary water or liquids, either during or after construction shall be permitted to flow into the sanitary sewer system.

8. Building lines on the plat measured in feet from the street property line are hereby established between which line and the street property line there shall be erected or maintained no building or structure of any kind or part thereof.

9. Side yard setback lines shall not be less than ten (10) feet from the side line of the lot on one side and a total of both side yards shall not be less than twenty percent (20%) of the entire width of the lot.

10. The rear setback line shall not be less than twenty (20) feet from the rear property line.

11. No residence shall be erected or maintained on any lot in this subdivision having a ground area, exclusive of open porches and garage areas, of less than 1,600 square feet in the case of one story structures, and 1,200 square feet in the case of higher structure.

12. Any person or persons acquiring title to any portion of the real estate in this subdivision shall take the same subject to all the terms, provisions, covenants, and restrictions herein contained and those contained in any Declaration of Covenants and Restrictions placed of record in Hamilton County, Indiana, by Owner prior to the acquisition of title by such person and subject to any amendments or any supplements to any such Declaration of Covenants and Restrictions theretofore or thereafter made pursuant to the terms of such Declaration of Covenants and Restrictions.

13. The lot lines on all lots having frontage on any lake shall terminate at the eater's edge and shall automatically extend and recede to the water elevation.

14. No pier, dock or other structure may be constructed in such a manner that any portion thereof extends more than twenty (20) feet from the shore into the lake and in no event shall any dock, pier or other structure be erected that does not conform to the specifications of the developer.

15. If the parties hereto, or any of them, their heirs or assigns violate or attempt to violate any of the covenants, restrictions, provisions, terms or conditions herein, it shall be lawful for any person, owning real estate in this subdivision, to prosecute any preceding at law or in equity against any persons violating or attempting to violate any such covenants and to recover damages or other remedies for such violation.

16. The restrictions, covenants and provisions set forth herein shall run with the land and shall remain in force and effect until January 1, 1993, at which time said covenants shall automatically be extended for successive periods of ten (10) years, unless by vote of a majority of the then owners of said lots in this subdivision it is agreed to change said covenants in whole or in part.

17. The invalidity of any of the foregoing covenants, restrictions, provisions, terms or conditions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

Witness my signature this 5th day of November, 1973.

s/Ralph L. Wilfong

conf/covplat

**DECLARATIONS OF
COVENANTS AND
RESTRICTIONS**

THE VILLAGE FARMS

THIS DECLARATION, made this 13th day of November, 1973, by RALPH L. WILFONG, Owner, (hereinafter sometimes referred to as the "Declarant" or "Developer"),

WITNESSETH THAT

WHEREAS, The Declarant is desirous of developing a residential community which will encompass the property described in Article II of this Declaration and desires to create on said property recreation facilities and other common facilities for the benefit of the community; and,

WHEREAS, Declarant desires to provide for the preservation of the values and amenities of said community and for the

operation and maintenance of said facilities, and to this end desires to subject the real estate described in Article II, together with such other additions as may hereafter be made thereto, to the covenants, restrictions, conditions and charges (hereinafter referred to as "covenants and restrictions") hereinafter set forth; and,

WHEREAS, Declarant has deemed it desirable for the effective preservation of values and amenities in said community to create an agency to which should be delegated and assigned the power and authority of maintaining and administering the facilities and enforcing the covenants and restrictions and collecting the assessments and charges hereinafter created; and,

WHEREAS, there has been, or will be, incorporated under the laws of the State of Indiana as a not-for-profit corporation,

Village Farms, Inc., for the purpose of exercising and carrying out said functions.

NOW, THEREFORE, Ralph L. Wilfong hereby declares that the platted lots and land located within The Village Farms, Section One, as more fully set out in Article II, Section 1, of these Declarations and all platted lots and lands that may be made additions to the Development as set out in Article II, Section 2, of these Declarations shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of lots and lands in the Development and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development as a whole and of each of said lots situated therein. All of the restrictions shall run with the land and shall be binding upon the

Developer and the parties having or acquiring any right, title or interest, legal or equitable, in and to the real property and any part or parts thereof subject to such covenants and restrictions and shall inure to the benefit of the Developer and everyone of Developer's successors in title to any of the real estate in the Development. The Developer specifically reserves unto himself the right and privilege, prior to the recording of the plat of a particular lot or tract within the Development to exclude any real estate as shown from the Declaration or to include additional real estate.

ARTICLE I

Definitions

The following words, when used in this Declaration or any Supplemental Declaration, (unless the context shall prohibit) shall have the following meanings:

- (a) "VILLAGE" shall mean and refer to VILLAGE FARMS, INC.
- (b) "DEVELOPMENT" shall mean and refer to all such properties and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions hereof.

(c) "VILLAGE PROPERTIES" shall mean and refer to all such properties and additions thereto conveyed to and owned by Village.

