enforced by the Architectural Control Committee or by the Board of Directors.

The Architectural Guidelines for each subdivision shall be established and amended by the Declarant, in its sole discretion, prior to the Authority Transfer Date. After the Authority Transfer Date, any amendments to the Architectural Guidelines shall be approved by a TWO THIRDS MAJORITY VOTE OF THE OWNERS of the lots or units in the subdivision to be effected thereby at any meeting at which a quorum of such owners is present or by mail in vote, as provided in Article 6 hereof. All affected owners shall receive notice of any amendments to the Architectural Guidelines within a reasonable time after their enactment.

Provided, however, if said subdivision is governed by a separate homeowners association, such changes, shall be approved only by the procedure set forth for that homeowners association which shall supercede the procedures set forth in this Section.

SECTION 10.3 New Construction Committee. The New Construction Committee shall consist of one or more persons appointed by the Developer to review, and approve or reject, all plans for new construction of residences' constructed on any Lot or any Unit, and any other structures, including, but not limited to, site plans, blueprints, specifications of materials, exterior colors, soil and natural landscaping preservation plans, landscape plans, and utility plans for all new construction within the Stone Crest Golf Community. The New Construction Committee shall have authority over any changes during initial construction of a new residence, prior to initial occupancy, and the Architectural Control Committee shall have authority over any changes after initial occupancy of the residence. The New Construction Committee is not responsible to assure compliance with applicable building codes and other applicable laws and regulations.

After the completion of initial construction of a residence on each lot and the construction of all Units planned within the Stone Crest Golf Community or at such earlier date as the Developer, in its sole discretion shall determine, the Developer shall assign the New Construction review responsibilities to the Architectural Control Committee.

The New Construction Committee may, but shall not be required to, retain architects, contractors, and other construction and development planning experts, to assist it in performing its duties hereunder and the Committee may impose an application fee for new construction applications to defer the costs of retaining such experts.

SECTION 10.4 Architectural Design and Environmental Control.

Subsequent to approval of new construction by the New Construction Committee and completion of new construction pursuant to the approval, no additional structure or improvement -- including but not limited to accessory structures, landscaping, fences, walls, mounds, ponds, pools, satellite dishes, antenna, patios, basketball goals and other permanent structures for sports and recreation -- shall be erected, placed or altered on any Lot or parcel in this Community until the building plans, specifications and plot plan showing the location, materials, and appearance of the planned improvement, including the exterior colors, have been submitted to and approved by the Architectural Architectural Control Committee, regarding conformity and harmony of external design, topography, and finished ground elevations.

The destruction of trees and vegetation and any other such matter as may affect the environment and ecology of this Community must also be approved in advance by the Committee. Excepted from the architectural approval requirement shall be items of landscape maintenance such as pruning of trees and removal of dead trees and limbs by any person or entity having responsibility for such maintenance.

The Architectural Control Committee may, but shall not be required to, retain architects, contractors, and other construction and development planning experts, to assist it in performing its duties hereunder and the Committee may impose an application fee for architectural approval applications to defer the costs of retaining such experts.

SECTION 10.5 Composition of the Committee. The Architectural Control Committee will be composed of at least three members. All members of the Committee, including replacement members, will be appointed by and will serve at the will of the Declarant, until the first to occur of the following:

(a) Thirty days after the Developer has approved the initial home construction plans for the last Lot or Unit in Stone Crest Golf Community, as established in Exhibits "1" and "2"', and any additions to the Stone Crest Golf Community as permitted in this Declaration; or Thirty days after Declarant notifies the Owners of its intention to transfer authority for Architectural Control to the Owners.

Within thirty days after the Declarant provides notice to the Owners to appoint Directors and take over control of the Committee, the Board of Directors of the Stone Crest Golf Community Homeowners Association, Inc. shall appoint three or more Owners to serve on the Committee.

UNTIL SUCH TIME, THE DECLARANT SHALL HAVE COMPLETE

AUTHORITY AND CONTROL OVER ARCHITECTURAL AND ENVIRONMENTAL DESIGN. During the time that the Declarant has Architectural Control, a majority of the Committee members may designate one or more representatives to evaluate and approve specific applications, so that the Committee is not required to meet to review each application.

SECTION 10.6 Written Approval. The Committee's approval or disapproval of any properly submitted application shall be in writing. In the event that written approval is not sent by the Committee within thirty (30) days from the date of submission of a completed application and any additional documentation requested by the Committee, and so long as the request is not prohibited by the Architectural Control Guidelines then in effect, it shall be deemed that the Committee has approved the presented plan.

SECTION 10.7 Additional Approvals. Under no circumstances shall approval of the Architectural Control Committee be deemed to replace any required governmental approval or be deemed to constitute a representation or assurance by the Committee that the planned structure or improvement meets the requirements of any law, regulation or ordinance or meets any structural or safety requirement or standard.

SECTION 10.8 Alterations without Approval. The Architectural Control Committee and/or the Board of Directors shall have the right and authority to require the removal of any improvement which has been made without receiving the approval of the Committee or which is substantially different in appearance, size, color, materials, location or otherwise, from what was approved by the Committee, including injunctive relief, and recovery of costs of removal, damages, reasonable attorney fees, and costs.

SECTION 10.9 Exercise of Discretion. Declarant intends that the members of the Architectural Control Committee exercise discretion in the performance of their duties consistent with the provisions of this Article, and every Owner, by the purchase of a Lot, shall be conclusively presumed to have consented to the exercise of discretion by such members. In a judicial proceeding challenging a determination by the Architectural Control Committee and in any action initiated to enforce this Declaration in which an abuse of discretion by the Architectural Control Committee is raised as a defense, abuse of discretion may be established only if a reasonable Person, weighing the evidence and drawing all inferences in favor of the Committee, could only conclude that such determination constituted an abuse in discretion.

SECTION 10.10 Miscellaneous Provisions.

A. The Committee's approval of, or failure to object to, a requested improvement for one Lot or Unit shall not prevent it from objecting to a similar

improvement for another Lot or Unit in the Community, if it deems, in its sole discretion, that the requested improvement would be detrimental to the Community or the other Owners.

B. Neither the members of the Committee nor their designated representatives will be entitled to any compensation for services performed on behalf of the Committee.

