

AMENDED AND RESTATED

Declaration of Covenants, Conditions and Protective Restrictions

Palmira Lakes Homeowners Association, Inc.

A Subdivision in Aboite Township, Allen County, Indiana

This Amended and Restated Declaration of Protective Restrictions, Covenants and Conditions, inclusive of all Plats of Palmira Lakes, Sections 1, 2, 3, and 4, made and entered into and effective this **14th day of October 2026**, by Palmira Lakes Homeowners Association, Inc., a nonprofit corporation (hereinafter referred to as "Association").

WITNESSETH:

WHEREAS, the Palmira Lakes Homeowners Association, Inc., a nonprofit corporation, was formed under the laws of the State of Indiana for the purpose of exercising the functions set forth in the Primary Dedication, Declaration, Protective Restrictions, Covenants, Limitations, Easements and Approvals, of record in the Office of the Register of Deeds in Allen County, Indiana (hereinafter referred to as the "Original Declarations") described in Exhibit "B." The "Association" is assigned all the powers of maintaining and administering the community properties, administering and enforcing the covenants, conditions, and protective restrictions, and collecting and disbursing the assessments and charges in connection with the "Properties," as hereinafter provided;

WHEREAS, the "Association" declares that the real property referred to in Article II is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, protective restrictions, easements, charges and liens (hereinafter referred to as the "Declarations.") hereinafter set forth;

WHEREAS, the "Association" desires to provide for the preservation of the property values in said community and for the maintenance of said Common Areas; and, for such purposes, the "Association" desires to subject the real property described on the Plats, attached hereto described in Exhibit "A." and referred to in Article II, to the covenants, conditions, protective restrictions, easements, charged, and liens hereinafter set forth, each and all of which is and are for the benefit of the said property and each Owner thereof;

WHEREAS, the Palmira Lakes Subdivision, a residential community with residential lots numbered 1 – 173, inclusive, and other Common Areas for the benefit of the community, was developed in multiple phases with covenants, conditions, protective restrictions, easements, and certain amendments thereto recorded with the Office of the Register of Deeds in Allen County, Indiana, attached hereto, and collectively identified and referred to as the "Original Declarations" relative to the various phases of the Palmira Lakes Subdivision are identified on Exhibit "B.,"

WHEREAS, the Board of Directors of the "Association" (hereafter referred to as the "Board"), having determined that an amendment to and restatement of the "Original Declarations" was appropriate and necessary to update and consolidate such documents, formed a committee (hereafter referred to as the "Declarations Committee") to review, research, and propose changes to the "Original Declarations;"

WHEREAS, the "Board," and the "Declarations Committee" developed proposed amendments to the "Original Declarations," in the form of an Amended and Restated

Declaration of Covenants, Conditions and Protective Restrictions and published the same to the Members of the "Association;"

WHEREAS, the "Board" opened a forum for residents to submit questions regarding the proposal, both in person at a Scheduled Q&A meeting, and through e-mail, to which the "Board" published its responses on the "Association's" website for the benefit of all "Members;"

WHEREAS, pursuant to Article X of the "Original Declarations," by a simple majority (51%) vote of the Owners, the "Original Declarations" can be amended;

WHEREAS, a majority of the Owners in the "Association" voted to amend and restate the "Original Declarations" as provided herein for the purpose of consolidating the "Original Declarations" of the multiple phases of Palmira Lakes Subdivision into a single document to promote consistency and ease of administration, and to update the "Original Declarations" following the "Association's" approval of the Amended and Restated "Bylaws" of Palmira Lakes Homeowner's Association, Inc. on January 9th, 2026.

NOW THEREFORE, the "Association" hereby amends and restates the "Original Declarations," as provided herein.

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ARTICLE I: DEFINITIONS

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

- 1) **“Abandoned or Inoperable Vehicle or Equipment”** shall mean any automobile, truck, motorcycle, motor bike, boat, trailer, camper, motor home, house trailer or other similar vehicle which is not capable of being driven under its own propulsion, does not have current registration, or license plates or other identifying marks have been removed from the vehicle or equipment, or the vehicle exhibits other characteristics of abandonment or inoperability.
- 2) **“Architectural Control Committee (ACC)”** shall mean and refer to the governing body responsible for reviewing and approving exterior property modifications to ensure they align with community standards. It protects property values and maintains aesthetic consistency by enforcing rules regarding fences, landscaping, painting, and construction.
- 3) **“Assessment”** shall mean and refer to such amounts as are required and collected by the Association for payment of expenses of owning, managing, and maintaining the Common Areas and levied against the Owners of the Association in accordance therewith.
- 4) **“Association”** shall mean and refer to the entity organized under the name Palmira Lakes Homeowners Association, Inc., its successors, and assigns.
- 5) **“Board”** shall mean and refer to the Board of Directors of the Association.
- 6) **“Bylaws”** shall mean and refer to the legally binding governing document that outlines the internal operations, procedures, and management structure of a homeowners' association. Unlike Declarations, which focus on property restrictions, Bylaws define how the Association’s Board of Directors function, including election procedures, meeting requirements, voting rights, and the duties of officers.
- 7) **“Commercial Vehicles”** shall mean and refer to any vehicle used for any business purpose, including box trucks, dump trucks, trailers, tow trucks, and vehicles with high weight (one-ton) with three or more axles, or used to transport 9 or more passengers (including the driver), or possessing work-related exterior-mounted equipment, such as ladders, toolboxes, racks, or extended panels.
- 8) **“Common Areas”** shall mean and refer to (i) those areas of land designated as Common Areas on any recorded subdivision Plat of the Properties and intended to be devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed thereon; (ii) all areas designated as water impoundment areas on any such recorded Plat; and (iii) all other real property owned by the Association for the common use and enjoyment of the Owners, as defined herein.
- 9) **“Declaration”** shall mean and refer to this instrument of covenants, conditions, and protective restrictions, as extended, supplemented or amended from time to time.

- 10) **“Director”** shall mean and refer to a Director on the Board of Directors of Palmira Lakes Homeowner’s Association, Inc.
- 11) **“Existing Property”** shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Article II.
- 12) **“Grandfathered Rental Owner”** shall mean and refer to the Lot Owner who meets **ALL** of the following conditions:
- (a) Owned their Lot on or before the Effective Date of this Amended and Restated Declaration, and
 - (b) Made written notification to the Association and/or its Property Manager, no later than ten (10) days after the Effective Date, of a current Rental/Lease Agreement and/or is earnestly seeking (as evidenced by an ongoing documented advertisement or a valid signed realtor agreement) to rent/lease their Lot prior to the Effective Date, and
 - (c) Has received written acknowledgement of such notification or evidence from the Association within fifteen (15) days of the Effective Date, and
 - (d) Has been granted a Grandfathered Rental/Leasing Permit within 15 days of the Effective Date, and
 - (e) Has a Rental/Leasing Agreement in place within six (6) months of the Effective Date.
- 13) **“Hardship Rental”** shall mean and refer to:
- (a) non-voluntary loss of employment of the Lot Owner or Lot Owner's spouse, or
 - (b) change in marital status of the Lot Owner, or
 - (c) death or disability of the Lot Owner or Lot Owner's spouse, or
 - (d) job transfer or relocation outside of a sixty (60) mile radius of the Lot (including military deployment), or
 - (e) state of the current market for sale of property in Allen County, Indiana.
- 14) **“Home Business”** shall mean and refer to a business that operates primarily from the owner's home, rather than a separate commercial building. It is defined by its location, not necessarily its size, and can involve selling goods or providing services from the residence.
- 15) **“Improvements”** shall mean and refer to any permanent, man-made alteration, addition, or fixture added to a Lot, such as homes, or an existing structure that increases the property's value, utility, or aesthetic appeal.
- 16) **“Lot”** shall mean and refer to any numbered residential Lot, plot, tract of land shown upon any recorded subdivision map of the properties which is designated as a lot therein and which is or is to be improved with a residential, single-family dwelling, which shall not include lots containing villas, by this Declaration or any Supplemental Declaration.
- 17) **“Managing Agent”** shall mean and refer to a person or company that manages the community's assets and day-to-day operations.
- 18) **“Member”** shall mean and refer to each Owner as provided herein in Article III.

- 19) **“Membership Rights”** shall mean and refer to the use of Common Areas in accordance with rules and regulations promulgated by the Association and/or the Board of Directors, as well as those rights conferred under Article III.
- 20) **“Owner or Lot Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgage or other security device shall not mean or refer to any mortgagee or trustee under a mortgage or trust deed unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- 21) **“Palmira Lakes”** shall mean and refer to the community concept of Palmira Lakes subdivision, including all plats and sections governed and to be governed by the Association.
- 22) **“Political Sign”** shall mean and refer to a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.
- 23) **“Properties”** shall mean and refer to all such existing real properties, and additions thereto, subject to this Declaration or any Supplemental Declaration prepared and filed of record pursuant to the provisions of Article II, hereof.
- 24) **“Quorum”** shall mean and refer to the required number of persons entitled to cast, or proxies entitled to cast a vote, who are present at a meeting of the Members.
- 25) **“Recreational Vehicles”** shall mean and refer to a boat, trailer, camper, motor home, house trailer or other similar vehicle, motorcycle, motor bike, boat, trailer, camper, golf cart.
- 26) **“Rentals”** shall mean and refer to any residence rented for a period of not less than one (1) year and approved by the Board.
- 27) **“Single-Family Dwelling”** shall mean and refer to an independent residential structure designed to house exactly one family or household. Family shall mean and refer to a person living with people related by birth, marriage, or adoption. Nonfamily Households shall mean and refer to a group of a maximum of five unrelated roommates sharing a dwelling. All households must comply with the federal Fair Housing Act and Allen County space, building, and zoning codes regarding household size limits.
- 28) **“Short-Term Rental (STR)”** shall mean and refer to any type of short-term residential leases and short-term rentals (STR's) such as timeshares or other forms of interval ownership (e.g., VRBO, Airbnb, bed and breakfast, and the like).
- 29) **“Working From Home”** shall mean and refer to an employee completing their job duties from their residence instead of a traditional company office.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this "Declaration" (hereinafter defined as the "Existing Property"), located in Allen County, State of Indiana, is described on Exhibit "A" attached hereto, and is designated "Palmira Lakes," and more particularly described on a subdivision Plat (the "Plat" hereafter) thereof recorded as Plat Record 2017063845, Cabinet G, page 194, and Plat Record 202041096, Cabinet H, page 79, and Plat Record 2020068212, Cabinet H, page 98, and Plat Record ????? Cabinet H, page 152, in the Office of the Recorder of Allen County, Indiana.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1. Membership. Every person or entity who is the record "Owner" of a "Lot" in the "Palmira Lakes" shall automatically be a "Member" of the "Association." Membership shall commence on the date such person or entity becomes the record "Owner" of a fee or undivided fee interest in a "Lot" and expires upon the transfer or release of said ownership interest. The "Association's" "Bylaws" shall govern its affairs and "Member" activities.