(d) "VILLAGE OF MOUNT CARMEL" shall mean and refer to the existing residential lands platted as Village of Mount Carmel, Sections 1, 2, 3, 4, and 5, as recorded in the Office of the Recorder of Hamilton County, Indiana.

ARTICLE II

Property Subject to this Declaration and Provisions for Additions Thereto

Section 1. Development.

Declarant is the owner or has an interest in and is in the process of developing approximately 1,200 acres in The Village Farms community, consisting of residential, recreational and commercial lands, and to that end has platted, or is platting, Section One of The Village Farms, the legal description of which is attached and marked "Exhibit A" and made a part of this Declaration, subject to the covenants and restrictions of this Declaration.

Section 2. Additions to the Development.

Additional property may become subject to this Declaration in the following manner:

(a) By Developer. Additional properties may be added to the Development and subject to the covenants and restrictions: (i) upon the filing and recording of a plat of The Village Farms, which plat shall incorporate this Declaration of Covenants and Restrictions by reference; (ii) upon the filing and recording of a Supplementary Declaration of Covenants and Restrictions by Declarant or his successors and assigns. A Supplemental Declaration incorporating

by reference the provisions of this Declaration shall be sufficient to conform with this section. In addition, such Supplemental Declaration may contain such complimentary additions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke the covenants established by this Declaration within the Development.

(b) By Owners of Lots in the Village of Mount Carmel, Sections 1 through 5. The owner of any lot in the platted additions known as the Village of Mount Carmel, Sections 1, 2, 3, 4 and 5, as recorded in Plat Book 2, 2, 2, 3, 4, pages 86, 114, 227, 33-36, 82-83, respectively, may subject their lot in said additions to this Declaration of Covenants and Restrictions and to the jurisdiction of Village by filing and recording a Supplemental Declaration of Covenants and Restriction, together with a description of owners' lots in said platted subdivision. A Supplemental Declaration incorporating by reference the provisions of this Declaration shall be sufficient to conform with the requirements of this section. In addition, such Declaration may contain such complimentary additions not contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplemental Declaration revoke the covenants established by this Declaration within the Development.

(c) By Others. Upon approval in writing of Village pursuant to the vote of it's members as provided in it's Bylaws, and only upon such approval, the owner of any property who is desirous of adding it to the

jurisdiction of Village may file and record a Supplemental Declaration of Covenants and Restrictions which shall extend the scheme of covenants and restrictions this Declaration to such property. Such Supplemental Declaration of Covenants and Restrictions may contain such complementary additions and modifications of such covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke the covenants contemplated by this Declaration within the Development.

ARTICLE III

Character of the Development

Section 1. In General.

Every numbered lot in the Development, unless it is otherwise designated by the Developer, is a residential lot and shall be used exclusively for single family residence purposes. No structure shall be erected, placed or permitted to remain upon any of said residential lots, except a single family dwelling house and any such outbuildings as are usually accessory to a single family dwelling house. All tracts of land located within the Development which have not been designated by numbering as residential building lots in the recorded plats may be subject to other land use, including commercial, provided the same is consistent with the development of a planned community. The Developer reserves unto himself the right to change the character of the designated commercial or other land use at any time in the future, and, where necessary, to apply to the necessary governmental body for such reclassification, rezoning or variance of use as needed to accommodate the Developer's planned use.

Section 2. Residential Use of Accessory Outbuildings Prohibited.

No accessory outbuildings shall be erected on any of the residential lots prior to the erection thereon of a single family dwelling house, and in no event shall any such accessory outbuilding or any temporary structure which may be constructed upon a residential lot under these restrictions ever be used as a residence or dwelling house or place for human occupancy or habitation.

Section 3. Occupancy or Residential Use of Partially Completed Dwelling House Prohibited.

No dwelling house constructed on any of the residential lots shall be occupied or used for residential purposes or human habitation until it shall have been substantially completed. The determination of whether the house shall have been substantially completed shall be made by the Developer and such decision shall be binding upon all parties.

ARTICLE IV

Restrictions Re Construction Improvement and Maintenance

Section 1. Minimum Living Space Area.

The minimum square footage of living space of dwellings constructed on various residential lots in the Development, exclusive of porches, terraces, garages, carports, accessory outbuildings, or basements shall be designated on the recorded plats of the sections within the Development.

Section 2. Residential Lot Setback Requirements.

(a) **Front Yards.** The front building setback lines shall be as set forth upon the plats of the Development.

(b) **Cul De Sacs.** If the particular lot abuts on a cul de sac, the front building setback

line shall be as shown on the plat of that lot.

Section 3. Diligence in Construction.

Every building whose construction or placement on any residential lot in the Development is begun shall be completed within twelve (12) months after the beginning of such construction or placement. No improvement which has partially or totally been destroyed by fire or otherwise, shall be allowed to remain in such state for more than three (3) months from the time of such destruction or damage.

Section 4. Time in Which to Build Structures.