C. After the Declarant has transferred authority for all Architectural Control to the Owners, a decision of the Architectural Review Committee may be appealed to the Board of Directors by the Applicant or by an adjoining Owner, which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving.

D. After the Declarant has transferred authority for all Architectural Control to the Owners, members of the Architectural Control Committee shall be appointed to serve a three year term and may serve no more than two consecutive terms.

E. After the Declarant has transferred authority for all Architectural Control to the Owners, any member of the Architectural Control Committee may be removed by the Board of Directors with or without cause by a majority vote at a meeting duly called for such purpose. Prior to the date that the Declarant has transferred authority for all Architectural Control to the Owners, the Declarant may remove any member of the Architectural Control Committee with or without cause.

F. Members of the Architectural Control Committee have the right to inspect work being performed (at reasonable times with reasonable advanced notice) to insure compliance with these Restrictions and applicable regulations.

G. After the Declarant has transferred authority for all Architectural Control to the Owners, and with the approval of the Declarant and a majority of all Community Owners, architectural control may be delegated to separate committees for each subdivision within the Stone Crest Golf Community, and each Subcommittee shall be appointed by the Stone Crest Golf Community Board of Directors, upon the recommendation of any subdivision board of directors, advisory committee or membership. Each Subcommittee shall operate within the rules and authority of this Section and Section 19.2.

ARTICLE 11. ASSESSMENTS

SECTION 11.1 Annual Accounting. After the Authority Transfer Date, a financial statement and annual report of the Corporation shall be prepared annually, after the close of each fiscal year and prior to the date of the next annual meeting, by a certified public accountant or CPA firm then serving the

Corporation, which shall show all income and receipts and all expenses incurred and paid during the preceding fiscal year. This financial statement and annual report shall be in the form of a compilation, prepared under the direction of the Board and distributed to each Owner prior to the next Annual Meeting. Any Owner or group of Owners shall, at their sole expense, be entitled to an audited accounting by the certified public accountant or CPA firm then serving the Association, by paying the Association for the cost of the audit (as estimated by the accountant and including a reasonable fee for the association's professional manager if one is employed) in advance of the start of the audit.

SECTION 11.2 Proposed Annual Budget After the Authority Transfer Date. The Board of Directors shall submit a proposed Annual Budget and Regular Assessment, estimating the total amount of the Common Expenses for the upcoming fiscal year, to each Owner in conjunction with the Association's annual meeting. Once an Annual Budget is adopted, it shall be the basis for the Regular Assessment for the upcoming fiscal year.

The Annual Budget may include an amount for the Replacement Reserve Fund for capital expenditures, and replacement and repair of the Common Areas.

An Annual Budget and Regular Assessment shall be approved and adopted at each Annual Meeting of the Owners. If the Owners have not approved an annual budget, whether or not due to failure or delay of the Board of Directors, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon up to one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

The Annual Budget, the Regular Assessments, and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

SECTION 11.3 Proposed Annual Budget Prior to the Authority Transfer Date. Prior to the Authority Transfer Date, the Declarant shall establish the amount and payment terms of Assessments based upon the same items of expense and considerations as provided in Section 11.2 above, without the prior approval of the Owners. The Regular Assessments, including management fees and contributions towards the replacement reserve fund, shall not exceed Twenty five Dollars (25.00) per month, per lot or per unit, in the first year after this Declaration is filed, with increases of not more than ten percent (10%) per year (cumulatively) thereafter. HOWEVER, THIS LIMITATION IS ONLY FOR THE COMMUNITY ASSESSMENT AND ADDITIONAL SUBDIVISION ASSESSMENTS MAY ALSO BE IMPOSED.

Prior to the Authority Transfer Date, the direct costs related to unplatted ground within the Community will be paid by the Developer or other owner of the ground and will not be charged to the Association, and future or projected lots within unplatted ground will not be responsible for regular or special assessments. Neither will the Developer be responsible for regular or special assessments on unsold lots, after they are platted, in subdivisions or neighborhoods platted and added to the Stone Crest Golf Community after the date of this Declaration. The Developer may include ground within the budget which the Developer believes will be platted within the upcoming year.

Prior to the Authority Transfer Date, the Declarant shall not be obligated to pay any management fee or contribution towards the replacement reserve fund for the Corporation, or any assessment of any kind or nature, however the Declarant will cover any shortfall in the Annual Budget for entryway maintenance, lawn care, landscaping, utilities, snow removal (if included in the budget), security, lake maintenance, common area maintenance, and legal, accounting and management fees. Shortfall shall not be considered by category, rather it shall be considered only in the totality of the annual budget. Excluded from this guarantee are expenses of the individual subdivisions, obligations of any builder, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations, and purchases under Section 21.3 of this Declaration. This guarantee also does not prohibit the Declarant from using Association reserves for such expenditures or from imposing a Special Assessment for such expenditures.

Prior to the Authority Transfer Date, home builders authorized by the Declarant will not be required to pay any assessments to the Association. The annual budget for the Association will be divided between the lots which have been deeded to an owner (other than a builder), with a projection for lots which will be transferred during the coming year.

Prior to the Authority Transfer Date, neither the Declarant nor the Association shall be required to send a financial statement and annual report of the Corporation to each Owner, however the records of the Corporation shall be available for review by Owners during regular business hours, upon reasonable advanced notice.

At the time that Declarant transfers authority to the owners, Declarant shall have no liability for turning over any money to the Association, provided that all funds collected from owners have been used for purposes permitted by this Article.

SECTION 11.4 Regular Assessments. The Annual Budget shall contain a proposed Regular Assessment against each Lot and Unit. The Regular Assessment shall be the same amount for each Lot and for each Unit, except for

differences in limited common areas benefitting such Lot or unit and any differences in the services to which a Lot or Unit is entitled. Following the adoption of the Annual Budget, each Owner shall be given written notice of the assessment (herein called the "Regular Assessment").

In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, following adoption of the final Annual Budget by the Owners which results in a different Regular Assessment, a revised statement shall be sent to each Owner indicating the additional amount owed or the credit for the next Regular Assessment.

The Regular Assessment against each Lot or Unit shall be paid to the Association in advance, in annual installments, or as otherwise determined by the Board. The Board may (but shall not be required to) allow payment of assessments monthly, quarterly, or semi-annually, in advance, including an additional fee covering the additional administrative expense.