Section 3.2. Voting Rights. "Members" shall be entitled to one (1) vote for each "Lot" in which they hold the interest required for membership. When more than one (1) person holds such interest or interest in any "Lot," all such persons shall be "Members," and the vote for such "Lot" shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such "Lot."

Section 3.3. Suspension of Membership Rights. If an "Owner" shall have failed to pay, when due, any Assessment or charge lawfully imposed upon their "Lot" or if the "Owner," their family, tenants or guests shall have violated any of the covenants, conditions, or protective restrictions contained in this "Declaration" or any rule or regulation of the "Board" regarding the use of all or a portion of the "Properties" or conduct with respect thereto, then the "Board" shall provide written notice to the "Owner" by mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the "Owner" shall not have taken reasonable steps toward the required remedy action within six (6) months of the mailing of the aforesaid notice of violation, the Membership Rights (including voting rights) of the "Owner," their family, tenants or guests shall be suspended, unless otherwise stated by the "Board."

Section 3.4. Quorum and Notice Requirements.

- (a) Subject to the provision of paragraph (c) of this Section, any action authorized by Section 4.2 (e) of Article IV (Transfer of "Common Areas") shall require the assent of the "Members" entitled to cast two-thirds (2/3) of the votes of the "Members" of the "Association" who are voting in person or by proxy at a meeting duly called for that purpose written notice of which shall be given to all "Members" at least ten (10) days in advance (unless otherwise provided in the "Bylaws" or the "Association") and shall set forth the purpose of such meeting.
- (b) The "Quorum" required for any action referred to in Section 4.2 (e) of Article IV (Transfer of "Common Areas") or Section 12.6 of Article XII (Capital Improvements) shall be as follows: At the first meeting called, as hereinafter provided, the presence at the meeting of "Members," or of proxies, entitled to cast thirty percent (30%) of all of the votes shall constitute a "Quorum." If the required quorum is not present at the meeting, an additional meeting may be called, subject to the notice requirement

hereinafter set forth, and the required "Quorum" at such second meeting shall be one-half (1/2) of the required "Quorum" at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

- (c) Any provision of this "Declaration" to the contrary notwithstanding any action described in Section 4.2 (e) of Article IV (Transfer of "Common Areas") may be taken with the assent given in writing and signed by the "Members" entitled to cast two-thirds (2/3) of the votes of the "Association."
- (d) Except as hereinabove specifically set forth in this Section 3.4, paragraphs (a), (b), and (c) notice, voting, and quorum requirements for all actions to be taken by the "Association" shall be as set forth in its Articles of Incorporation and "Bylaws," as same may be amended from time to time.

ARTICLE IV: PROPERTY RIGHTS IN THE COMMON AREAS

No "Owner" or "Member" may change, remove, or modify any "Common Areas," including, but not limited to, the cutting of trees and shrubs, borrowing or taking of equipment or the use of utility services of any "Common Areas" for personal use and enjoyment without the approval of the "Board."

Section 4.1. Easements of Enjoyment. Subject to the provisions of Section 4.2 of this Article, the following persons shall have a right and easement of enjoyment in and to the "Common Areas" and such easement shall be appurtenant to and shall pass with the title to every "Lot:"

- (a) Each "Member" and each individual in their family residing with them on their "Lot."
- (b) Each tenant and contract purchaser or each "Member" (and each individual in the respective families of each such tenant and contract purchaser residing with each of them) who resides on the "Lot" owned by such "Member; provided, that such tenant or contract purchaser, as the case may be, shall have a right to easements of enjoyment in and to the "Common Areas" in lieu of such "Member" of their family.

Section 4.2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the "Association" to prescribe regulations governing the use, operation, and maintenance of the "Common Areas;"
- (b) The right of the "Association" in accordance with its Articles and "Bylaws," to borrow money for the purpose of improving the "Common Areas" and facilities and in aid thereof to mortgage the "Common Areas" and the rights of such mortgagee in the "Common Areas" shall be subordinate to the rights of the homeowners hereunder:
- (c) The right of the "Association" to take such steps as are reasonably necessary to protect the "Common Areas" against foreclosure;
- (d) The right of the "Association," as provided in its Articles and "Bylaws," to suspend the voting rights of any "Member" and to suspend the right of any individual to use any of the "Common Areas" for any period during which any assessment against a "Lot" resided upon by such individual remains unpaid, and for any period not to exceed thirty (30) days for an infraction or its rules and regulations; and

- (e) Subject to approval by the affirmative vote of the “Association’s” “Members,” as provided in Section 4.2 (e) of Article IV, the right of the “Association” to dedicate or transfer all or any part of the “Common Areas” to any public agency, authority, or utility for such purposes and upon such conditions as may be agreed to by the “Members.”

ARTICLE V: USE OF COMMON AREAS

The “Common Areas” shall be occupied and used as follows:

Section 5.1. Association’s Duty To Maintain and Repair. The Association is responsible for the maintenance, repair, and replacement of all common elements, except for those areas defined in Section 10.8.3, to maintain the aesthetic integrity of the community.

Section 5.1.1 Stormwater Detention System and Pond Maintenance. The “Association” shall be obligated to maintain, repair and/or replace, as necessary, the stormwater drainage system and the stormwater detention system consisting of ponds shown on the Plat of “Palmira Lakes,” together with outlets and water control structures, the cost of which shall be borne by all of the “Owners” in “Palmira Lakes” and subsequent “Owners” of “”s” in any and all of the sections of “Palmira Lakes.”

The “Owner” of any “Lot” in “Palmira Lakes” and/or the Allen County Drainage Board shall have the right to order the “Association” to carry out its obligation to maintain, repair and/or replace the stormwater drainage system and stormwater detention system improvements, as above provided, and to assess the “Owners” of all “Lots” in this section and future sections of “Palmira Lakes” with the cost thereof.

Notwithstanding anything to the contrary to the aforesaid, any alteration or amendment of the “Declarations” must be made accordingly with the prior approval of the Allen County Plan Commission and further that the “Declarations” herein contained and only as they relate to the stormwater detention system and the maintenance and repair thereof, shall be in continuous effect for an indefinite period, except as amended with the prior approval of the Allen County Drainage Board.

Section 5.2. Streets. All streets and easements specifically shown or described are expressly dedicated to public use for their usual and intended purposes. Streets shall be used exclusively for residential purposes for the parking of operable passenger automobiles. No “Abandoned or Inoperable Vehicle” or equipment of any kind shall be stored, parked or permitted to remain on the street. No boats, trailers, campers, “Recreational Vehicles,” “Commercial Vehicles,” or other vehicles of whatever kind or character other than operational automobiles shall be parked or permitted to remain on the street, except for the temporary loading/unloading, delivery, or emergency.

Section 5.3. No Obstructions. There shall be no obstruction of the “Common Areas,” nor shall anything be kept or stored in the “Common Areas,” nor shall anything be altered or constructed or planted in or removed from or destroyed or damaged in the “Common Areas,” without the written consent of the “Board.”

Section 5.4. Waste. No waste shall be committed in the “Common Areas.” No trash, containers, bottles, cans, implements, machinery, or building materials will be allowed to remain in/on the “Common Areas.” In the event the “Association incurs any expenses

related to the removal of items belonging to an “Owner,” the Owner” shall reimburse the “Association” for all reasonable costs and expenses incurred.

Section 5.5. Insurance and Legal Requirements. No “Owner” shall permit anything to be done or kept on their “Lot” or in the “Common Areas” which will result in the cancellation of any insurance carried by the “Association,” or which would be in violation of any law or regulation.

Section 5.6. Damage to Common Areas. Each “Owner” shall be liable to the “Association” for any damage to the “Common Areas” caused by the negligence or willful misconduct of the “Owner” or their family, guests, or invitee.

Section 5.7 Purpose of Stormwater Detention System. Stormwater detention systems serve to mitigate flooding, control erosion, and filter pollutants by temporarily storing runoff from impervious surfaces (roofs, roads) and releasing it slowly. They protect infrastructure, manage watershed volume, and ensure compliance with environmental regulations.

ARTICLE VI: USE OF PROPERTIES

The “Properties,” and the “Improvements” situated thereon, shall be occupied and used as follows:

Section 6.1. Residential Purposes. Each “Lot” shall be used exclusively for residential purposes, and no commercial business (except for any applicable exemptions as provided for under Indiana statutes) shall be permitted on any “Lot” that would change the nature and character of the community, create nuisances (like excessive noise, dust, or odor) to other residents, traffic, parking problems, or increase any “Association” expenses. The use of a portion of one's home as a home business office must conform to the Allen County Zoning Ordinances. Before operating a home business, a written request must be presented to the “Board” for consideration and approval. The “Board” may restrict home businesses, but not “Working From Home.”

Section 6.2. Single Owner Contiguous or Multiple Lots. Any proposed use of any “Lot” or “Lots” owned by any “Owner,” in addition to the “Lot” owned by said “Owner” upon which said “Owner’s” dwelling unit is constructed, shall be consistent with and not violate any provisions contained herein. Any proposed temporary or other use of any additional “Lot” or “Lots” inconsistent with or in violation of any provisions contained herein shall be subject to the prior approval by the “Association” or Committee, as appropriate, pursuant to Article XII hereof.