The time or times within which the owners of the residential lots within the Development must construct and complete, ready for habitation, houses on their lots after their purchase of the lot will be designated on the recorded plats of the section within the Development, or if no such designation is made, then within one year after purchase. If a house is not completed upon a lot within the prescribed time, the Developer shall have the right and option to repurchase for a price, in cash, equal to the owner's cost basis in the lot and the fair market value of such improvements, but not to exceed the owner's direct cost of such improvement.

Section 5. Prohibition of Used Structures.

All structures constructed or placed on any numbered lot in the Development shall be constructed with substantially all new materials, and no used structures shall be relocated or placed on any such lot.

Section 6. Maintenance of Lots and Improvements.

The owner of any lot in the Development shall at all times maintain the lot and any improvements situated thereon in such a manner as to prevent the lot or improvements from becoming unsightly; and, specifically, such owner shall:

(a) Mow the lot at such times as may be reasonably required in order to prevent the unsightly growth of vegetation and noxious weeds.

(b) Remove all debris and rubbish.

(c) Prevent the existence of any other condition that reasonably tends to detract from or diminish the aesthetic appearance of the Development.

(d) Cut down and remove dead trees.

(e) Where applicable, prevent debris or foreign material from entering the Lake, or, when any such debris has entered the Lake from the lot, remove the same immediately.

(f) Keep the exterior of all improvements in such a state of repair or maintenance as to avoid their becoming unsightly.

Section 7. Developer's Right to Perform Certain Maintenance.

In the event that the owner of any lot in the Development shall fail to maintain his lot and any improvements situated thereon in accordance with the provisions of these restrictions, the Developer shall have the right, but not the obligation, by and through his agents and employees or contractors, to enter upon said lot and repair, mow, clean or perform such other acts as may be reasonably necessary to make such lot and improvements situated thereon, if any, conform to the requirements of these restrictions. The cost therefor to Developer shall be collected in any reasonable manner from the owner. Neither the Developer nor any of his agents, employees, or contractors shall be liable for any damage which may result from any maintenance work performed thereunder.

New Section 8. Accessory Outbuilding Restrictions. has been added - See Second Amendments.

ARTICLE V

General Prohibitions

Section 1. In General.

No noxious or offensive activities shall be carried on on any lot in the Development nor shall anything be done on any of said lots that shall become or be an unreasonable annoyance or nuisance to any owner of another lot in the Development.

Section 2. Signs.

No signs or advertisements shall be displayed or placed on any lot or structures in the Development without the prior written approval of the Developer.

Section 3. Animals.

No animals shall be kept or maintained on any lot in the Development, except the usual household pets, and, in such case, such household pets shall be kept reasonably confined so as not to become a nuisance.

Section 4. Vehicle Parking.

No campers, trailers, boats or similar vehicles shall be parked on any street in the Development. No truck shall be parked for overnight or longer storage on any lot in the Development, unless the same shall be parked in a manner that it is not visible to the occupants of other lots in the Development or the users of any street in the Development.

Section 4. has been amended - see Second Amendments.

Section 5. Garbage, Trash and Other Refuse.

No owner of any lot in the Development shall burn or permit the burning out of doors of garbage or other refuse, nor shall any such owner accumulate or permit the accumulation out of doors of such refuse on his lot except as may be permitted in Section 6 below.

Section 6. Fuel Storage Tanks and Trash Receptacles.

Every tank for the storage of fuel that is installed outside any building in the Development shall be

buried below the surface of the ground. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground or shall be so placed and kept as not to be visible from any street within the Development at any time, except at the times when refuse collections are being made.

Section 7. Model Homes.

No owner of any lot in the Development shall build or permit the building upon said lot of any dwelling house that is to be used as a model home or exhibit house without the permission to do so from the Developer.

Section 8. Trail Easements.

The owner of any lot abutting a trail easement agrees to maintain a hedgerow or other screen in the manner and subject to the approval of the Developer, except to the extent the same are maintained by Village.

New sections - Section 9. Restrictions to Satellite Dishes and Antenna., and Section 10. Restrictions to Swimming Pools. have been added - see Second Amendments.

ARTICLE VI

Village Farms, Inc.

Section 1. Organization.

In order to facilitate the management of the Development, Developer has caused to be organized an Indiana not-for-profit corporation, known as Village Farms, Inc.

Section 2. Common Properties.

Declarant may from time to time at Declarant's option convey the Common Properties or any part thereof to Village, and upon such conveyance all obligations of Declarant with respect to the Common Properties or any part thereof thus conveyed shall cease and terminate and Village shall assume the obligations and the management and operation of same. The conveyance of the Common Properties by Declarant shall be made by quitclaim deed.

Section 3. Management.

The corporation, together with the Developer, shall assume the management and operation of the Common Properties until such time as the Common Properties are conveyed to it, at which time the corporation shall assume the exclusive management and operation of the properties so conveyed.