The Regular Assessment for the current fiscal year shall become a lien on each Lot and Unit as of the first day of the Corporation's fiscal year, even though based upon a Temporary Budget. If an Owner has paid an assessment based upon a Temporary Budget, and conveys or transfers his Lot or unit before the Annual Budget and Regular Assessment are determined, both the Owner and the successor Owner shall be jointly and severally liable for any balance owed for the Regular Assessment.

SECTION 11.5 Amenities Area. The Declarant shall have the right, but no obligation, to construct an amenities area, including, for example, playground equipment. The initial cost of construction of any amenities area constructed by the Declarant would be borne by the Declarant, the cost of operation, supervision, repair, on-going maintenance and replacement, as necessary, shall be a common expense of the Association or as a limited common expense charged to those owners benefitting from the use thereof.

SECTION 11.6 Special Assessments. Special Assessments may become necessary as a result of Common Expenses of an unusual or extraordinary nature or which were not otherwise anticipated, the failure of Owners to pay Regular Assessments, or for other reasons.

The Board of Directors, with approval of the Owners at any Regular or Special Meeting of the Owners or by mail-in ballot, shall have the right, power and authority to impose special assessments upon each Lot and upon each Unit in equal shares (herein called "Special Assessment"), which shall become a lien on each Lot and on each Unit. For Special Assessments attributable to Limited Common Areas or providing services only to a portion of the Community, the Special Assessment shall be approved by and imposed upon only such Owners.

Section 11.7 Initial Start-Up Fund. Some subdivisions may provide for an initial start-up fund when lots are conveyed. If so, the provisions for such shall be specified in that subdivisions Conditions, Restrictions, Reservations and Protective Covenants. Such payment shall be non-refundable and shall not be considered as an advance payment of any Assessment or other charge owed the Corporation with respect to such Lot or Unit. In the event that the builder fails to collect the start-up funds from the purchaser, the builder shall be liable for payment of such funds.

The start-up fund shall be used by the Corporation for payment of, or reimbursement to, Declarant for advances to the Association and initial and set-up expenses of the Association. The entire Initial Start Up Fund will be paid to the Declarant and the Declarant shall not be required to account for its use thereof.

SECTION 11.8 Reserves. As a part of any Regular or Special Assessment, the Association may collect funds for a reserve for future expenses. These reserves may be collected for reasonably anticipated expenses plus a reasonable amount may be collected for unanticipated expenses. Reserve funds shall be accounted for separately by the Board, and may be used by the Board of Directors for any Common Expense for which it does not otherwise have funds and which are not designated for a specific purpose or expenditure.

SECTION 11.9 Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. If any Owner shall fail, refuse or neglect to pay any Regular Assessment or Special Assessment when due, a late charge of twenty percent (20%) of the unpaid assessment amount or fifty dollars ($50.00), whichever is greater, shall be added to the balance owed, plus interest of one and three fourths percent (1 3/4%) per month beginning thirty (30) days after the date due, and the following additional provisions shall apply:

(a) A lien for any and all unpaid assessments on the Owner's Lot or Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law;

(b) The Board may bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same;

(c) The Association may recover costs of collection (including fees charged by the managing agent) and attorney fees in addition to any other amounts due;

(d) Where the Owner constitutes more than one person, the liability of such persons shall be joint and several;

(e) The Owner, the lessee of any residential unit, and any adult occupant of a residential Lot or Unit shall be jointly and severally liable for the payment;

(f) The balance of installments for the current fiscal year shall become immediately due; and

(g) The Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot or Unit and to collect any rentals for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments.

SECTION 11.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot or Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer (prorated to the date of sale or transfer). No sale or transfer shall relieve such Lot or Unit from liability for any assessments thereafter becoming due or from the lien thereof nor relieve the unit owner from personal liability for any prior assessments.

SECTION 11.11 Subordination of Subdivision Liens. The lien of any subdivision within Stone Crest Golf Community shall be subordinate to any lien under this Master Declaration.

ARTICLE 12. UTILITY PURCHASING AGREEMENTS

SECTION 12.1 Definition of a Utility purchasing Agreement. For purposes of this Declaration, a Utility Purchasing Agreement shall mean any contract with a utility company, including but not limited to a company which sells electricity or natural gas, or any company that provides telephone or other telecommunications services, for the purchase of such utility service or product on behalf of all present and future Owners, lessees and occupants within the STONE CREST GOLF COMMUNITY Community, or any portion of the Committee.

SECTION 12.2 Authority to Enter into a Utility Purchasing Agreement. The Declarant, prior to the Authority Transfer Date, or the Board of Directors of the Association, either prior to or after the Authority Transfer Date, may enter into a Utility Purchasing Agreement on behalf of all present and future Owners, lessees

and occupants within the Stone Crest Golf Community, or any portion thereof, and for any other person or entity which may purchase or use utility services therein, for anyone or more utility services and which Agreement shall bind all purchasers and users within this Community to purchase utility services exclusively from said company. Included within the authority granted herein shall be the authority to negotiate a reduction, elimination or refund of installation fees in favor of the Developer, in exchange for a Utility Purchasing Agreement and the authority to amend any existing Agreement. Also included within the authority granted herein shall be the authority to cooperate or contract with other associations or other residential or commercial groups in contracting for Utility Purchasing Agreements. Notwithstanding any provision in this Declaration, neither the Declarant nor the Association shall have any obligation to enter into any Utility Purchasing Agreement, and no successor Declarant or any other person or entity serving as a Developer within the Community shall have the authority to enter into any such Agreement without a specific designation of authority from the R.N. Thompson Development Corporation.

SECTION 12.3 Restrictions on Utility Purchasing Agreements. The Board of Directors may not enter into a Utility Purchasing Agreement unless such agreement is authorized by law. Current law does not permit Utility Purchasing Agreements. Further, the Board or the Declarant may decide not to enter into a Utility Purchasing Agreement if to do so would render the Board or the Declarant subject to regulation as a public utility.

Any Utility Purchasing Agreement shall be with a reputable and responsible company having the capacity to provide utility services in such volume or capacity as is reasonably required for the entire community, with appropriate reliability and dependability of service, and at competitive rates. Any such agreement shall be for a term of eight (8) years or less, but may include options in favor of the Association for additional years or terms. The Board or the Declarant may only enter into a Utility Purchasing Agreement if the rates under such contract are at or below the prevailing rate in Indianapolis for such utility services at the time of entering into the Agreement and that the establishment of such agreement shall not solely benefit the Declarant. Further, after the Authority Transfer Date, neither the members of the Board of Directors nor any other Owner shall benefit from any such contract in any manner different from the benefit received by all Owners.