Section 6.3. Abandoned or Inoperable Vehicle or Equipment. No “Abandoned or Inoperable Vehicle” or equipment of any kind shall be stored or parked upon any part of the “Lot.”

Section 6.4. Animals. No animals, livestock, or poultry shall be raised, bred or kept in any portion of the “Properties,” except that dogs, cats, or other household pets may be kept, but not for any commercial purpose, provided that they do not create a nuisance.

Section 6.5. Commercial and Recreational Vehicles. No “Commercial Vehicles,” “Recreational Vehicles,” or other vehicles of whatever kind or character other than operational automobiles shall be parked or permitted to remain on any “Lot” unless housed

completely in a garage. Except for temporary loading/unloading, delivery or emergency, no part of the "Property" shall be used as a parking, storage, display, or accommodation area for any type of "Commercial Vehicle" or "Recreational Vehicle," hauling trailer, boat, boat trailer, truck larger than one ton, bus or accessories to these.

Section 6.6. No Soliciting/No Distribution. No professional forms of solicitation, flyer distribution, and/or advertisement are allowed within the community, with the exception of "Board" activities.

Section 6.7. Noxious, Offensive, Dangerous Activity or Conditions. Nothing shall (i) be done in any part of the "Properties," nor shall (ii) any noxious or offensive, dangerous, or unsafe activity be carried on, nor shall (iii) any outside lighting, which is unreasonably bright or causes unreasonable glare; or loudspeakers or other sound-producing devices be used which is unreasonably loud; and no odor shall be emitted from any "Lot" which is noxious or offensive to others. Determination of whether an activity or condition violates this covenant shall be at the discretion of the "Board."

Section 6.8. Rentals/Leases Restrictions. In order to protect the equity of the individual "Owners" in the community, to preserve the character of the community as a residential community of predominantly owner-occupied "Lots," this provision is intended to prohibit short-term residential leases and short-term rentals (STR's), such as VRBO, Airbnb, bed and breakfast, timeshares, and the like. No "Owner" may rent/lease their "Lot" unless:

- (a) the "Owner" is a "Grandfathered Owner" as defined in Section 12, Article I, and has received a Rental/Leasing Permit from the "Board," or
- (b) the "Owner" is not a "Grandfathered Owner" but has received a "Hardship Rental"/Leasing Permit from the "Board" as provided herein.

Such Grandfathered Lot Owner(s) shall be permitted to rent/lease their Lot pursuant to the restrictions contained in this Section 6 and the Rules and Regulations until such time as either,

- (c) The Lot is conveyed or transferred to any person or entity other than the Grandfathered Lot Owner's spouse, or
- (d) The Lot is owner-occupied by the Lot Owner for a minimum of one (1) year.

Notwithstanding the foregoing, at any given time, no more than 20% of all improved "Lots" shall be occupied under any Rental/Lease Agreement by persons other than the "Owner" of the "Lot" or their Immediate Family. If 20% of the improved "Lots" are rented/leased, no additional Rental/Leasing Permits shall be issued until the outstanding current percentage of rented/leased "Lots" drops below 20%. "Lot" "Owners" who have been denied a "Hardship Rental"/Leasing Permit, as described herein, due to the 20% restriction rule, shall automatically be placed on a waiting list until permits are available. The waiting list shall have "Hardship Rental"/Leasing Permits considered in the order in which requests were received.

Section 6.9. Waste. No "Lot" shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, except in sanitary containers which are not visible from the front of any residence or in a waste container enclosure as specified in the "ACC" Guidelines and Standards. All Equipment for the storage and disposal for such material shall be kept in a clean and sanitary condition.

ARTICLE VII: RULES, REGULATIONS AND DECLARATION ENFORCEMENT

The "Board" shall have the power to make additional reasonable rules and regulations to ensure the enjoyment of the "Properties" and improvement thereon, and "Common Areas," as well as for the safety of all "Owners" in the "Palmira Lakes" community.

The Association, acting through its Board, shall have the power and authority to adopt, promulgate, amend, and publish rules, regulations, and guidelines, including but not limited to Rules and Regulations. Such documents, as amended from time to time by the Board, are hereby incorporated into and made a material part of this Declaration by this reference, and shall be as fully binding upon all Owners and properties as if set forth herein in full.

Section 7.1. Homeowner Responsibility. All "Owners" and occupants shall abide by the covenants, conditions, protective restrictions contained herein, and any Rules and Regulations adopted by the "Board." Any person entering "Palmira Lakes" shall be deemed to be aware of the "Declaration" and any Rules and Regulations and agrees to comply fully and promptly with all such covenants, conditions, protective restrictions contained herein, and any Rules and Regulations. "Owners" shall be responsible for violations committed by their tenants and guests. The "Board" may proceed against the "Owner" for any violation.

Section 7.2. Enforcement. The "Board" shall have the power to enforce compliance with all covenants, conditions, protective restrictions contained herein and Rules and Regulations by all appropriate legal and equitable remedies, and an "Owner" determined by judicial action to have violated any covenant, condition, protective restriction contained herein, Rule or Regulation shall be liable to the "Association" for all fines, "Assessments," damages and costs, including attorney fees.

Section 7.3. Enforcement Procedures. This is not meant to substitute for any other remedies provided by the "Declaration," the "Bylaws," or any state-mandated policies and procedures.

- (a) **First Notice:** Notice of a violation will be sent in writing to the "Owner" by U.S mail.
- (b) **Second Notice:** Failure to correct the violation in the allotted time (if given) designated in the first letter will then result in a Second Notice being sent to the "Owner" by registered or certified mail. The Second Notice will offer the "Owner" an opportunity for a hearing before the "Board" at the next scheduled Business Meeting of the "Board."
- (c) **Hearing:** "Owners" have the right to represent themselves but are not entitled to legal representation at the hearing, nor can any recording be made. Any legal or statutory rule of evidence and procedure shall not apply to the hearing. The "Board" may restrict testimony or proceed in any manner or order that it deems appropriate. The "Board" may proceed with the hearing even if the violator fails to appear or refuses to participate. The "Board" may modify its procedures for particular circumstances, and any modification or non-compliance with the rules shall not invalidate or impair any fine or other enforcement.
- (d) **Additional Notice/Fines:** Failure to correct the violation in the allotted time (if given) designated in the first and second letters will then result in an additional notice being sent to the "Owner" by registered or certified mail.

- i. After an initial hearing is held regarding a particular violation, additional fines may be imposed for the recurring violation without the benefit of any additional hearings.
- ii. Any "Owner," their tenants, and guests who violate the "Declaration," the rules, or any future rules, shall be subject to a minimum fine of fifty dollars (\$50.00) per occurrence/violation, with recurring fine assessments until the "Owner" complies with the "Association's" requests.
- iii. Fines will be formally imposed only after a hearing has been held. Fines will be due and payable within thirty (30) days of the date of the imposed fine, unless stated otherwise.
- iv. Fines will be considered delinquent within thirty (30) days after the assessed date. A delinquent fine may result in a lien being filed on the "Owner's" property for nonpayment and will bear interest (at least 21% per annum), late fees of fifteen dollars (\$25.00) per month, and all legal fees. Any unpaid fines, late fees, legal fees, or interest will be considered aged receivables to be paid before crediting any "Owner" for payment towards Assessments. The "Association" shall initiate any available legal collection options, if needed.
- v. Payment of an assessed fine does not relieve the violator from the responsibility of correcting the "Declaration" or rule violation.
- vi. In addition, the "Association" may suspend "Member" voting rights and may exercise other rights or remedies, as well as take legal action, including recovery of costs, expenses, and reasonable attorney fees.
- vii. Any technical irregularities or defects in the proceedings or notifications shall not invalidate any fine imposed.

ARTICLE VIII: ARCHITECTURAL CONTROL COMMITTEE

Section 8.1. Appointment of the Committee. The "Board" may designate representatives to serve on the "Architectural Control Committee" ("ACC"). The "ACC" shall consist of at least three (3) and not more than five (5) members appointed by the "Board." The chairperson of the "ACC" will be a "Director" from the "Board." Neither the members of the "ACC" nor its designated representative shall be entitled to any compensation for services performed. Once the "ACC" is established by the "Board," the "ACC" shall assume the rights and obligations of the "Board" under Section 8.3 below. The "ACC" shall serve at the pleasure of the "Board" and may be reorganized or disbanded as the "Board" deems appropriate and necessary.

Once the "Board," as appropriate, has appointed the "ACC," as defined above, any plans and specifications for construction or changes or "Improvements" to a "Lot," shall be submitted to and approved or disapproved by the "ACC" pursuant to the requirements outlined in Section IX.

Section 8.2. Purpose of the Committee. The "ACC" was formed to preserve the harmonious design of our community by holding "Owners" accountable for adherence to the applicable guidelines set forth in the "Declarations," Rules and Regulations, and "ACC" Guidelines. The "Association" has established guidelines and policies to manage the development of new homes, modifications to existing homes, landscape modifications, and erosion control. The purpose of the "ACC" is to administer such guidelines and policies pertaining to the following "Owner" activities:

- (a) **New Home or Rebuild Construction:** including, but not limited to, home architectural design, builder performance, structural component selection, color selection, driveway, and property grading.
- (b) **Existing Home/Lot Modifications:** including, but not limited to, exterior alterations or improvements, including but not limited to structure construction, pools, patios, decks, driveways, walks, fences, architectural or building material or style, out-of-character color changes, and other structural changes. Interior changes do not require “ACC” approval.

General maintenance to home structures or to auxiliary property structures or landscaping (including cleaning, patching, repairing, pressure washing, cutting trees, general planting, brush removal, and other similar activities that do not result in structural changes or erosion issues) is expected as a routine event and does not require “ACC” approval.