Section 4. Membership.

Membership in Corporation shall be restricted to persons, corporations, partnerships or legal entities (hereinafter referred to as "Persons"), who are owners (legal or equitable) of numbered residential lots or unplatted land as are made subject to the Declaration of Covenants and Restrictions or any Supplemental Declaration under the provisions thereof in the Development or the Village of Mount Carmel.

Section 5. Voting Rights.

Village shall have two (2) classes of voting members:

(a) Class A members who shall be entitled to one (1) vote for each numbered residential lot.

(b) Class B members shall be the Developer, or any person who shall hereafter succeed to the Developer's business and properties substantially as a whole. Class B members shall be entitled to four (4) votes for each one-half (1/2) acre of unplatted land, subject to this Declaration of Covenants and Restrictions.

Section 6. Creation of the Lien and Personal Obligation of Assessments.

Class A members, except the builder-owner until the improvements are completed, hereby covenant for each lot owned by him within the Development, and each purchaser of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to agree to pay Village: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special

assessments, together with such interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with such interest thereon and cost of the collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The Declarant and Class B members shall not be subject to assessment.

Section 7. Purpose of Assessments.

The assessment levied by Village shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members, and in particular, for the improvement and maintenance of the facilities devoted for this purpose.

Section 7. has been amended - see Second Amendments.

Section 8. Annual Assessments.

The assessment year shall begin May 1st and end April 30th. The annual assessment for the assessment year commencing May 1, 1974 shall be \$120.00 per lot; for the assessment year commencing May 1st, 1975, \$156.00 per lot, and for the assessment year commencing May 1st, 1976, the annual assessment shall be \$192.00 per lot. Thereafter, the annual assessment may be increased or decreased only by a vote of the members. For any person becoming a member during an assessment year, the annual assessment for such year shall be prorated on a monthly basis to the month immediately following the month of membership.

Section 8. has been amended - see First Amendment.

Section 9. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by Section 8 hereof, Village may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction,

unexpected repair or replacement of a described capital improvement upon the Village Properties, including the necessary fixtures and personal property related thereto; provided that, any such assessment shall have the assent of two-thirds of Class A and B members, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 10. Duties of the Board of Directors.

The Board of Directors of Village shall prepare a roster of the properties and assessments applicable thereto and shall be kept in the office of Village and open to inspection by any member.

Written notice of the assessment shall thereupon be sent out to every owner subject thereto.

Village shall, upon demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of Village, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 11. Effect of Nonpayment of Assessments; the Personal Obligation of the Owner; the Lien Remedies of Village.

If the assessments are not paid on the date or dates when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property, which shall bind such property in the hands of the then owner, his heirs, devisees, successors and assigns.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and Village may bring an action at law against the owner personally obligated to pay same, or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing

the complaint in such action; and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 12. Subordination of the Lien to Mortgages.

The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to the assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such mortgage. Such sale shall not relieve such property from liability for any subsequent assessment.

Section 13. "Junior Lien" Provisions.

If any premises subject to the lien hereof shall become subject to the lien of a mortgage or deed of trust, (1) the foreclosure of the lien hereof shall not operate to affect or impair the lien of the mortgage or deed of trust; and (2) the foreclosure of the lien hereof shall not operate to affect or impair the lien of the mortgage or deed of trust or the acceptance of a deed in lieu of foreclosure by the mortgagee shall not operate to affect or impair the lien hereof, but said charges as shall have accrued up to the date of foreclosure or the acceptance of a deed in lieu of foreclosure shall be subordinate to the lien of the mortgage or deed of trust with the foreclosure purchaser or deed in lieu, grantee taking title free of the lien hereof for all such charges that have accrued up to the time of the foreclosure or deed given in lieu of foreclosure, but subject to the lien hereof for all charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

* (ARTICLE VII was omitted in original)

ARTICLE VIII
General Provisions

Section 1. Covenants to Run With Land.

The covenants and restrictions of the Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Village, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a period of twenty (20) years from the date that this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants and restrictions in whole or in part.

Section 2. Enforcement.

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages and against the land to enforce any lien created by these covenants; and failure by Village or any owner to enforce any covenant shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

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

s/Ralph L. Wilfong

STATE OF INDIANA)
)SS:
COUNTY OF HAMILTON)

Before me, a Notary Public in and for said County and State, personally appeared Ralph L. Wilfong, who acknowledged execution of the foregoing Declaration of Covenants and Restrictions.

Witness my hand and Notarial Seal this 13th day of November, 1973.

s/Margaret S. House
Notary Public

My Commission Expires:

December 22, 1974

The above Declarations of Covenants and Restrictions, are recorded as Instrument Number 9420 in Book 140, page 403.

