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HAMILTON COUNTY, INDIANA
JENNIFER J HAYDEN
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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TOWNHOMES OF HUNTERS CREEK**

7000
(31)

21st THIS DECLARATION (hereinafter called "the Declaration" or "this Declaration"), is made this day of June, 2004, by The Estridge Development Company, Inc. (hereinafter called "Declarant"). Capitalized terms not otherwise defined in this Declaration shall have the meanings ascribed to them under Article I of this Declaration.

WITNESSETH:

WHEREAS, Declarant is the owner of the real estate in Hamilton County, Indiana, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and as further defined below as "Real Estate"; and

WHEREAS, Declarant is in the process of creating on the Real Estate a residential townhome community commonly known as "Townhomes of Hunters Creek", or "Hunters Creek" (the "Development").

WHEREAS, Declarant desires to provide for the preservation and enhancement of the values and amenities in the Development; and

WHEREAS, Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which shall be delegated and assigned the powers administering and enforcing the covenants and restrictions contained in this Declaration, collecting and disbursing the assessments and charges imposed and created hereby and hereunder, performing certain maintenance, and repairs as hereinafter provided, and promoting the health, safety and welfare of the owners of the Real Estate, and all parts thereof, and

WHEREAS, Declarant has caused, or will cause, to be incorporated under the laws of the State of Indiana a non-profit corporation under the name "Hunters Creek Townhome Owners Association, Inc.", or a similar name, as such agency for the purpose of exercising such functions ("Association"); and

NOW, THEREFORE, Declarant hereby declares that the Real Estate and any additional property as may by subsequent amendment be added to and subjected to this Declaration, is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, improved and occupied subject to the provisions, agreements, conditions, covenants, restrictions, easements, assessments, charges and liens hereinafter set forth, all of which are declared to be in furtherance of a plan for preservation and enhancement of the Real Estate, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Estate as a whole and of each of the Lots situated therein, and which shall run with the Real Estate and be binding upon all parties having any right, title or interest in the Real Estate, their heirs, successors and assigns. Declarant, for itself and its successors and assigns, specifically reserves unto itself the right and privilege to include Additional Land (as defined herein) within and subject to, the terms and provisions of this Declaration by recording a document with the Recorder of Hamilton County, Indiana, making reference to the terms and provisions hereof and purporting to accomplish such addition of real estate with respect to provisions hereof.

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DULY ENTERED FOR TAXATION
Subject to final acceptance for transfer
24 day of June, 2004
Robin Mills Auditor of Hamilton County

ARTICLE I
DEFINITIONS

Section 1. The following words, when used in this Declaration or any supplemental declaration (unless the context shall prohibit), shall have the following meanings:

- A. **"Additional Land"** shall mean and refer to additional real property now owned or which may in the future be owned by Declarant subject to Declarant's reserved unilateral right to annex the same within and subject to this Declaration as provided herewith.
- B. **"Applicable Date"** shall mean the "Applicable Date" as defined and determined in accordance with Section 3B of Article III hereof.
- C. **"Association"** shall mean Hunters Creek Townhome Owners Association, Inc., an Indiana non profit corporation which Declarant has caused, or will cause, to be incorporated under said name or a similar name, its successors and assigns.
- D. **"Board" or "Board of Directors"** shall mean the board of directors of the Association.
- E. **"Boundary Line"** shall mean the Lot property lines as reflected on the Initial Plat, or any other subsequently recorded plat for the Development, or any part thereof.
- F. **"Common Area"** shall mean (i) those portions, if any, of the Real Estate shown upon any recorded subdivision plat of the Real Estate, or any part thereof (including the initial Plat, which are not Lots (reserving, however, unto Declarant the right to re-plat, or vacate, any of such areas as part of one (1) or more Lots), other than portions thereof (such as streets) which are dedicated to the public, whether such plat is heretofore or hereafter recorded, including all improvements and structures constructed or to be constructed thereon, and (ii) such portions of the Real Estate (if any) as are hereafter declared to be "Common Area" by an instrument executed and recorded by Declarant, whether or not such areas comprise part or all of a lot or lots shown upon any recorded subdivision plat of the Real Estate;
- G. **"Common Area Uses"** shall include recreational uses including, without limitation jogging, walking, team sports, swimming, tennis, basketball, of the common areas and shall also include Facilities installed or directed to be installed and maintained by the Declarant and for its successors, assigns or devisees.
- H. **"Common Expenses"** shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association. Common Expenses shall include, without limitation, the actual and estimated cost to the Association for the maintenance, management, operation, repair, improvement and replacement of Common Area, real estate taxes or personal property taxes assessed against the Common Area, as well as any other costs or expenses incurred by the Association for the benefit of the Common Area and the Owners.
- I. **"Declarant"** shall mean Estridge Development Company, Inc., an Indiana corporation, and any successors and assigns of Declarant who it designates in one or more written recorded

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instruments to have the rights of Declarant hereunder; including, without limitation, (i) any mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of (or by acceptance of a deed in lieu of foreclosure of), a mortgage executed by Declarant; provided, however, that any such mortgagee so acquiring title by virtue of foreclosure against (or acceptance of a deed in lieu of foreclosure from) the Declarant shall not be deemed to have assumed any prior obligations or liabilities of the Declarant hereunder.