ARTICLE 13. GOLF COURSE

SECTION 13.1 Ownership. The Developer has built a golf course and related facilities, which include a 27 hole golf course, a clubhouse, driving range, and various storage and maintenance buildings or facilities (herein referred to collectively as "golf course") within the Stone Crest Golf Community. Additional facilities may, but shall not be required to, be added. The golf course and any

related facilities, and the real estate upon which the golf course has been constructed, shall remain private property and shall not be considered common areas of the Association. FURTHER, NO OWNER OR RESIDENT SHALL HAVE ANY SPECIAL RIGHTS OR PRIVILEGES RELATED TO THE GOLF COURSE, EXCEPT AS SPECIFICALLY GRANTED BY THE GOLF COURSE OWNER.

SECTION 13.2 Developer's Right to Change the Preliminary Plans. The Developer or a subsequent golf course owner reserves the right to change the location of the course, any hole or combination of holes within the course, any tee, green or other portion of any hole or combination of holes, and any related facility, including but not limited to any clubhouse and any storage or maintenance building or facility serving the golf course and including the right to cancel any portion or all of its preliminary plan, and no Owner, lessee or occupant shall have any claim or cause of action against the Developer, Fee Owner, golf course owner, or builder resulting from such change or adjustment, or from future projected, published or advertised plans. All such plans shall be considered to be for demonstration or illustrative purposes only and no person shall be deemed to acquire any property or contract rights resulting from such plans or to have any other claim of any kind or nature.

SECTION 13.3 Golf Course Not a Part of the Community. Despite its location within the Stone Crest Golf Community area, the golf course and its related facilities shall not be a part of the Stone Crest Golf Community and shall not be entitled to membership in the Association or entitled to vote, shall not be subject to any Association assessments or fees, shall not be subject to the Architectural Review requirements, and shall not be subject to this Master Declaration (other than the provisions of this Article) or to any subdivision declaration.

SECTION 13.4 MEMBERSHIP PRIVILEGES: From the first day of operation of Stone Crest Golf Course, operated adjacent to the STONE CREST GOLF COMMUNITY, hereinafter referred to as the "Development," each member of the Owners' Association as created herein shall receive a "Membership" giving a right to use the Clubhouse and related facilities, subject to regulations regarding hours of operation, subject to the rules and fees which may be set forth by the owner of Stone Crest Golf Course for membership, and subject to usage restrictions for special events. Owners shall further be entitled to the applicable fee discount set by the Stone Crest Golf Course for annual golf membership fees. The specific rights granted herein run with the land and are not personal in nature.

SECTION 13.5 EASEMENT FOR ERRANT GOLF BALLS: GENERAL SCGC/COURSE EASEMENT: Each and every Lot, along with any common areas in the development are hereby burdened with a perpetual easement in gross in favor of Developer, its successors and/or assigns, members, guests and other invitees; and for the benefit of the land constituting the STONE CREST GOLF

COMMUNITY, permitting the flight of golf balls over and permitting golf balls to come unintentionally upon any common area and lots in the development from the golf course and related golf facilities, and for golfers, at reasonable times and in a reasonable manner to come upon any common area or exterior portions of any lot in the development, to retrieve, but not play, errant golf balls (to be known as the "Errant Golf Ball Easement"); provided, however, if any lot is properly fenced or walled in accordance with the provisions of these restrictive covenants, such golfers(s) must seek lot owner's permission, which said permission shall not be unreasonably withheld, delayed or conditioned, before entry upon such fenced or walled portions of the lot, in order to be availed of the rights and/or privileges under the Errant Golf Ball Easement herein established. Entry upon any lot in accordance with this section of the Restrictive Covenants shall not be deemed a trespass.

Every lot and any/all common areas, as designated by the Plat of Stone Crest Golf Community, are hereby burdened with a perpetual easement in gross in favor of Developer, its successors and/or, assigns, members, guests and invitees of Stone Crest Golf Community, and for the benefit of the land constituting Stone Crest Golf Community Golf Course facilities, to permit the doing of every act necessary or desirable and incident from time to time, and commonly and usually associated with from time to time with the playing of golf on Stone Crest Golf Course and the maintenance, use and operation of Stone Crest Golf Course and all facilities associated therewith. These acts shall include, but not be limited to, the creation of the usual and common noise levels associated with the game of golf (regular and/or tournament play) and the use of all such facilities and the maintenance of Stone Crest Golf Course and associated facilities, and the driving of machinery and equipment used in connection with the construction, maintenance and operation of Stone Crst Golf Course and facilities over and upon the streets, roads and common areas in Stone Crest Golf Community. Such noise may occur on and/or off the Stone Crest Golf Course facilities.

SECTION 13.6 Additional Golf Course Easement. The golf course owner shall have the right and easement to utilize the storm water drainage system of the Stone Crest Golf Community, including storm water pipes, drains, swales, lakes and ponds, and shall not be required to contribute to the costs of maintenance thereof. However, the golf course owner shall not expand or substantially increase its storm water discharge into the storm water drainage system beyond the capacity of the system as originally engineered, and considering the storm water drainage requirements of the Stone Crest Golf Community.

SECTION 13.7 Waiver of Liability. The Declarant, the Fee Owner, the golf course owner, the Association, and any agents, servants, employees, directors, officers, affiliates, representatives, and successors of any such party shall not in

any way be responsible for any claims, damages, losses, demands, liabilities, obligations, actions or causes of action whatsoever, including, without limitation, actions based on (a) any invasion of the Owner's use or enjoyment of the Lot or Unit, (b) improper design of the golf course, (c) the level of skill of any golfer (regardless of whether such golfer has the permission of the management to use the golf course), or (d) trespass by any golfer on any Lot, common areas or limited common areas, that result from property damage or personal injury from golf balls (regardless of number) hit on the Lot, common areas or limited common areas, littering or other property damage or personal injury caused by golfers or other persons using the golf course either with or without permission, or from the exercise by any golfer of the easements granted hereby.