FIRST
AMENDMENT TO DECLARATION OF
COVENANTS AND RESTRICTIONS

Pursuant to Article VIII, Section 1, of the Declaration of Covenants and Restrictions dated November 13, 1973, and recorded November 14, 1973, as Instrument Number 9420 in Book 140, page 403, a majority of the owners of the lots subject to the Covenants and Restrictions agreed to change the Covenants and Restrictions as follows:

Article VI, Village Farms, Inc., is hereby amended by deletion of the original language contained in Section 8, Annual Assessments and the substitution and addition of the following language:

Section 8. Annual Assessments.

The assessment year shall begin May 1st and end April 30th. The annual assessment for the assessment year commencing May 1, 1974 shall be \$120.00 per lot; for the assessment year commencing May 1st, 1975, \$156.00 per lot, and for the assessment year commencing May 1st, 1976, the annual assessment shall be \$192.00 per lot. Thereafter, the annual assessment may be increased or decreased by the board of directors of Village Farms, Inc.

The above amendment is recorded as Instrument Number 3157 in Book 142, page 188.

SECOND
AMENDMENTS TO DECLARATION OF
COVENANTS AND RESTRICTIONS

Pursuant to Article VIII, Section 1, of the Declaration of Covenants and Restrictions dated November 13, 1973, and recorded November 14, 1973, as Instrument Number 9420 in Book 140, page 403, a majority of the owners of the lots subject to the Covenants and Restrictions agreed to change the Covenants and Restrictions as follows:

Article IV, Restrictions Re Construction Improvement and Maintenance, is hereby amended by the addition of the following new Section 8, Accessory Outbuilding Restrictions:

Section 8. Accessory Outbuilding Restrictions.

Each lot in the Development is allowed a maximum of one (1) single story accessory outbuilding. Accessory outbuildings that are not constructed and located on a lot in the Development prior to November 14, 1993, may not exceed two hundred (200) square feet of ground area, with a maximum side wall length of twenty (20) feet and a minimum side wall length of eight (8) feet. The color of the accessory outbuilding shall be consistent with the residence on the lot. Accessory outbuildings shall be located within the building setback lines as set forth in the plat and further shall be located behind the back line of the residence.

Article V, General Prohibitions, is hereby amended by deletion of the original language contained in Section 4, Vehicle Parking, and the substitution and addition of the following language:

Section 4. Vehicle Parking.

No trucks, campers, trailers, boats, recreational vehicles or similar vehicles shall be parked on any street in the Development. No campers, trailers, boats, recreational vehicles, trucks (other than pickup trucks used as the primary source of transportation of the owners of the lot) shall be stored on any lot in the Development, except in an attached enclosed garage, unless the same is parked in such a manner that it is not visible to occupants of other lots in the Development or the users of any street in the Development. A vehicle described above shall be considered stored on a lot if it is parked for more than sixteen (16) consecutive days and/or parked for more than thirty-two days during any calendar year on any lot in the development.

Article V, General Prohibitions, is hereby amended by the addition of the following new Section 9, Restrictions to Satellite Dishes and Antenna:

Section 9. Restrictions to Satellite Dishes and Antenna.

Satellite dishes exceeding forty-eight (48) inches in diameter, pole type television and/or radio antenna and other similar apparatus are prohibited unless they are installed and operational prior to November 14, 1993. Each lot in the Development is allowed a maximum of one (1) satellite receptor for television/radio provided that it is forty-eight (48) inches or less in diameter, it is installed no higher than the eaves of a roof line, it is located no further than ten (10) feet from the back of the residential dwelling, it is not placed in any side yard and it is erected so that it is not visible from the front yard of the residence.

Article V, General Prohibitions, is hereby amended by the addition of the following new Section 10, Restrictions on Swimming Pools:

Section 10. Restrictions on Swimming Pools.

All swimming pools and associated decks constructed after November 13, 1993, shall be located within a side or rear yard, shall not be located closer than ten (10) feet to the lot line and shall not project more than two (2) feet above the established grade. After November 13, 1993, no above ground swimming pool shall be constructed upon, placed or replaced on any lot in the Development.

Article VI, Village Farms, Inc., is hereby amended by deletion of the original language contained in Section 7, Purpose of Assessments, and the substitution and addition of the following language:

Section 7. Purpose of Assessments.

The assessment levied by Village shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members, and in particular, for the improvement and maintenance of the facilities devoted to the purpose. Annual assessments shall be expended to defray the annual operating expenses of the Village as set forth

in the Village's annual budget, which budget is approved as required by the Village By-Laws. In addition, Annual Assessments may be used, at the discretion of the Village Board of Directors to defray unbudgeted emergency expenses for repairs or maintenance provided that an adequate reserve for such expenses does not exist and the Board of Directors determine that the Village has, and will continue to have, adequate funds available either on hand or through borrowing to cover such expenditure without the need of a Special Assessment. In addition, the Annual Assessments may be expended, at the discretion of the Village Board of Directors, either directly or through reserves established by the Board of Directors, for such items including, but not limited to: debt service; debt retirement; capitol improvements; replacements; renovations; refurbishings; furnishings; and/or repairs, provided that the above expenditures are included in the annual budget of the Village, which budget is approved as required by the Village By-Laws.