Section 8.3. Architectural Control Responsibilities. The “ACC” is obligated and responsible for:

- (a) Administering the application and review process pertaining to physical improvements or exterior modifications to the “Owner’s” property.
- (b) Acting on and responding to any plans and specifications submitted within no more than thirty (30) days after receipt thereof.
- (c) Working with the “Owner” to achieve compromises, if possible, which satisfy both the “Owner” and the “ACC” when conflicts exist.
- (d) Using its discretion to engage the services of an outside agent when necessary to review plans and specifications submitted to it.
- (e) Providing written or electronic feedback to the “Owner” of all decisions with explanations.
- (f) Providing electronic or written communications to the “Board” of all review decisions with explanations.
- (g) Fairly enforcing standards outlined in all governing documents, including, but not limited to, the “Declarations,” “Bylaws,” “ACC” Guidelines and Rules and Regulations.
- (h) Making reasonable subjective and objective decisions about guideline compliance.
- (i) Making recommendations to the “Board” relative to compliance issues.
- (j) Reviewing guidelines for accuracy and recommending to the “Board” any changes needed.
- (k) Educating the community about set guidelines.
- (l) Keeping and maintaining minutes of its meetings and making such minutes available for inspection by the “Owners.”
- (m) Further, upon approval, a set of final approved “Owner” plans shall be retained by the “ACC” or “Managing Agent” during the period of construction of the home, existing home, or “Lot” change.

The “ACC” will utilize multiple procedural processes to accomplish its purpose:

- (a) “Owner” “ACC” Request
- (b) “ACC” Approval or Denial
- (c) “Owner” Appeal Process
- (d) Noncompliance/Violation Administrative Process

ARTICLE IX: ARCHITECTURAL CONTROL PROCESS

The goal of this section is to provide guidelines to ensure the quality of workmanship and materials, harmony of external design, aesthetics, and location in relation to surrounding

structures, and as to location with respect to topography, finish grade level, and elevation within the community. No "Owner" shall commence any work until they have submitted a written request to the "ACC" and they have received approval in writing as to the harmony of external design, aesthetics, and location in relation to surrounding structures and topography by the "ACC."

The Association, acting through its Board, shall have the power and authority to adopt, promulgate, amend, and publish standards and guidelines, including but not limited to the Architectural Standards and Guidelines. Such documents, as amended from time to time by the Board, are hereby incorporated into and made a material part of this Declaration by this reference, and shall be as fully binding upon all Owners and properties as if set forth herein in full.

Section 9.1. Request For Construction Requirements. Before submitting a Request, the "Owner" should review the "ACC" Standards and Guidelines to ensure compliance with them. The "Owner" will submit an "ACC" Request form to the "Managing Agent," which includes, as applicable:

- (a) Plot drawing showing the location of all proposed and existing structures on the "Lot" including building setbacks, open space, driveways, walkways, and parking spaces;
- (b) floor plans. (New home and rebuild construction or additions only);
- (c) exterior elevations of all proposed structures and alterations to existing structures, as such structures will appear after all backfilling and landscaping are completed;
- (d) specifications showing the nature, kind, shape, height, finishes, color, materials of all proposed structures and alterations to existing structures and showing front, side, and rear elevations;
- (e) plans for grading;
- (f) garage door location;
- (g) start and finish dates.

No project shall commence prior to the receipt of written approval by the "ACC." A fee of at least \$50.00 shall be charged for each project started or completed prior to receiving said approval.

Section 9.2. Owner Construction Responsibilities. No structure of any kind which does not comply fully with such approved plans shall be erected, constructed, placed, or maintained upon any "Lot," and no changes or deviations in or from such plans as approved shall be made without the "ACC's" prior written consent.

- (a) "Owners" will administer their contractor or themselves in adherence to the plans approved by the "ACC." Failure to do so may result in Noncompliance Fines, a Cease-and-Desist Order, and/or removal of unauthorized structures.
- (b) "Owners" are solely responsible for meeting and obtaining all Allen County building codes and permit requirements prior to commencing work. The "ACC's" approval powers extend only to compliance with the "Association's" "Governing Documents" and do not serve as a substitute for any ancillary requirements imposed upon an "Owner" by local building codes or county/town ordinances.
- (c) Each "Owner" shall be responsible for any damage caused to any "Lot," "Common Area," or other "Properties" during or after construction by any contractor and/or subcontractor engaged by said "Owner" to construct a dwelling or any other improvements on said "Owner's" "Lot." Should any "Owner" fail to properly repair such damage and/or restore any "Lot," "Common Areas" and/or "Properties" to a

condition deemed acceptable by the “Board” as appropriate, the “Board” as appropriate, shall have the right to repair any such damage and/or restore any “Lot,” “Common Areas” or “Properties” to an acceptable condition, and charge said “Owner” for all costs and expenses incurred in doing so. All costs and expenses incurred by the “Board,” as appropriate, and charged to the “Owner” hereunder shall be considered part of and added to the amounts assessed and collected under Article XII hereof.

Section 9.3. ACC Decision. The “ACC” shall have the right to approve or deny an “Owner” Request for any new or accessory structure to be erected on any “Lot” or any modification to an existing home on any “Lot” relative to compliance with the “Declarations,” “Bylaws,” “ACC” Guidelines and Rules and Regulations.

- (a) “Owner” Requests will not be approved if the “Owner” is not current with payment of “Assessments” of any kind placed on the “Owner/Lot.”
- (b) The “ACC” will (may) target review and decision of the submitted “ACC” Request submitted from the “Owner” within thirty (30) days but reserves the right to take up to sixty (60) days when a more in-depth review is required.
- (c) In the event the “ACC” fails to approve or disapprove such improvements or other matters within thirty (30) days after said plans and specifications have been submitted to it, written approval will not be required, and such approval shall be automatically granted without further action and be deemed to have been duly complied with by the “Lot Owner.”
- (d) However, (c) above shall not apply:
 - i. where the “ACC” has requested additional information or clarification from the “Owner” with respect to the previously submitted Request, or in the case that the “ACC” needs to consult with the “Board.” In such a case, the thirty (30) day time period shall be extended by the number of days from the “ACC” request to the “Owner’s” response, or
 - ii. if no suit to enjoin the erection, addition, alteration, or change has been commenced prior to the completion thereof.

Section 9.4. Appeal Process. Within ten (10) business days after notice of an “ACC” denial decision has been mailed, the “Owner” may file a written request that the “ACC” reconsider such decision. Any such request for reconsideration shall include a statement of the basis for such request and technical design information supporting such request. The “ACC” may require additional information in connection with any request for reconsideration. The “Owner’s” written request for reconsideration may include a request to personally address the “ACC” at its next scheduled meeting. All reconsiderations will be reviewed on a case-by-case basis, and the granting of a request for reconsideration, with respect to one project, does not imply or guarantee that a similar request will be granted with respect to any other project. Each case will be reviewed on its own merits and considering the overall objectives of these Standards and Guidelines. Any action, ruling or decision of the “ACC” may be appealed to the “Board” by any party directly affected by the decision. To initiate an appeal, a party must submit the request to the “Managing Agent,” to include a written request for an appeal to the “Board,” within ten (10) days of the date of an “ACC” decision providing grounds for the appeal. The decision of the “Board” is final.

Section 9.5. After Approval. The project shall be completed as approved. Any changes from the original plan shall be approved prior to the start of the project. If the “Owner”

desires to make any changes to the approved plan, the "Owner" shall contact the "ACC" for guidance.

Section 9.6. Inspection and Compliance. Upon completion of any project, "ACC" will inspect the property to confirm that the project is in compliance with the approved plans. Annually, the "ACC" and/or the "Board" will inspect Palmira Lakes properties for compliance with these Standards and Guidelines.

Section 9.7. Violations. In the event of a covenant violation, the "ACC" and/or the "Board" shall seek to obtain compliance through communications, letters, and personal contact with the "Owner." If these efforts fail, the "Association" shall inform the "Owner" of the violation in writing by certified mail, giving the "Owner" reasonable time in which to correct the violation. If the violation is not corrected to the satisfaction of the "ACC," the matter shall be turned over to the "Board," which shall then determine the appropriate course of action. Actions may include, as appropriate and at the "Board's" discretion, any or all of the following:

- (a) Issuing a cease-and-desist notice requiring the "Owner" to correct the violation or to restore the affected area to its original condition.
- (b) Assessing violation charges.
- (c) Taking any other legal action.

If legal action is deemed necessary by the "ACC" to enforce this Article, the "Association" shall be entitled to injunctive relief and/or compensatory damages, along with reasonable costs and expenses, including attorney fees for said action.

Section 9.8. Liability. Neither the "Association," nor the "ACC" nor any heirs personal representatives, successors or assigns thereof, shall be liable to anyone by reason of any mistake in judgment, negligence, or nonfeasance arising out of or relating to the approval or disapproval or failure to approve any plans so submitted, nor shall they, or any of them, be responsible or liable for any structural defects in such plans or in any building or structure erected according to such plans or any drainage problems resulting therefrom.

Every person and entity who submits plans to the "ACC" to recover any damages or to require the "ACC" to take, or refrain from taking, any action whatever in regard to such plans or in regard to any building or structure erected in accordance therewith. Neither the submission of any complete sets of plans to the "ACC" for review thereby, nor the approval thereof by the "ACC," shall be deemed to guarantee or require the actual construction of the building or structure therein described, and no adjacent "Lot Owner" may claim any reliance upon the submission and/or approval of any such plans or the buildings or structures described therein.

Section 9.9. Indemnity. Each contractor and "Owner" shall comply in all respects with all applicable laws, rules, and regulations relating to any construction activities undertaken in the subdivision and will indemnify and hold harmless the "Association" from any and all liability, without limitation, for any laws relating to immigration or employment matters.

ARTICLE X: ARCHITECTURAL REQUIREMENTS

Section 10.1. Owner's Obligation to Repair. Each "Owner" shall, at their sole cost and expense, maintain and repair their "Lot" and the "Improvements" situated thereon, keeping the same in good condition and repair. In the event that any "Owner" shall fail to maintain and repair their "Lot" and the "Improvements" hereon as required hereunder, the

“Association,” in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right through its agents, to enter said “Lot” and to repair, maintain and restore the “Lot” and the exterior of the buildings and any other “Improvements” erected thereon; and each “Owner” (by acceptance of a deed for their “Lot”) hereby covenants and agrees to repay the “Association” the cost thereof immediately upon demand, and the failure of any such “Owner” to pay the same shall carry with it the same consequences as the failure to pay any “Assessment” hereunder when due.