ARTICLE 14. MORTGAGEES

SECTION 14.1 Notice to Corporation. Any Mortgagee who places a first mortgage lien upon an Owner's Lot or Unit, or the Owner, may notify the Secretary of the Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and its address shall be maintained by the Secretary. Any notice required to be given to the Mortgagee pursuant to the terms of this Declaration shall be deemed effectively given if mailed to such Mortgagee at such address. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by this Declaration shall be required, and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled by virtue of this Declaration, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise. The Association may charge an additional assessment to any Owner whose Mortgagee requests notice, to cover the administrative costs of providing notices to the Mortgagee.

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation 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 obligation of such borrower under this Declaration which is not cured within sixty (60) days.

SECTION 14.2 Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot or a Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot or Unit, which statement shall be binding upon the Corporation 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 or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted

upon adoption of the final annual budget, as referred to in Article 11 hereof.

SECTION 14.3 Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation, (1) to pay any taxes or other charges against the Common Area which are in default and, (2) to pay any overdue premiums on hazard insurance for the Association or to secure new hazard insurance for the Association on the lapse of a policy. Any Mortgagee making such payment shall be immediately owed reimbursement by the Corporation. .

SECTION 14.4 Notice of Condemnation or Casualty Loss. Mortgagees shall be timely notified of any condemnation loss which affects a material portion of the Stone Crest Golf Community or any Lot or Unit upon which the Mortgagee has an interest. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

SECTION 14.5 Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer of a first mortgage shall, upon notification and request to the Corporation, receive the same notices. as are required to be given to Mortgagees.

SECTION 14.6 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.

ARTICLE 15. INSURANCE

SECTION 15.1 Casualty Insurance. The Corporation shall purchase a casualty insurance policy affording fire and extended coverage, insuring the Corporation's improvements within the Common Areas, Limited Common Areas and Easements for the full replacement value of the improvements. If the Board of Directors can obtain such coverage for reasonable amounts, they shall also obtain "all risk" coverage. Such policy shall (to the extent obtainable) contain provisions that the insurer waives its right to subrbgation against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests.

All homeowners associations formed to address issues specific to a subdivision or neighborhood within the Stone Crest Golf Community, whose members are also members of the Stone Crest Golf Community Homeowners Association, shall provide the Corporation with a certificate of insurance showing the Stone Crest Golf Community Homeowners Association as an additional

insured.

Each Owner shall otherwise be solely responsible for loss or damage to his Lot, the improvements on his Lot, the contents of his Unit, however caused, and his personal property stored elsewhere on the Real Estate. The Corporation shall have no liability to any Owner for loss or damage to a Lot or Unit, the improvements on a Lot, the contents of any Unit, or an Owner's personal property stored elsewhere within the Community. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk, however, condominium buildings may be insured, in full or in part, by the condominium association for such unit. In no event will the Stone Crest Golf Community Homeowners Association or the Declarant maintain insurance on any privately owned residence or structure and neither the Association nor the Declarant shall have any liability to any Owner for loss or damage to a Lot, any improvement on a Lot, or to any Unit or the contents of any residence, building, unit or other personal property of any Owner.

SECTION 15.2 Public Liability Insurance. The Corporation shall also purchase a comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time, but not less than Two Million Dollars ($2,000,000), arising out of a single occurrence, for bodily injury or death and for property damage. Such policy shall cover the Corporation, the Board of Directors, any committee or division of the Corporation or Board, any Managing Agent, and all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Community. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners.

SECTION 15.3 Other Insurance. The Corporation shall obtain any other insurance required by law and may purchase such other insurance as the Board of Directors from time to time deems necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the Corporation.

All homeowners associations formed to address issues specific to a subdivision or neighborhood within the Stone Crest Golf Community, whose members are also members of the Stone Crest Golf Community Homeowners Association, shall provide the Corporation with a certificate of insurance showing the Stone Crest Golf Community Homeowners Association as an additional insured.

SECTION 15.4 General Provisions. The premiums for all insurance hereinabove described shall be paid by the Corporation as part of the Common Expenses. If available, the policies shall contain an endorsement that it shall not be terminated or substantially modified without at least ten days prior written notice to Mortgagees and to the Corporation written notice of any insurance obtained by the Corporation and of any subsequent changes or termination thereof shall be promptly furnished by the Board to each Owner or mortgagee whose interest may be affected thereby. Except as otherwise provided in this Article, notice required under this section shall be sufficient if it is published as a part of a general newsletter and mailed or delivered within sixty days.

The Board of Directors shall be responsible for reviewing, at least every two years, the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above.

All proceeds payable as a result of casualty losses sustained which are covered by insurance owned by the Association shall be paid to the Association, as the insurance trustee for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Board of Directors, in accordance with the provisions of this Declaration. Each Owner shall be deemed to have delegated to the Board of Directors his or her right to adjust with the insurance companies all losses under the policies purchased by the Corporation.

SECTION 15.5 Insurance by Owners. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

ARTICLE 16. LOSS TO COMMON AREAS

SECTION 16.1 Restoration of Common Area. In the event of damage to or destruction of any portion of the Common Area, Limited Common Area or Easements due to fire or any other casualty or disaster, the Corporation shall, except as otherwise provided in this Section, promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction, and the balance shall be paid first from the reserve account and second, as a Common Expense.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the Common Area to as near as possible the same condition as it existed immediately prior to the damage or destruction and with the same type of architecture. However, the Board may elect to improve or update the improvements or damaged area, within its discretion, so long as there are sufficient insurance proceeds, funds in reserve accounts, or the

provisions of Section 6.13 are complied with.

The Board of Directors may elect not to repair or reconstruct the Common Area and may apply the proceeds of insurance to other purposes consistent with this Declaration and with the Articles of Incorporation of the Association where the Board of Directors determines that the common areas or improvements which have been damaged or destroyed are not used and useful to the Community or to the portions of the Community for which such common areas or improvements were intended to serve, or where the common areas or improvements which have been damaged or destroyed can not be economically restored with the funds available both from the insurance proceeds and from other funds reasonably available to the Association for such purpose.

ARTICLE 17. COVENANTS AND RESTRICTIONS

SECTION 17.1 The following covenants and restrictions on the use and enjoyment of the Lots, Units and Common Area shall be in addition to any other covenants or restrictions contained herein and in the Plat Covenants, and all such covenants and restrictions 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, or by the Corporation. Present or future owners of the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall be entitled to damages and reasonable attorney fees resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation.