The above amendments are recorded as Instrument Numbers 9355784-88.

All other provisions of the Covenants which are not specifically amended remain in full force and effect.

conf/vfcov93

**BY-LAWS
OF
VILLAGE FARMS, INC.**

ARTICLE I

Name

The name of this corporation is Village Farms, Inc., an Indiana not for profit corporation, (hereinafter called the "Corporation").

ARTICLE II

Membership

Section 1. Qualifications.

Membership in the Corporation shall be restricted to persons, corporations, partnerships or other legal entities (hereinafter referred to as "Persons"), who are owners (legal or equitable) of numbered residential lots or un-platted lands in the Village Farms Community, which areas are designated as the Membership Area on the map attached to a certain "Agreement for Establishment of Membership Area" and also attached to Corporations amended and restated Articles of Incorporation.

Persons owning lots or un-platted real estate in the membership Area described above shall not be eligible for membership in the Corporation unless or until such lot or described real estate has been made subject to the Declaration of Covenants and Restrictions dated November 13, 1973 and recorded November 14, 1973 as Instrument Number 9420 in

Book 140, pages 403-415 in the Office of the Recorder of Hamilton County, Indiana, as the same may be amended and supplemented from time to time.

The owner of any real estate in the Membership Area which has not been made subject to the Covenants and Restriction may elect to make such real estate subject to the Declarations of Covenants and Restrictions and thereby gain membership in the Corporation by filing and recording a Supplementary Declaration which incorporates by reference the Declaration of Covenants and Restrictions and declares that such real estate shall be subject to the same.

A person who has no interest in said numbered residential lots or un-platted lands, other than an interest that is held merely as security for the performance of an obligation to pay money shall not be entitled to membership.

Section 2. Voting of Members.

Each member of Corporation shall be entitled to one (1) vote.

Section 3. Assessment and Charges.

All assessments and charges shall be determined from time to time by the Board of Directors in such a manner not inconsistent with the provisions of the Articles of Incorporation of the Corporation. The Board shall not, however, levy or collect any assessments for unimproved lots or lands owned by the Developer. The assessments which the Board levies against members shall be a lien against the real estate of such members as well as personal

obligation, as provided in the Declaration of Covenants and Restrictions.

Section 4. Suspension of Membership.

(a) The Board of Directors of the Corporation shall have the right to suspend the voting rights and the rights and privileges of any member:

(1) for any period that any assessment or charges of the Corporation owed by the member remain unpaid for thirty (30) days after the same becomes due and payable,

(2) during the period of any continuing violation of the rules of the Corporation or the Declaration of Covenants and Restriction after the existence of such violation is declared by the Board of Directors and notice duly given to said Member,

(3) the voting right of an owner of a numbered lot or one-half (1/2) acre of un-platted land may be suspended after one (1) year following acquisition of ownership unless, by the end of such one year period there is a residence constructed on such lot or un-platted real estate.

(b) The Board of Directors shall be the sole judge of a violation of the by-laws and established rules of the Corporation.

* (Section 5 was omitted in the original)

Section 6. Profit of Members.

The Corporation shall not engage in any activities for the purpose of or inuring to the pecuniary benefit of its members as such, but this provision shall not prohibit its members a reasonable compensation for services actually rendered or prohibit the Corporation from engaging in any undertaking for profit, so long as such undertaking does not inure to the profit of its members.

ARTICLE III

Meetings of Members

Section 1. Place of Meetings.

Meetings of the members shall be held within the State of Indiana at the principal office of the Corporation, unless another place is designated in the call and notices or waivers of notice of said meetings, in which event meetings shall be held at such place within the State of Indiana as may be specified in the call and notices or in the waivers of notice of such meetings.

Section 2. Annual Meetings.

Annual meetings of the members of this Corporation shall be held each year in April at a time and date to be set by the Board of Directors.

(a) Board shall submit next year's fiscal budget at the annual meeting. Budget shall not exceed liquid assets (cash on hand + anticipated annual dues for upcoming fiscal year) of the corporation.

Section 3. Special Meetings.

Special meetings of the members may be called by the president, by a majority of the Board of Directors,

or by written petitions signed by not less than one-tenth (1/10) of all of the members authorized by the Articles of Incorporation to vote.

Section 4. Notice of Meetings.

A written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered or mailed by the secretary, or by the officer or person calling the meeting to each member of record entitled to vote at the meeting by the Articles of Incorporation, at the address which appears on the records of the Corporation, at least ten (10) days before the date of the meeting. Notice of any meeting of members may be waived in writing by any member and filed with the secretary or by attendance in person.

Section 5. Quorum.

Twenty percent (20%) of the number of members entitled to vote by the Articles of Incorporation shall constitute a quorum at any meeting of the Corporation.