Section 10.2 New or Rebuild Construction. Notwithstanding any provisions to the contrary set forth in Article IX, the following shall apply:

- (a) No “Owner” shall construct, or cause the construction of, a single-family residence on any “Lot” prior to obtaining the “ACC’s” written approval of the licensed residential contractor the “Owner” intends to engage to construct said residence; and
- (b) All plans and specifications for the construction of a new single-family residence shall be submitted to and approved or disapproved by the “ACC” pursuant to Article IX.

Section 10.2.1. Single Family Residence and Garages. Subject to the provisions of Article X, each residential structure erected or placed on any “Lot” shall be designed, intended, and used as a residence for a single family only, and not more than one residential structure shall be placed on any “Lot.” There shall be constructed and maintained with each single-family residence an attached garage for no less than two (2) automobiles.

Section 10.2.2. Side Line and Front Line Set Back Restrictions. No building shall be located on any “Lot” nearer the front line or the side street line than the minimum building setback lines as shown on the Plat. No projection of any building shall be permitted to extend into or encroach upon the space between said guiling line and the street. No building shall be located nearer than a distance of five (5) feet to an interior “Lot” line; provided, however, that the aggregate total distance of both side yard setback lines shall be no less than twelve (12) feet. No building shall be located on any “Lot” nearer than twenty-five (25) feet to the rear “Lot” line; provided, however, should any rear “Lot” line run adjacent to “Common Areas,” no building on such a “Lot” shall be located nearer than fifteen (15) feet to the rear “Lot” line.

Section 10.2.3. Flood Protection Grades. In order to minimize potential damages from surface water, flood protection grades are hereby established as set forth below. All dwellings shall be constructed at or above the minimum flood protection grades; such grades shall be the minimum elevation of a first floor or the minimum sill elevation of any opening below the first floor of any dwelling. The flood protection grades shall be per North American Vertical Datum 1988 and shall be specifically outlined in the Secondary Plat of Palmira Lakes, Sections 1- 4, as approved by the Allen County Plan Commission.

The flood protection grades for “Palmira Lakes,” are as follows, inclusive:

- ☐ Lots 7-8 = 842.1 feet rear elevation; 844.0 feet front elevation
- ☐ Lots 9-10 = 842.1 feet
- ☐ Lots 12-17 = 842.1 feet
- ☐ Lot 18 = 840.6 feet rear elevation; 842.1 feet front elevation
- ☐ Lots 19-22 = 840.6 feet
- ☐ Lot 29 = 840.6 feet

- ☐ Lots 30-31 = 840.6 feet rear elevation; 843.0 feet front elevation
- ☐ Lots 39-40 = 840.6 feet
- ☐ Lot 41 = 838.8 feet rear elevation; 840.6 feet front elevation
- ☐ Lots 42-46 = 838.8 feet
- ☐ Lots 47-48 = 838.8 feet rear elevation; 841.5 feet front elevation
- ☐ Lots 58-59 = 842.0 feet
- ☐ Lots 60-64 = 840.7 feet
- ☐ Lots 65-66 = 840.5 feet rear elevation; 844.0 feet front elevation
- ☐ Lots 67-69 = 840.5 feet
- ☐ Lot 70 = 840.5 feet rear elevation; 842.0 feet front elevation
- ☐ Lots 71-74 = 840.5 feet
- ☐ Lots 76-79 = 838.5 feet
- ☐ Lots 80-81 = 838.5 feet rear elevation; 840.5 feet front elevation
- ☐ Lot 82 = 838.5 feet
- ☐ Lots 83-85 = 840.5 feet
- ☐ Lots 86-87 = 840.5 feet rear elevation; 841.8 feet front elevation
- ☐ Lots 89-90 = 840.5 feet
- ☐ Lots 91-92 = 840.5 feet rear elevation; 841.8 feet front elevation
- ☐ Lot 93 = 840.5 feet
- ☐ Lots 102-103 = 838.5 feet rear elevation; 841.2 feet front elevation
- ☐ Lots 104-105 = 838.5 feet
- ☐ Lot 107 = 838.5 feet
- ☐ Lots 108-109 = 838.5 feet rear elevation; 838.9 feet front elevation
- ☐ Lots 110-111 = 838.5 feet
- ☐ Lots 118-119 = 841.3 feet
- ☐ Lot 120 = 841.3 feet rear elevation; 844.7 feet front elevation
- ☐ Lot 121 = 844.7 feet
- ☐ Lots 122-124 = 841.3 feet
- ☐ Lots 125-126 = 841.3 feet rear elevation; 843.0 feet front elevation
- ☐ Lot 127 = 841.3 feet
- ☐ Lot 128 = 841.3 feet rear elevation; 842.9 feet front elevation
- ☐ Lot 129 = 842.9 feet
- ☐ Lots 130-131 = 841.3 feet rear elevation; 842.7 feet front elevation
- ☐ Lots 132-135 = 841.3 feet
- ☐ Lots 136-142 = 838.5 feet
- ☐ Lots 144-146 = 838.5 feet
- ☐ Lots 147-148 = 838.5 feet rear elevation; 845.5 feet front elevation
- ☐ Lots 149-155 = 838.5 feet
- ☐ Lots 156-157 = 838.5 feet rear elevation; 843.2 feet front elevation
- ☐ Lots 158-159 = 838.7 feet
- ☐ Lots 162-168 = 838.7 feet

Section 10.2.4. Minimum Lot Size. No residence shall be erected or placed on a “Lot” having a width of less than sixty (60) feet at the minimum building setback line, nor shall any residence be erected or placed on any “Lot” having an area of less than 9,500 square feet.

Section 10.2.5. Maximum Building Coverage. The total habitable floor area of the residence on each "Lot" shall have the following square footage restrictions, which are exclusive of porches and garages:

- (a) all one-story structures shall have a minimum of 1,450 square feet, and
- (b) all two-story structures shall have a minimum of 1,900 square feet.

All structures, exterior colors and design must be approved by the "ACC" pursuant to Article IX.

Section 10.2.6. Further Subdivision of Lots. Not more than one single-family dwelling may be erected on any one "Lot" as shown on the recorded map. The further dividing of any "Lot" or combination of "Lots" after approval by the Allen County Plan Commission is prohibited unless and until the Allen County Plan Commission has reviewed and approved the change.

Section 10.2.7. No Prefabricated Construction. All residences and other structures constructed or erected upon any "Lot" shall be new construction, and in no event shall any prefabricated or existing residences or garages be moved onto any "Lot."

Section 10.2.8. Pre-Inhabitation. Before any house or building on any "Lot" in the Plat shall be used and occupied as a dwelling or as otherwise provided in the "Declarations," the "Association" shall install all "Improvements" serving the "Lot" as provided in the development plans and specifications for the "Properties" filed with the "Board" of Commissioners of Allen County. Before any "Lot" may be used or occupied, the "Owner" of such "Lot" shall first obtain from the Zoning Administration the "Improvement" location permit and certificate of occupancy required by the Allen County Zoning Ordinance.

In no event shall any residential dwelling upon any "Lot" be occupied until it has been fully completed in accordance with plans approved by the "ACC." No trailer, basement, tent, shack, or garage erected or placed on any "Lot" shall at any time be used as a residence temporarily or permanently, nor shall any structure or a temporary character be used as a residence.

Section 10.3. Other Construction. No building, outbuilding, fence, wall, swimming pool or spa, or other structure shall be commenced, erected or maintained upon any "Lot," nor shall any exterior addition, change, or alteration in or to such structure or any residence, including, without limitation, the repainting of the exterior of any residence and/or garage, or any portion thereof, be commenced until written approval has been given by the "ACC."

Section 10.4. Utility Easements. Except for easements and the "Association's" rights relating thereto as set forth in Section 11.1 of Article XI, hereof, no "Owner" shall erect on a "Lot," or grant to any entity the right, license or privilege to erect or use, or permit the use of, overhead wires, poles or overhead facilities of any kind for electrical, telephone, or television service (except such poles and overhead facilities that may be required at those places where distribution facilities enter and leave the subdivision). Electrical service entrance facilities installed for any residence or other structure on a "Lot" connecting it to the electrical distribution system of any electric public utility shall be provided by the "Owner" of the "Lot" who constructs the residence or structure and shall carry not less than three (3) wires and have a capacity of not less than two hundred twenty (220) amperes. Any public utility

charged with the maintenance of underground installations shall have access to all easements in which said installations are located for operation, maintenance and replacement of service connections.

Section 10.5. Surface, Storm and Underground Water Discharge. Each “Owner” shall take all steps necessary to maintain and continue at all times the separation of surface, storm and underground waters from the sanitary sewer system servicing each dwelling, unit, including, without limitation, not allowing discharge from gutter downspouts, interior or exterior foundation drains, foundation drain sump pumps, yard and other surface storm or underground waters to be connected to or flow through or into, directly or indirectly, said sanitary sewer system. Any surface, storm or underground water discharge service system erected constructed or maintained by the “Owner” shall be done so in compliance with all local, state and federal rules, regulations and standards governing such discharge systems, including, without limitation, the rules, regulations and standards set forth by the Allen County Drainage Board, or its successor.

The “Association” shall provide a swale or similar storm water drainage system at the rear of each “Lot” (each, a “Storm Water Drainage System”), and each “Owner” shall connect their or her foundation drain sump pump or other surface, storm or underground water discharge system maintained by said “Owner” to the Storm Water Drainage System (or, in the case of a swale, arrange for said sump pump or system discharge to flow to and through said swale) for purposes of adequately draining said “Lot.”