These covenants and restrictions are as follows:

A. All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.

B. No Owner shall permit anything to be done or kept in his unit or on his Lot or on any of the Common Area which will result in a cancellation of insurance or increase in insurance to the Association or to any other Owner, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

C. No nuisance shall be permitted on any Lot, in any Unit, or elsewhere in the Community. Without limiting the scope of the term "nuisance", it shall include anything which endangers life or health, or obstructs the reasonable, comfortable and peaceful use of property, or its value, as well as that which gives offense to the senses or violates the laws of decency. The Board of Directors' determination as to what specific circumstances constitute a nuisance

shall be conclusive.

D. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Unit or placed on the outside walls of any building, and no awning, canopy, shutter or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Committee.

E. No satellite receiving dish greater than one meter in diameter shall be erected or installed on any Lot or Unit, and satellite dishes of one meter in diameter or less require the prior approval of the Architectural Control Committee as to location and screening. Exposed antennae shall require approval by the Architectural Control Committee. Height shall not exceed five (5) feet above roof peak.

F. No "for sale", "for rent", "garage sale" or other signs for any purpose shall be placed upon any common area or upon any Lot other than the Lot which is for sale, for rent or upon which the garage sale will be held, without the express consent of the Board. Any "for sale", "for rent", "garage sale" or other yard signs, whether placed on any lot or with the Board's consent placed in the common areas, shall be limited in size to what is commonly used in the residential real estate community, as determined by rules established by the Board. No more than one sign may be placed on any Lot, without the prior consent of the Board. No banners or signs shall be hung from any home or elsewhere on any Lot for more than one week, without the prior consent of the Board.

G. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Area, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner, and the Association shall not be liable for any injury or damage to persons or property, including the Common Area, caused by any pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time, including, without limitation, a restriction on the number of pets, the prohibition of particular species or breeds, and the prohibition of pets in particular areas of the Community. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance.or noise, shall be permanently removed from the Community within ten (10) days after written notice from the Board.

H. The Lots and the Common Area shall be kept free and clear of

rubbish, debris and other unsightly materials. No Owner or guest of an Owner, nor any builder, contractor or subcontractor, shall litter or dispose of trash improperly anywhere within the Community.

I. No Dwelling Unit or Lot or any portion of the Common Area shall be used in any unlawful manner or in any manner which might cause injury to the reputation of the Community, or which might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants. Without limiting the generality of the foregoing, this Covenant shall include excessive noise from the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment, machines or vehicles, loud voices, excessive amounts of light, vibration, or unpleasant odors.

J. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any street or any part of the Common Areas or from neighboring properties.

K. No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted in or from any Lot, except with the prior approval of the Board. The Board may establish rules generally permitting such sales, or permitting such sales on a limited basis. Until revised by the Board after the Authority Transfer Date, each owner may conduct no more than two garage sales or similar activity in any one calendar year.

L. No water wells shall be drilled on any of the Lots, without prior approval of the Board, nor shall any septic tanks or other sewage disposal systems be installed on any of the Lots, without the approval of the Board and of the governing public health agency or other civil authority.

In order to provide sanitary sewers to Stone Crest Golf Community, Developer, its successors and/or assigns, including all lot owners in the development known as Stone Crest Golf Community, currently including, but not limited to, Laurel Lake Subdivision, Stone Crest Subdivision, and Crystal Court Subdivision, by acceptance of a deed to any lot, lots or parcels of real estate in Stone Crest Golf Community, shall connect to the sanitary sewer installed and provided by Developer and hereby waive all rights, both present and future, to remonstrate against the installation of the sanitary sewer system in the Stone Crest Golf Community. No septic systems shall be allowed without approval of the Architectural Control Committee. Owner shall pay all applicable connection fees and monthly usage fees for said sanitary sewer system.

M. No person shall draw water or other materials from the lakes or other water retention ponds or add water, except for storm water drainage approved by the Declarant or by the Committee, or other materials, whether by dumping or otherwise, to the lakes and other water retention ponds without the prior

approval of the Board as to quality and quantity of materials.

N. Except as may be specifically permitted by the Declarant in the Plat Covenants for one or more sections of the Stone Crest Golf Community, there shall be no docks on the lakes and no boating or swimming. Fishing may be permitted for owners of property adjoining a lake, however no owner or other person may trespass on the property of another or on the property of the golf course in order to fish and no person may fish from a public right of way, such as a street.

O. The Board may prohibit or limit parking on the streets of residential subdivisions within the Community.

P. No industry, trade, or other commercial activity, educational or otherwise, whether designed for profit, altruism or otherwise, shall be conducted, practiced or permitted upon any Lot or elsewhere within the Community, except within such rules and regulations as are established by the Board, and except that an Owner or resident may conduct business activities within a Dwelling Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit; (b) the business activity conforms to all zoning requirements for the Real Estate; (c) the business activity does not involve persons coming onto the Real Estate who do not reside on the Real Estate or involve door-to-door solicitation of residents of the Real Estate; and (d) the business activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Real Estate, as may be determined in the sole discretion of the Board.

Q. All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or 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 governing the operation, use and enjoyment of the Common Area or the Limited Common Area.

R. No Lot may be used for growing crops, except within the size and location guidelines established by the Board. The Board shall have the right and authority to prohibit the growing of crops entirely.

S. An Owner shall not permit the growth of weeds and volunteer trees and bushes on his Lot, and shall keep his Lot reasonably clear from such unsightly growth at all times. If an Owner fails to comply with this Restriction, the Board of Directors shall cause the weeds to be cut and the Lot cleared of

such growth at the expense of the Owner thereof and the Corporation shall have a lien against the cleared Lot for the expense thereof.

T. The Common Areas shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board.

U. No Owner may rent or lease his Dwelling Unit for transient or renting purposes or for any purpose for a period of less than six months without the prior approval of the Board.

V. Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease, for a period of at least six months, which shall provide that the lease is subject to the provisions of this Declaration and any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease.

W. 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, without approval from the Committee. Also, any improvement or addition to an existing structure shall be completed within three months from the time of commencement, except with the approval of the Committee.