Section 6. Proxies.

Members entitled to vote at a members' meeting may vote by proxy executed in writing or by mail or via electronic balloting. Proxies shall be action specific and limited to one meeting, or one set of votes for topics brought before the membership via annual or special meetings. Proxies will not be accepted for ballot votes conducted exclusively through direct mail.

Section 7. Voting Lists.

The secretary, or assistant secretary of the Corporation shall at all times keep at the principal

office of the Corporation a complete and accurate list of all members entitled by the Articles of Incorporation to vote, which list may be inspected by members for any proper purpose at any reasonable time.

Section 8. Order of Business.

The order of business at annual meetings, and so far as practicable at special meetings, of the members shall be as follows:

- (a) Proof of notice of meeting
- (b) Call of roll and examination of Proxies
- (c) Reading of minutes of previous meeting
- (d) Reports of officers and committees
- (e) Election of Directors
- (f) Unfinished business
- (g) New Business
- (h) Adjournment

ARTICLE IV

Board of Directors

Section 1. Number.

The number of directors of the Corporation shall be twelve (12).

Section 2. Election and Term.

For the first election of directors following adoption of these by-laws, one third (1/3) of such directors shall be elected for a term of three (3) years, one third (1/3) of such directors shall be elected for a term of two (2) years and one third (1/3) of the directors shall be elected for a term of one (1) year. Thereafter, one third (1/3) of the directors of Corporation shall be elected each year at the annual meeting of the members with such elected directors to serve a term

of three (3) years and to hold office until their successors are chosen and qualified.

Section 3. Vacancies.

Any vacancy occurring in the Board of Directors cause by death, resignation, removal, or other cause shall be filled by a majority vote of the remaining members of the Board until the next annual meeting of the members. Board shall review the names of persons nominated, but not elected at the preceding Annual Meeting, and in accordance with residency, elect that person who received the highest number of votes, provided, that vote represents at least 20% of the households who voted. If that person declines, then the next person with the highest number of votes shall be elected. Should this person also decline, then the board shall elect a resident of its own choosing. The person (or persons) elected to fill the partial term(s) at the next Annual Meeting shall be the candidate(s) receiving the fifth (or sixth, seventh, etc. if more than one vacancy has been filled) highest vote total in the Election of Officers at the Annual Meeting. The candidate(s) receiving the highest vote total(s) shall fill the longer of the remaining term(s). In the event that all directors shall be removed or resign, or all their offices become vacant for other cause, or the number of directors is increased by these By-laws, the members in a special meeting may elect new directors to serve until the next annual meeting and until their successors are chosen and have qualified. However, when filling vacancies the majority of the existing directors shall be required for a quorum.

Section 4. Meetings.

The Board of Directors shall hold regular meetings immediately following the annual meetings of the members. Special meetings of the Board of Directors may be called by the president, secretary, or any two members of the Board of Directors, and shall be held at such times and places within the State of Indiana as shall be designated in the notices thereof.

Section 5. Notice.

All members of the Board of Directors shall be notified either verbally or otherwise by the president or secretary at least twenty-four (24) hours before any special meeting. Such notice shall state the time and place of such special meeting, but need not specify the purpose or purposes for its call or the business to be transacted, and all business may be transacted that may become before the meeting. No notice shall be necessary for regular meetings of the Board of Directors.

Section 6. Quorum.

A majority of the Board of directors shall be necessary to constitute a quorum for the transaction of any business, except for the filling of vacancies, which shall require a majority of the existing directors for a quorum, a meeting at which a quorum is present shall be an act of the Board of Directors.

Section 7. Powers and Duties.

(a) The Board of Directors shall be the governing body of this corporation and shall have charge of and manage its business and prudential affairs.

(b) The Board may designate, by resolution adopted by majority of the whole Board, two or more members

of the Corporation to constitute an executive committee, which committee shall have and exercise all of the authority of the Board of directors in the management of the Corporation between meetings of the Board of Directors.

(c) Board of Directors shall obtain a minimum of 2 written bids for contracts that exceed \$2,500, except for necessity expenses such as utilities, and those services/vendors deemed to be sole source providers.

(d) Expenditures for new facilities, amenities or new construction in excess of 50% of operating revenues in whole or in part, that are to be financed or funded through annual assessments (dues) requires approval of the membership via ballot vote, in accordance with the rules, regulations, and procedures of voting as outlined in these by-laws.

Section 8. Resignation and Removal.

Any directors may resign at any time by delivering to the secretary of the Corporation his written resignation, and if the same is not sooner accepted, such resignation shall be considered as having been accepted and as having become effective within ten (10) days after its date. Board may vote to remove another board member from service, if any board member is absent for 3 consecutive meetings, and fails to submit a status report or 2 consecutive meetings; or fails to perform, or knowingly violates his fiduciary duties as a board member.

ARTICLE V

Officers

Section 1. Election and Qualifications.