Each “Owner” shall contact the “Association” prior to connection of their dwelling unit to the sanitary sewer system and the Storm Water Drainage System constructed and maintained by the “Association” so the “Association” can verify and inspect, or arrange for verification and inspection of, the separate connections of the “Owner’s” dwelling unit to the respective discharge systems. Should any “Owner” fail to comply with the provisions of this Section 10.5 and the “Association” incur any costs associated with curing said failure, including, without limitation disconnecting improper connections to the “Association’s” sanitary sewer system, the “Association” shall have the right to collect all of said costs from the “Owner,” including, without limitation, the costs of collection and reasonable attorney fees.

In addition to the foregoing, each “Owner” shall take all steps necessary to keep the Storm Water Drainage System provided by the “Association” clear of debris so as to maintain the flow of draining said “Owner’s” “Lot.” Should any “Owner” fail to comply with the requirements hereunder, the “Board” shall have the right to enter onto said “Owner’s” “Lot” and repair any Storm Water Drainage System and/or remove any debris or other items blocking the flow of water to or through said System, and charge said “Owner” for all costs and expenses incurred in doing so. All costs and expenses incurred by the “Board” as appropriate and charged to the “Owner” hereunder shall be considered part of and added to the amounts assessed and collected under Article XII hereof.

Section 10.6. Homes

Section 10.6.1. Front Exteriors. All front elevations must be of natural material, (i.e., wood, brick or stone), except for soffits and the use of hardi plank or vinyl siding, on a limited basis to highlight or complement the natural material required to cover the majority of all front elevations hereunder. Facia, gutters, and downspouts shall blend and be directly compatible with the architectural detail of exterior walls.

Section 10.6.2. Roofing Materials. Roofing materials are to be predominantly Architectural Dimensional Shingles. Design integration of metal roofing is allowed for pergolas but must be approved by the “ACC.” No full-scale metal roofing is allowed.

Section 10.6.3. Windows and Doors (including garage), Exterior Trim. Color selections shall be harmonious with each other and with natural materials and shall be compatible with the colors of the natural surroundings and other adjacent properties.

Section 10.6.4. Exterior Colors. Exterior colors shall be applied consistently to all sides of a building. Color selections shall be harmonious with each other and with natural materials and shall be compatible with the colors of the natural surroundings and other adjacent properties.

Section 10.7. Other Structures. Refer to the AC Standards and Guidelines document.

Section 10.7.17. Temporary Structures. No temporary structures of any kind shall be erected or placed on any “Lot” and in no instance shall more than one dwelling or residence be erected or placed on any “Lot” as the same is shown on the Plat.

- (a) Any garage erected more than one hundred twenty (120) days prior to the connection of the main dwelling or residence shall be considered temporary structures.
- (b) In no event shall any residential dwelling upon any “Lot” be occupied until it has been fully completed in accordance with plans approved by the “ACC.”
- (c) No trailer, basement, tent, shack, or garage erected or placed on any “Lot” shall at any time be used as a residence temporarily or permanently, nor shall any structure or a temporary character be used as a residence.

Section 10.8. Landscaping and Lawn. “ACC” approval is not required for foundation plantings, trees, or single plantings so long as they do not block neighbors’ views of ponds or create a safety hazard.

- (a) “ACC” approval is required for hedges (a row of bushes or low trees planted closely together to form a boundary).
- (b) In addition, no landscaping design may be undertaken that would cause water run-off to flood a neighboring “Lot” or harm the “Palmira Lakes” Stormwater Detention System.

Section 10.8.1. Initial Landscaping Timeframe. All “Owners,” as soon as reasonably possible upon completion of construction of their house, shall properly grass seed or sod their yard in a condition consistent with the aesthetic integrity of the yards contained on other “Lots” and the “Properties,” as defined by the “Association.” Said landscaping shall be completed, or caused to be completed, by each “Owner” within one (1) year after the date of said “Owner’s” certificate of occupancy, as issued by the Allen County Building Department, authorizing the “Owner’s” occupancy of the house.

Section 10.8.2. Owner Landscaping Maintenance Responsibility. All “Owners” shall landscape, or cause to be landscaped, their “Lot,” at a minimum, in a manner so as to maintain and remain consistent with the aesthetic integrity of the landscaping contained on the “Properties,” as defined by the “Board” or “ACC.”

Section 10.8.2.1. General Maintenance Standards. It shall be the duty of all persons to cut and remove from any property owned, leased, or occupied by such person all grass or weeds over four inches in height and to cut and remove from any land owned, leased, or occupied by such person all weeds which do not grow to a height of six (6) inches when the same have reached the flowering stage.

- **Lawn Care:** Lawns must be regularly mowed, edged, weeded, and fertilized. Use of any type of animal fecal matter on lawns is strictly prohibited.
- **Tree/Shrub Care:** Shrubs and trees must be trimmed away from houses, walkways, and roofs. Dead plant material must be removed promptly.

Section 10.8.2.2 Pond and Swale Lots Maintenance Requirement. The “Owners” of Lots 60-63, inclusive, 65-74, inclusive, 78-81, inclusive, and Lots 84-93, inclusive, Lots 102-105, inclusive, Lots 107-110, inclusive, Lots 118-120, inclusive, Lots 122-128, inclusive, Lots 130-135, inclusive, Lots 136-142, inclusive, Lots 144-150, inclusive, Lots 154-157, inclusive, and Lots 165-168, inclusive, and Lots that border any common area swales in Sections 2, 3, and 4, inclusive, shall each be responsible for mowing of grass and other maintenance of that portion of “Common Areas” located between such “Owner’s” real “Lot” line and the edge of any pond and/or border any swales located in the block of “Common Areas” that lies adjacent to such “Owner’s” “Lot.” Such mowing and other maintenance shall be completed at each such “Owner’s” expense and in a manner so that such area shall be and remain consistent with the aesthetic integrity of the lawns and “Common Areas” in and around “Palmira Lakes.” Each “Owner” designated above shall remain obligated hereunder until such time as the “Association” shall expressly assume such “Owner’s” obligations under this subsection 10.8.2.2.

Section 10.8.3. Single Owner Contiguous or Multiple Lots. The “Owner” of any “Lot” or multiple “Lots,” including any contiguous “Lots” referenced in Section 10.2.6 above, shall be responsible for providing yard-quality grass seeding and appropriate maintenance thereof for each “Lot” owned pursuant to Section 10.8 above.

Any proposed use of any “Lot” or “Lots” owned by any “Owner” in addition to the “Lot” owned by said “Owner” upon which said “Owner’s” dwelling unit is constructed, shall be consistent with and not violate any provisions contained herein. Any proposed temporary or other use of any additional “Lot” or “Lots” inconsistent with or in violation of any provisions contained herein shall be subject to the prior approval by the “ACC,” as appropriate, pursuant to Article X hereof.

ARTICLE XI: EASEMENTS

Section 11.1. Easements Reserved For The Association. Easements for the installation, maintenance repair and removal of public and/or quasipublic utilities and sewer and drainage facilities, and floodway easements are reserved by the “Association” over, under and across the “Properties,” as shown on the recorded Plat thereof. Full ingress and egress shall be had by the “Association” at all times over the “Properties” for the installation, operations, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with

the use of such easements or with the use maintenance, operation or installation of such utility. The grade of the land in any such easement shall not to be changed or altered by any "Owner" of any "Lot," after the said grade has been established. All utility easements as dedicated on the Plat shall be left free from all permanent structures, and the removal of any obstructions, whether temporary or permanent, shall be subject to the paramount right of the utility and/or sewer installation. The "Association" shall have the right to assign and transfer the easements and rights herein reserved to or for the benefit of any public or quasipublic utility.

Section 11.2. Surface Drainage Easements. Surface drainage easements as shown in the Plat are intended for either periodic or occasional use as conductors for the flow or surface shall be constructed and maintained so as to achieve this intention. Such easements shall be maintained in an unobstructed condition and the "Association" or a proper public authority having jurisdiction over storm drainage shall have the right to repair and maintain such easements or to require such repair and maintenance as shall be reasonably necessary to keep the conductors unobstructed.

Section 11.3. Surface Water. No rain or stormwater runoff shall at any time be discharged or permitted to flow into the sanitary sewage system, which shall be a separate sewerage system from the stormwater and surface water runoff outlets. No individual water supply systems or individual sewage disposal systems shall be installed, maintained or used on any "Lot" except that any individual water system may be used for the purpose of a swimming pool or lawn irrigation.

ARTICLE XII: COVENANT FOR MAINTENANCE ASSESSMENTS AND FEES

Section 12.1. Creation of the Lien and Personal Obligation for Assessments.

Each "Owner" of a "Lot" (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), for each "Lot" owned by any such "Owner," hereby covenants and agrees and shall be deemed to covenant and agree to pay to the "Association" (or to a mortgage company or other collection agency designated by the "Association"). Annual "Assessments" or charges (the "Annual Assessments"), to be paid on January 1st of each year (hereinafter called "Annual Payment Dates") or in such other installments as the "Board" may elect. The "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 each "Lot" against which each such "Assessment" is made. The "Assessments" together with such interest thereon and costs of collection thereof as hereinafter provided shall also be the continuing personal obligation of the person who was the "Owner" of such "Lot" at the time when the "Assessments" became due.

Section 12.2. Single Owner Contiguous or Multiple Lots. Whenever two (2) or more "Lots" in "Palmira Lakes," shall be owned by the same person, contiguously situated or otherwise, such "Owner" shall be subject to and agree to pay to the "Association" for each "Lot" owned by said "Owner" all "Assessments" and other charges collectible by the "Association" pursuant to Article XII of these "Declarations."

Section 12.3. Purpose of Annual Assessments. The Annual "Assessments" levied by the "Association" shall be used exclusively for:

- (a) the care, preservations, supervision, improvement and maintenance of the "Common Areas" and of the improvement situated thereon;

- (b) the payment of taxes on and insurance in connection with the “Common Areas” and the repair, replacement, and making of additions thereto;
- (c) paying the cost of labor, equipment (including the expense of leasing any equipment), and materials required for the management, supervision, maintenance, and repair of the “Common Areas,” including, without limitation, the stormwater detention basin and control structures, and any outlet and water level control structures and improvements situated thereon
- (d) carrying out the duties of the “Board” as set forth in Article XIII hereafter; and
- (e) carrying out the purposes of the “Association” as stated in its Articles of Incorporation.