SECTION 17.2 Fines for Violation of Covenants. The Board of Directors may assess a fine or penalty, not exceeding fifty dollars ($50) per incident, against any Owner violating the Covenants and Restrictions in this Declaration or in the Plat Covenants or any rule established by the Board. A continuing violation may be assessed an additional fine, not exceeding fifty dollars each week until corrected, at the discretion of the Board. Any such fine will be considered to be a special assessment against the Owner and the Owner's Lot or Unit, and collectable as provided in Section 11.9.

ARTICLE 18. PROVISIONS RELATING TO SUBDIVISIONS WITHIN THE STONE CREST GOLF COMMUNITY PLANNING COMMUNITY

SECTION 18.1 General Provisions. One or more separate declarations may be filed for the residential subdivisions within Stone Crest Golf Community. All owners of lots or units, lessees, and occupants within such subdivisions will be subject to the terms and provisions of the plat covenants and declaration for the subdivision, in addition to the terms and provisions of this Master Declaration for the entire Stone Crest Golf Community. Also, each owner will be required to be a member of the subdivision homeowners association, if applicable, in addition.

SECTION 18.2 Architectural Control. Until such time as the Declarant

transfers control of the Architectural Control Committee to the owners, there shall only be one Architectural Control Committee for the Community. After control of the Architectural Control Committee has passed to the Owners, and with the approval of the Declarant and a majority of all Community Owners, architectural control may be delegated to separate committees for each subdivision within the Stone Crest Golf Community. If so, each Subcommittee shall be appointed by the Stone Crest Golf Community Board of Directors, upon the recommendation of any Subdivision board of directors. Each Subcommittee shall operate within the rules and authority of Article 10 of this Master Declaration, however authority to enact Architectural Design Guidelines shall remain with the Stone Crest Golf Community Architectural Control Committee. If, for any reason, a subdivision Architectural Control Committee would disband or cease to exist, architectural control shall revert to the Stone Crest Golf Community Architectural Control Committee under the terms and provisions of this Declaration. At no time should any owner be required to seek Architectural Approval from both an Architectural Control Subcommittee and from the Architectural Control Committee.

Provided however, with the formation of a separate homeowners association for a subdivision within the Stone Crest Golf Community, the Declarant may permanently delegate the control of matters governed by the Architectual Control Committee to that subdivision's separate homeowners association.

SECTION 18.3 Subdivision plat Covenants and Declarations. So long as the Declarant owns any property within the Stone Crest Golf Community community, no Plat Covenants or Declarations shall be filed for any Subdivision within the Stone Crest Golf Community by any person or entity other than the Declarant until the Plat Covenants or Declaration, as the case may be, have been approved in writing by the Declarant, and any such attempted recording shall be invalid.

SECTION 18.4 Subdivision Declarations. In order to promote uniformity between this Master Declaration and the various subdivision declarations, the subdivision declarations may incorporate by reference, Articles or Sections of this Declaration without re-stating all provisions therein.

ARTICLE 19. PROVISIONS RELATING TO COMMERCIAL UNITS

SECTION 19.1 Definition. "Commercial Unit" shall mean any parcel or development for retail, office, apartments, storage or other commercial purpose within the Stone Crest Golf Community.

SECTION 19.2 General Provisions. While Commercial Units may be developed within the Stone Crest Golf Community, the owners of such Units will

not be Owners of Lots or Units as defined in this Declaration.

SECTION 19.3 Voting Rights. Owners of Commercial Units will have a right to notice of meetings of the Association (if they request notice), to attend meetings, and to speak at such meetings in such manner as voting members, but they will not have any voting rights or any right to representation on the Stone Crest Golf Community Board of Directors.

SECTION 19.4 Assessments. Owners of Commercial Units will not be required to pay regular or special assessments assessed under Article 11 of this Declaration. As each Commercial unit or property is sold by the Declarant, the Declarant will determine such Commercial Unit's share or responsibility for common area expenses and maintenance and the manner of assessment and collection applied to such Commercial Unit.

SECTION 19.5 Architectural Control. Commercial Units shall not be subject to the Architectural Control requirements of Article 10 of this Declaration, however they shall be subject to the review of the New Construction Committee under Section 10.3.

SECTION 19.6 Covenants. Commercial Units shall not be subject to the Covenants under Article 17 of this Declaration.

ARTICLE 20. AMENDMENT OF DECLARATION

SECTION 20.1 General Amendments. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

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

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

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

D. Adoption. Any proposed amendment to Articles 5, 6, 7, 8 and 9 of this Declaration (the By-Laws) must be approved by a vote of not less than fifty percent (50%) in the aggregate of the votes of all Owners. Any proposed

amendment to any other portion of this Declaration must be approved by a vote of not less than seventy percent (70%) in the aggregate of the votes of all Owners. There shall be no amendment or modification to Article 13 without the written approval of the owner of the golf course. There shall be no amendment or modification to Article 19 without the written consent of not less than seventy percent (70%) of the aggregate of the votes of all Owners and not less than seventy percent (70%) in the aggregate of the votes of all Commercial Unit owners. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of amendment in the same manner as an Owner, if notice of its mortgage interest is given to the Board pursuant to the provisions hereof.

SECTION 20.2 Special Amendments. No amendment to this Declaration shall be adopted which changes: (a) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same; or (2) the provisions of this Declaration with respect to casualty insurance or fidelity bonds to be maintained by the Corporation; or (3) the provisions of this Declaration with respect to reconstruction or repair of the Common Area in the event of fire or any other casualty or disaster; or (4) the provisions of this Declaration establishing the Architectural Review Committee and providing for its functions; or (5) the provisions of this Declaration with respect to the commencement of assessments on any Lot, without, in each and any of such circumstances, the approval of at least seventy percent (70%) of all Owners and at least seventy percent (70%) of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

SECTION 20.3 Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the Declarant shall have and hereby reserves the right and power acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other Person to amend or supplement this Declaration at any time. Such amendment or supplement may be made (a) to comply with requirements of any lending agency including but not limited to the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to add or delete land or lots from the Community, (d) to designate or delete commercial units (e) to bring this Declaration into compliance with any statutory requirements, (f) to correct clerical errors or ambiguities in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (g) to bring the provisions relating

to Utility Purchasing Agreements into compliance with any federal, state or local law, regulation or policy. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, other evidence of obligation, or other instrument affecting a Lot or Dwelling unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Real Estate.

SECTION 20.4 Amendment Prior to the Applicable Date. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration prior to the Applicable Date without the consent and approval of Declarant.