Following their election and qualification, the Board of Directors shall meet and elect annually a president, one or more vice presidents who shall hold seniority in the order indicated at the time of their election, a secretary and treasurer, and shall appoint such assistants and combine any offices as it may from time to time be deemed proper, except that the duties of the president and secretary shall not be performed by the same person. The officers need not be directors. Such officers and assistants shall hold office for a period of one (1) year and until their respective successors are chosen and have qualified.

Section 2. Vacancies.

Any vacancy occurring in any office by reason of death, resignation, or otherwise shall be filled by the Board of directors and such officers shall hold office until their successors are chosen and have qualified.

Section 3. President.

The president shall be the chief executive officer of the Corporation and shall have general charge and management of the property and affairs of the corporation. He shall sign all certificates of membership, conveyances and other instruments on behalf of the corporation, unless otherwise determined by the Board of Directors and shall be submitted to the members at their annual meeting. The president shall perform such other duties as the by-laws may provide or the Board may direct.

Section 4. Vice President.

The senior vice president shall perform all duties incumbent upon the president during the absence or inability of the of the president to perform his duties, or any of them, and perform such other duties as the president or Board of Directors may prescribe. Other vice presidents may perform such duties as may be assigned to them from time to time by the Board of Directors or by the president of the corporation.

Section 5. Secretary.

The secretary shall maintain a record of all proceedings of all meetings of the members, Board of Directors and committees and a copy of all membership actions of the Corporation. Such records shall be open at all times for the inspection of the officers and members of the Board of Directors, and to any member for proper purposes, at any reasonable time. The secretary shall maintain a list of the members, their names and addresses, and the number and class of certificates of membership held by each. The secretary shall sign all certificates of membership and shall take charge of and affix the seal of the Corporation to such other duties as may be required from time to time by the Board of Directors.

Section 6. Treasurer.

The treasurer shall have the custody of all funds and securities of the Corporation and shall keep or cause to be kept, necessary books and records showing the financial condition of the corporation and a separate financial account of each member. Such records shall be open at all times for the inspection of the officers and members of the Board of Directors, and to any member, for proper purposes, at any reasonable time. The treasurer shall see that all

funds of the corporation are drawn upon only in the manner authorized by the Board of Directors and by the proper officers of the corporation, and shall perform such other duties as the Board may direct.

Section 7. Other Officers.

All other officers or official assistants shall perform such duties as may be prescribed by the Board of Directors.

Section 8. Delegation of Duties.

Any of the duties herein prescribed to be performed by one or more of the officers of the corporation may be delegated by the Board of Directors to other officers or directors of the Corporation, unless such delegation is prohibited by law.

* (ARTICLE VI was skipped in the original)

ARTICLE VII

Fiscal Year

The fiscal year of the Corporation shall be May 1 to April 30.

ARTICLE VIII

Books and Records

All books and record of any nature whatsoever of this Corporation shall be open for inspection by any member, for proper purposes at any reasonable time.

ARTICLE IX

Indemnification

No member of the Board of Directors of the Corporation shall be liable to the Corporation, any member of the Corporation, or any other person or persons for any claims of any character resulting from any actions taken, or any failure to take action, in good faith and believed by him to be authorized by these by-laws or within his discretion, or rights, or powers, conferred upon him by these by-laws, except for acts expressly determined by the Indiana Not-for-Profit Corporation Act, as amended, to create liability. Each member of the Board of Directors shall be indemnified by the Corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being, or having been, a member of the Board of Directors, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding, to be liable for gross negligence or willful misconduct in the performance of his duties, or where expressly provided by the laws of the State of Indiana.

ARTICLE X

Rules and Regulations

The Board of Directors is authorized and empowered to adopt and promulgate rules and regulations governing the use of the facilities of the Corporation, and every member of the Corporation is subject thereto and shall abide thereby.

ARTICLE XI

Amendments

The power to make, alter, amend or repeal these by-laws shall be vested in the Board of Directors. The Board of Directors shall not vote to approve or reject any changes, additions, deletions, amendments to the by-laws except at annual meetings, or special meetings.

s/ Patricia R. Emmert
Secretary

Approved:

s/ Ralph L. Wilfong
Chairman

The above is a true copy of the by-laws of Village Farms, Inc. as originally made February 25, 1985, and amended on January 15, 1986 as to Article III, Section 2 (s/ Les Atwood, President), on February 24, 1993 in various sections (s/ Dennis Brite, Secretary), on February 23, 1994 to Article IV, Sections 3 and 7(d) (s/ Dennis Brite, Secretary), and on April 12, 1995 to Article III, Section 2, at the annual meeting of Village Farms, Inc. , and on April 18, 2007 as to Article III, Section 6; Article IV Section 7 Article (c); Article IV Section 7 Article (d). (s/ Mike Swanton, acting Secretary) at the annual meeting of Village Farms, Inc.