Section 12.4. Stormwater Detention System and Pond Maintenance. The “Association” and as stipulated in Section 12.5 below, shall be obligated to maintain, repair and/or replace, as necessary, the stormwater drainage system and the stormwater detention system consisting of ponds shown on the Plat of the subdivision, together with outlets and water control structures, the cost of which shall be borne by all of the “Owners” in “Palmira Lakes” and subsequent “Owners” of “Lots” in any and all of the sections of “Palmira Lakes.”

The “Owner” of any “Lot” in this section, and/or the Allen County Drainage Board shall have the right to order the “Association” to carry out its obligation to maintain, repair and/or replace the stormwater drainage system and stormwater detention system improvements, as above provided, and to assess the “Owners” of all “Lots” in this section and future sections of “Palmira Lakes” with the cost thereof.

Notwithstanding anything to the contrary to the aforesaid, any alteration or amendment of the “Declarations” must be made accordingly with the prior approval of the Allen County Plan Commission and further that the “Declarations” herein contained and only as they relate to the stormwater detention system and the maintenance and repair thereof, shall be in continuous effect for an indefinite period, except as amended with the prior approval of the Allen County Drainage Board.

Section 12.5. Shared Ponds. In addition to the maintenance responsibilities of the “Association” as set forth in Section 5.1, with the exceptions set forth in Section 10.8.3, in cooperation with Palmira Lakes Villas Homeowners Association and Livingston Lakes Homeowners Association, one half of the costs incurred for the maintenance and repair of the Common Areas designated as Blocks A, G, and I/N shall be borne by the Palmira Lakes Villas Homeowners Association, as a result of its joint benefit of Blocks A, G, and I/N and one half of the costs incurred for the maintenance and repair of the Common Areas designated as Block O shall be borne by the Livingston Lakes Homeowners Association, as a result of its joint benefit of Block O.

In the event additional maintenance and repairs beyond common and normal maintenance and repairs for Blocks A, G, I/N, and O are required at any time to ensure all improvements located in and all drainage systems running throughout Blocks A, G, I/N, and O are in good repair and working order (“Extraordinary Repairs”), the Association shall obtain the approval of the affected Homeowners Association prior to incurring the costs and expenses required to complete the Extraordinary Repairs. Should the affected Homeowners Association fail to respond to the Association’s request for approval within fifteen (15) days of the affected Homeowners Association’s receipt thereof, such approval shall be deemed granted, and the affected Homeowners Association shall contribute to all costs and expenses incurred by the Association in connection with the Extraordinary Repairs as required under this Section 12.5.

Should (a) any Extraordinary Repairs involve the drainage system running throughout Blocks A, G, I/N, and O, and (b) the affected Homeowners Association shall have rejected the Association's request for approval to complete such drainage system-related Extraordinary Repairs, the Association shall submit its request for the approval of such Extraordinary Repairs to the Allen County, Indiana Drainage Board for its approval. If the Allen County, Indiana Drainage Board approves such Extraordinary Repairs, the Association shall complete such Extraordinary Repairs and the affected Homeowners Association shall contribute to all costs and expenses incurred by the Association in connection with such Extraordinary Repairs as required under this Section 12.5.

Section 12.6. Basis and Amount of Annual Assessments. Each year the "Board," at its annual meeting and effective for the year commencing with the next January 1, and each January 1 thereafter, shall set the amount of the Annual "Assessment" for the following year for each "Lot," taking into consideration the current maintenance costs and the future needs of the "Association," provided that the Annual "Assessment" shall never be less than estimated expenses.

Section 12.7. Capital Improvements Assessments. In the event any Annual "Assessment" includes, or the "Board" levies a special assessment ("Special Assessment") in any given year to include, an amount for defraying, in whole or in part, the cost of construction, repair or replacement of a capital improvement upon the "Common Areas, including the necessary fixtures and personal property related thereto, that portion of such "Assessment," Annual or Special, relating to the capital improvement(s) must have the assent of the "Members" entitled to cast a majority of the votes of the "Members" of the "Association" who are voting in person or by proxy at a meeting duly called for this purpose, as provided in Section 3.4 of Article III. ("Annual Assessment" and "Special Assessment" are sometimes collectively referred to herein as the "Assessments.")

Section 12.8. Compliance Assessments. The "Board" is authorized to levy a Compliance "Assessment" against an "Owner" for violations of the "Declarations," "Bylaws," Rules and Regulations, ACC Standards and Guidelines promulgated by the "Board" or "Declarations" as recorded in these documents. The Compliance "Assessment" will be set at least \$50/month and can be adjusted each fiscal year by the "Board" without amendment to these "Declarations."

Section 12.9. Uniform Rate of Assessment. Subject to the provisions of Section 12.1 above, both Annual and Special "Assessments" must be fixed at a uniform rate for all "Lots."

Section 12.10. Residential Contractor Assessment. All "Lots" owned by a residential contractor licensed in Allen County, Indiana, as such and who holds title to a "Lot" for the purpose of constructing a Dwelling Unit on said "Lot" but not residing thereon shall pay one-half of the Uniform Rate of "Assessment."

Section 12.11. Date of Commencement of Assessments: Due Dates.

- (a) The Annual "Assessment" provided for in Section 12.6 above shall commence on the date fixed by the "Board" to be the date of commencement, and shall be payable annually, in advance, on each Annual Payment Date thereafter; provided, however, that if the date of commencement falls on other than the first day of a month, the "Assessment" for such month shall be prorated by the number of days remaining in the month.

- (b) The due date or dates of any Special "Assessment" under Section 12.7 above shall be fixed in the "Board" resolution authorizing such "Assessment."

Section 12.12. Duties of the Board with Respect to Assessments.

- (a) The "Board" shall fix the date of commencement and the amount of the "Assessment" against each "Lot" for each "Assessment" period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the "Lots" and "Assessments" applicable thereto which shall be kept in the office of the "Association" and shall be open to inspection by any "Owner."
- (b) Written notice of the "Assessment" shall thereupon be delivered or mailed to every "Owner" subject thereto.
- (c) The "Board" shall upon demand at any time furnish to any "Owner" liable for said "Assessment" a certificate in writing signed by an officer of the "Association," setting forth whether said "Assessment" had been paid. Such certificate shall be conclusive evidence of payment of any "Assessment" therein stated to have been paid. A reasonable charge may be made by the "Board" of the issuance of such certificate.

Section 12.13. Effect of Non-Payment of an Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association.

- (a) If any "Assessment" or any part thereof is not paid on the date(s) when due (being the dates specified in Section 12.11 above), then the unpaid amount of such "Assessment" shall become delinquent and shall together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon becoming a continuing lien on the "Lot" of the non-paying "Owner" which shall bind such "Lot" in the hands of the then "Owner," their heirs, executors, devisees, personal representatives and assigns. The personal obligation of the then "Owner" to pay such "Assessment," however, shall remain their personal obligation and shall not pass to their successors in title unless expressly assumed by them. The lien for unpaid "Assessments" shall be unaffected by any sale or assignment of a "Lot" and shall continue in full force and effect. No "Owner" may waive or otherwise escape liability for the "Assessments" provided herein by non-use of the "Common Areas" or abandonment of their "Lot."
- (b) All "Assessments" will be considered late after the 15th of the month following the due date, so payments received on the 16th are not one (1) day late, but fifteen (15) days late. All payments received after the 15th of the month following the due date shall be subject to a minimum of fifty dollar (\$50) monthly administration fee and are also subject to interest of twenty-one percent (21%) per annum.
- (c) If any "Assessment" or any part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such "Assessment" shall bear interest from the date of delinquency at the maximum legal rate of interest, and the "Association" may, at its election, bring an action at law against the "Owner" personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto and there shall be added to the amount of such "Assessment" the costs of preparing and filing the complaint (including reasonable attorney's fees) 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.
- (d) This is not meant to substitute for any other remedies provided by these "Declarations," the "Bylaws," or any state-mandated policies and procedures. All remedies shall be separate and cumulative. Collection levels are determined by

amounts in arrears rather than time frames. Late fees and interest will not be charged on any amount that is less than the amount of a one-month "Assessment." For the purposes of collections, all fines, late fees, interest or other "Association" charges are considered part of the total amount being collected.

Section 12.14. Subordination of the Lien to Mortgages. The lien of the "Assessments" provided herein shall be subordinate and inferior to the lien of any mortgage or deed of trust now or hereafter placed upon the "Lots" subject to assessment; provided, however, that such subordination shall apply only to the "Assessments" which have become due and payable prior to the sale, whether public or private or such property pursuant to the terms and conditions of any such deed of trust. Such sale shall not relieve such "Lots" from liability for the amount of any "Assessments" thereafter becoming due nor from the lien of any such subsequent "Assessment."

Section 12.15. Exempt Property. The following property subject to these "Declarations" shall be exempted from the Annual and Special "Assessments," charges and liens created herein:

- (a) all properties dedicated and accepted by the local public authority and devoted to public use;
- (b) all "Common Areas" as defined in Article I hereof. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said "Assessments," charges, or liens.

Section 12.16. Administration Fees. The "Association" may assess against a "Lot" a reasonable charge for providing letters notifying "Owners" of any violations or breaches of the "Declarations." The "Association" may incur administrative time and expense in receiving and reviewing complaints of any violations of these "Declarations," onsite inspections, consultations, mailing, and other time, costs, and expenses. The fee shall be charged for the first notice of violation; however, the "Association" may charge an "Owner" for any subsequent letter for the same or substantially the same violation of these "Declarations." The "Board" may adjust the administrative fees from time to time, but such administrative fee shall not be less than \$75.00 per letter or fifteen percent (15%) of the annual Association fee, whichever is greater. The administrative fees contained within this Article 12 shall be collected in accordance with Section 12.13 above.