SECTION 20.5 Recording. Each amendment to the Declaration shall be executed by any two officers of the Corporation and shall be recorded in the office of the Recorder of Lawrence County, Indiana, and such amendment shall not become effective until so recorded.

ARTICLE 21. MISCELLANEOUS PROVISIONS

SECTION 21.1 Annexation or Deletion Without Approval of Class "A" Membership. Declarant shall have the unilateral right, privilege, and option, from time-to-time at any time until all property described in Exhibit "4" has been subjected to this Declaration or January 31, 2025, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association, all or any portion of the real property described in Exhibit "4", attached hereto. Such annexation shall be accomplished by filing in the public records of Lawrence County, Indiana, a Supplemental Declaration annexing such property.

Declarant shall have the unilateral right to transfer to any other person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be an affiliate of the Declarant or the developer of at least a portion of the real property described in the Exhibits hereto and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Declarant shall also have the unilateral right, privilege, and option, from time-to-time at any time until all property described on Exhibit "A" has been subjected to this Declaration or January 31, 2025, whichever is earlier, to remove portions of the Real Estate from this Master Declaration and from the

Stone Crest Golf Community by filing a Supplemental Declaration identifying the portions of the Real Estate to be deleted. No portion of the Real Estate which has been platted or subjected to a Supplemental Declaration specifically incorporating this Declaration may be deleted from this Master Declaration or from the Stone crest Golf Community and no portion of the Real Estate which is required for ingress or egress to and from the platted portions of the Community may be deleted without easements protecting the rights of Owners established in this Declaration.

A Supplemental Declaration shall not require the consent of Voting Members, but shall require the consent of the Owner of such property, if other than Declarant. Any such annexation or deletion shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

SECTION 21.2 Amendment to Exhibit "4". The Declarant may, prior to the Authority Transfer Date, record an amended Exhibit "4", which will permit Declarant to add real estate to the Stone Crest Golf Community in addition to the real estate presently described in Exhibit "4", including additional lots or land for additional units or land for additional common area, so long as such real estate is contiguous to real estate identified in the present Exhibit "4" and so long as such real estate is, or will in the future, be contiguous to platted and developed real estate within the Stone Crest Golf Community. Declarant may enlarge the legal description of Exhibit "4 by recording a Supplemental Declaration which includes a revised or expanded Exhibit "4" at any time prior to the Authority Transfer Date.

SECTION 21.3 Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of any Lot or Unit shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, 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 such provisions are accepted and agreed to by such Owner, tenant or occupant. All such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest in a Lot or any portion of the Real Estate as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons or other legal entities who may occupy, use, enjoy or control a Lot or any part of the Real Estate shall be subject to the Declaration, the Articles of Incorporation, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

SECTION 21.4 Association's Right to Purchase. The Association shall have the right to purchase Lots or Units, either from the Declarant or from any Builder, Owner, or foreclosure, sheriff's or tax sale. The Association may use

reserve funds, regular budget funds, or a special assessment in order to do so.

SECTION 21.5 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. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Lot or of the Common Area.

SECTION 21.6 Costs and Attorney's Fees. In any proceeding arising because of failure of an Owner to make any payments required or to comply with any provision of this Declaration, the Articles of Incorporation, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorney's fees incurred in connection with such default or failure.

SECTION 21.7 Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses, whether by Regular Assessment or by Special Assessment, by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Lot.

SECTION 21.8 Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles of Incorporation, or the Rules and Regulations adopted by the Board, in any manner shall not impair or affect the validity, enforceability or Declaration, the Rules and Regulations, or each shall be enforced and the greatest extent permitted by law.

SECTION 21.9 Resolution of Disputes. Any dispute arising hereunder regarding the allocation of the budget requirements or assessments among owners or the by-laws and operation of the Association shall first be submitted, under the Indiana Rules for Alternative Dispute Resolution, for mediation and if mediation is not successful within thirty days of the request of any party for mediation, then the dispute shall be submitted for binding arbitration. A mediator or arbitrator agreeable to the parties does not have to be an attorney.

SECTION 21.10 Interpretation. 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. The captions and titles of the various articles and sections 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.

If a conflict exists between the covenants contained in the Plat and those of this Declaration, the covenants in the Plat shall prevail. However, to the extent that there is not a direct conflict, both the provisions of the Plat Covenants and the provisions of this Declaration shall apply.

If a conflict exists between the covenants contained in this Declaration and the covenants in an applicable subdivision declaration, the covenants in this Declaration shall prevail. However, to the extent that there is not a direct conflict, both the provisions of this Declaration and the provisions of the subdivision declaration shall apply.

IN WITNESS WHEREOF, the undersigned, as the Developer of the above described real estate, pursuant to Item 39 Developer's Right to Modify, Amend or Supplement Restrictions and Protective Covenants of the current Restrictions and Protective Covenants for Stone Crest Golf Community recorded at Book 154, Page 259 as Instrument No. 200100007319, hereby executes this Master Declaration and accompanying Amended Conditions, Restrictions, Reservations and Protective Covenants for the Stone Crest Golf Community, to replace in their entirety the above referenced document and have hereunto executed this Declaration on this 30th day of December, 2004.

Limestone Ventures, LLC, by
Larry D. Parsons, President

ATTEST:

Limestone Ventures, LLC by
Janet S. Skillman, Secretary

STATE OF INDIANA)
) SS:
COUNTY OF LAWRENCE)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, personally appeared Larry D. Parsons, President of Limestone Ventures, LLC, Declarant and Janet S. Skillman, Secretary of Limestone Ventures, LLC, Declarant, who acknowledged the execution of this declaration 30th day of December, 2004.

Wynola M. Taylor, Notary Public
Residing in Lawrence Co., IN

My Commission Expires:
July 22, 2009

THIS INSTRUMENT PREPARED BY BRUCE A. HEWETSON, ATTORNEY AT LAW
BEDFORD, INDIANA

SCHEDULE OF EXHIBITS

EXHIBIT "1" Legal Descriptions of the initial subdivisions in the Stone Crest Golf Community

a. Laurel Lake
b. Crooked Stick
c. Stone Crest
d. Crystal Court
e. Spyglass Hill

EXHIBIT "2" Preliminary layouts for the above subdivisions

EXHIBIT "3" Preliminary designation of votes

EXHIBIT "4" Legal of remaining land with layout showing location.