ARTICLE XIII: GENERAL POWERS AND DUTIES OF BOARD OF THE ASSOCIATION

Section 13.1. Powers and Duties. The "Board," for the benefit of the "Properties" and the "Owner," shall provide, and shall pay for out of the maintenance fund provided for in Article XII above, the following:

- (a) Taxes and assessments and other liens and encumbrances, which shall properly be assessed or charged against the "Common Areas," rather than against the individual "Owners."
- (b) Care and preservation of the "Common Areas" and full maintenance of a utility service for the "Common Areas," including the furnishing and upkeep of any desired personal property for use in the "Common Areas."
- (c) The services of a person or firm to manage the "Association" or any separate portion thereof, to the extent deemed advisable by the "Board" and the services of such other personnel as the "Board" shall determine to be necessary or proper for the operation of the "Association," whether such personnel are employed directly by the "Board" or by the manager.

- (d) Legal and Accounting services.
- (e) A policy or policies of insurance insuring the "Association" against any liability to the public or to the "Owners" (and/or invitees or tenants), incident to the operation of the "Association," in an amount not less than \$100,000 to indemnify against the claim of one (1) person, \$300,000 against the claim of two (2) or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.
- (f) Workers' compensation insurance to the extent necessary to comply with any applicable laws.
- (g) Such fidelity bonds as the "Board" may determine to be advisable.
- (h) Any other materials, supplies, insurance, labor, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual "Owner") which the "Board" is required to obtain or pay for pursuant to the terms of these "Declarations" or by law or which in its opinion shall be necessary or proper for the operation or protection of the "Association" or for the enforcement of these "Declarations."

The "Board" shall have the following additional rights, powers, authority and duty:

- (a) To execute all declarations of ownership for tax assessment purposes with regard to the "Common Areas" on behalf of the "Owners."
- (b) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent "Owners," if the "Board" sees fit.
- (c) To enter into contracts, maintain one or more bank accounts (granting authority as the "Board" shall desire to one or more persons to sign checks) and generally, to have all the powers necessary or incidental to the operation and management of the "Association."
- (d) To protect or defend the "Common Areas" from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.
- (e) To make, adopt, appeal, publish, and enforce reasonable rules and regulations governing the use of the "Lots" and improvements thereon, "Common Areas," and the personal conduct of "Members" and their guests thereon and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the "Members." A copy of the Rules and Regulations, as they may from time to time be adopted, amended, or repealed, shall be mailed or delivered to each "Owner." Such Rules and Regulations may supplement, but shall not be inconsistent with, the provisions of these "Declarations," the Articles of Incorporation, or the "Bylaws." Any Rules and Regulations adopted by the "Board" shall be binding upon all "Owners," their tenants, guests, and invitees.
- (f) To make, adopt, appeal, publish, and enforce reasonable "ACC" Standards and Guidelines governing the "Lots" and improvements thereon, and to amend them from time to time, provided that any guideline may be amended or repealed by an instrument in writing signed by a majority of the "Members." A copy of the ACC Standards and Guidelines, as they may from time to time be adopted, amended, or repealed, shall be mailed or delivered to each "Owner." Such ACC Standards and Guidelines may supplement, but shall not be inconsistent with, the provisions of these "Declarations," the Articles of Incorporation, or the "Bylaws." Any Rules and Regulations adopted by the "Board" shall be binding upon all "Owners."

- (g) To make available to each "Owner" within sixty (60) days after the end of each year an annual report and, upon the written request of one-tenth (1/10) of the Members, to have such report audited by an independent, certified public accountant, which audited report shall be made available to each "Member" within thirty (30) days after completion.
- (h) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the "Members" in proportionate amounts to cover the deficiency.
- (i) To enforce the provision of these "Declarations" and any Rules and Regulations made hereunder and to enjoin and seek damages from any "Owner" for violation of such provisions or Rules and Regulations.

Section 13.2. Board Powers, Exclusive. The "Board" shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made by the "Association," and the exclusive right and obligation to perform the functions of the "Board" except as otherwise provided herein.

ARTICLE XIV: TERM AND AMENDMENT

Section 14.1. Duration. The covenants, conditions and protective restrictions of these "Declarations" shall run with and bind the land subject to these "Declarations," and shall inure to the benefit of and be enforceable by the "Association" and/or the "Owners" of the land subject to these "Declarations," their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date that these "Declarations" is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the "Members" entitled to cast a majority of the votes of the "Association" has been recorded, agreeing to abolish said covenants, conditions and protective restrictions or to change said covenants, conditions and protective restrictions in whole or in part; provided, however, that no such agreements to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change.

Section 14.2. Consent of Members. Except as provided in Section 14.1 of this Article, the covenants, conditions and protective restrictions of these "Declarations" may be abolished, amended and/or changed in whole or in part, only with the consent of the "Members" entitled to cast fifty-one percent (51%) of the votes of the "Association," evidenced by a document in writing bearing each of their signatures;

- (a) The "Association" shall have the right to amend these "Declarations" at any time from time to time, without the consent of any Member, to the extent that such amendments are required by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, or other governmental authority involved in financing the improvement, purchase or sale of any of the "Lots" or the "Improvements" to be constructed thereon, and
- (b) no amended shall be made eliminating any of the covenants of Articles X, XI, XIII or adversely affecting or reducing the "Assessments" provided in Article XII without the prior written approval of the Allen County Plan Commission or its successor, and further, however, that the covenants, conditions, and protective restrictions herein contained as they relate to the storm water dentition system and the maintenance and repair thereof shall be for an indefinite period except as amended with the prior approval of the Allen County Drainage Board.

ARTICLE XV: ENFORCEMENT

Section 15.1. Process. Enforcement of these covenants, conditions and protective restrictions shall be by and proceedings at law or in equity against any person or person violating or attempting to violate them, or to recover damages or to enforce any lien created by these covenants, conditions and protective restrictions.

Section 15.2. No Waiver of Rights. Failure by the "Association" or any "Owner" to enforce any covenants, conditions or protective restrictions herein contained shall in no event be deemed waiver of the right to do so thereafter.

Section 15.3. Recovery of Expenses. In the event the "Association" is successful in any proceeding, whether at law or in equity, brought to enforce any covenant, condition, protective restrictions, easement, reservation, lien, "Assessment" or charge now or subsequently imposed by the provisions of these "Declarations," they shall be entitled to recover from the party against whom the proceeding was brought, the reasonable attorney's fees and related costs and expenses incurred in such proceeding.

ARTICLE XVI: SEVERABILITY

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

ARTICLE XVII: GENERAL PROVISIONS

Section 17.1. Headings. The headings contained in these "Declarations" are for reference purposes only and shall not in any way affect the meaning or interpretation of these "Declarations."

Section 17.2. Notices. Any notice required to be given to any "Member" or "Owner" under the provisions of these "Declarations" shall be deemed to have been delivered when either deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as "Member" or "Owner" on the records of the "Association" at the time of such mailing; or by email (if such "Owner" has provided an email address to the "Association") to the "Owner."

Section 17.3. Inconsistent Provisions. In the case of any conflict between these "Declarations" and the "Bylaws," these "Declarations" shall control, and in the case of any conflict between these "Declarations" and any Indiana law or regulation, the Indiana law or regulation shall control.

IN WITNESS WHEREOF, Lisa Heastan, the President and Kris Gilman, the Secretary of Palmira Lakes Homeowners Association, Inc., have executed this instrument on this, the 15th day of October, 2026.

PALMIRA LAKES HOMEOWNERS ASSOCIATION, INC.

By: _____
Lisa Heastan, President

By: _____
Kris Gilman, Secretary

EXHIBIT A

PLAT OF THE PROPERTIES

1. Plat of Palmira Lakes, Section 1, A Subdivision In Aboite Township, Allen County, Indiana. Plat Record 2017063845, Cabinet G, page 194.
2. Plat of Palmira Lakes, Section 2, A Subdivision In Aboite Township, Allen County, Indiana. Plat Record 202041096, Cabinet H, page 79.
3. Plat of Palmira Lakes, Section 3, A Subdivision In Aboite Township, Allen County, Indiana. Plat Record 2020068212, Cabinet H, page 98.
4. Plat of Palmira Lakes, Section 4, A Subdivision In Aboite Township, Allen County, Indiana. Plat Record ????? Cabinet H, page 152.

EXHIBIT B

ORIGINAL DECLARATIONS

1. Primary Dedication, Declaration, Protective Restrictions, Covenants, Limitations, Easements and Approvals Appended To And As Part of The Dedication And Plat of Palmira Lakes, Section 1, A Subdivision In Aboite Township, Allen County, Indiana. Recorded December 7, 2017, in Plat Cab G, Page 194 and known as Instrument 2017063845.
2. Primary Dedication, Declaration, Protective Restrictions, , Limitations, Easements and Approvals Appended To And As Part of The Dedication And Plat of Palmira Lakes, Section 2, A Subdivision In Aboite Township, Allen County, Indiana. Recorded July 15, 2020, in Cab H, Page 79 and known as Instrument 202041096.
3. Primary Dedication, Declaration, Protective Restrictions, Covenants, Limitations, Easements and Approvals Appended To And As Part of The Dedication And Plat of Palmira Lakes, Section 3, A Subdivision In Aboite Township, Allen County, Indiana. Recorded November 3, 2020, in Plat Cab H, Page 98 and known as Instrument 2020068212.
4. Primary Dedication, Declaration, Protective Restrictions, Covenants, Limitations, Easements and Approvals Appended To And As Part of The Dedication And Plat of Palmira Lakes, Section 4, A Subdivision In Aboite Township, Allen County, Indiana. Recorded **???? 2**, 2021, in Plat Cab H, Page 152 and known as **Instrument ??????**

STATE OF INDIANA, COUNTY OF ALLEN:

Before me, the undersigned authority, a Notary Public in and for said County and State, this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledge to me that the same was the act of the said Palmira Lakes Homeowners Association, an Indiana incorporated company, and that he executed the same as the act of such Palmira Lakes Homeowners Association for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2026.

_____, Notary Public
A resident of Allen County

My Commission Expires:

This instrument prepared by:

J. Rickard Donovan

ROTHBERG LOGAN & WARSCO LLP

505 East Washington Boulevard

Fort Wayne, IN 46802

Telephone: (260) 422-9454