- J. "Development" shall mean the improvement to the Real Estate as defined herein.
- K. "Development Period" shall mean the period of time beginning with the date of execution of this Declaration and ending with the date the Declarant is no longer the owner of any part of the Real Estate.
- L. "Double Wall" shall mean the wall separating adjacent Homes, constructed as two separately framed wall components with an air-space existing between each of the separate wall components.
- M. "Exterior Home Improvements and Facilities" shall mean:
- (i) the foundations, roofs and exterior wall surfaces of the buildings;
 - (ii) the yards, gardens, patios, ponds, waterscapes, open spaces, landscaping, woodland areas, sidewalks, walkways, paths, driveways, parking areas, fences, and any permanent apparent easements granting us and enjoyment to the same;
 - (iii) all utilities serving the Homes, including gas, water, sewer, electricity;
 - (iv) exterior lighting fixtures and electrical service lighting the exterior of the buildings and certain of the other Common Areas unless separately metered to a particular Home;
 - (v) pipes, ducts, electrical wiring and conduits, and public utilities lines or mains which serve more than one Home;
 - (vi) master television cable lines, master cable television antenna, or other telecommunication systems, with wiring and outlets which serve more than one Home;
 - (vii) all streets that are not dedicated; and
 - (viii) any portion of any Lot existing outside the living space of any Home, which shall include the drywall and any portion of the Home existing outside the drywall, including without limitation: sub floors; ceilings; chimney caps; caulking; flashing; interiors of all structural walls; exterior perimeter and other load bearing walls; Double Walls and the air space existing inside any Double Walls; the attic or crawlspace of any Home.
- N. "Home" shall mean a residential Townhome housing unit designed or intended for use as living quarters for one family or housekeeping unit.
- O. "Initial Plat" shall mean the subdivision plat(s) and plans of the Real Estate as recorded in the Hamilton County recorder's office as instrument number ~~2004-000-43813~~, as subsequently amended.

- P. "Lot" shall mean and refer to any and each plot of land included in the Real Estate (with the exception of Common Area) which plot of land is designed, intended and identified for use as a building site for a Home, as generally described on the Initial Plat; **provided, however** that where a Home is separated from an adjacent Home by a Double Wall, the air space existing in the Double Wall, and its horizontal and vertical extensions thereof, shall constitute the common property line between adjacent Lots, notwithstanding the location of the Boundary Lines on the Initial Plat. The closure of the property line shall be accomplished by extending perpendicular lines from the horizontal extremities of such air-space in the Double Wall to the closest Boundary Lines; provided, further, that where any exterior wall of any Home is not a Double Wall but extends beyond the Boundary Line of any Lot, the actual property line of the Lot shall be extended to include all of the ground area occupied by the Home, including any front and rear yard attached thereto. It is the intention hereof that, in the event that a Boundary Line does not coincide exactly with the actual property line of any Home after construction, because of the inexactness of construction, settling after construction, or for any other reason, this Declaration and any plat be interpreted such that the ground lying beneath any Home, including any front and rear yard attached thereto, shall be and constitute part of the Lot upon which the Home is primarily located to the end that all of such ground area shall be subject to the fee simple ownership by the Owner of the Home; to the extent necessary to accomplish and implement this intention, interpretation and construction, the Boundary Lines of the Lots shall be determined in accordance with the foregoing definitional provisions such that the property lines of the actual Lots shall supercede the Boundary Lines.
- Q. "Members" shall mean any person or entity holding membership in the Association as provided in Article III hereof
- R. "Mortgage", shall mean any mortgage or other security instrument by which a Lot or any part thereof or any structure thereon is encumbered
- S. "Mortgagee" shall mean any person or entity named as the Mortgagee under any such Mortgage or any successors or assigns to the interest of such person or entity under such Mortgage prior to acquisition of the fee simple title to the property encumbered by such Mortgage
- T. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Real Estate, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- U. "Person" whether appearing in upper case or lower case form, shall mean an individual, firm, corporation, partnership, limited liability company, limited partnership, limited liability partnership, association, trust, governmental or municipal body or other legal entity, or any combination thereof.
- V. "Real Estate" shall mean the parcel or parcels of real estate in Hamilton County, Indiana, described in Exhibit "A" attached to and incorporated in this Declaration and such additional real property as may be added in accordance with these Declarations.

Section 2. Other terms and words defined elsewhere in this Declaration shall have the meanings ascribed to them in such provision.

ARTICLE II

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PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Declaration. Declarant hereby expressly declares that the Real Estate, including any such Additional Land as may be added pursuant to this Declaration, shall be held, transferred, sold, conveyed and occupied subject to, any other liens and encumbrances which may exist, all the terms, covenants, conditions, restrictions and provisions of this Declaration. As of the date of execution of this Declaration, the Real Estate consists solely of the Real Estate. The Owner of any Lot at any time subject to this Declaration, by (i) acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot, or (ii) by the act of occupancy of any Lot, shall accept such deed, execute such contract and undertake such occupancy subject to all of the terms, covenants, conditions, restrictions and provisions of this Declaration. By acceptance of such deed, execution of such contract or undertaking such occupancy, each Owner acknowledges the rights and powers of Declarant and of the Association with respect to or under this Declaration and, for himself, his heirs, personal representatives, successors and assigns, covenants, agrees and consents to and with Declarant, the Association, and the Owners and subsequent Owners of each of the Lots affected by this Declaration, to keep, observe, perform and comply with the terms and provisions of this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership. Every Owner of a Lot, except as herein provided to the contrary, shall be entitled and required to be a member of the Association. If title to a Lot is held by more than one person, each of such persons shall be a member. An Owner of more than one Lot shall be entitled to, and there shall be required, one membership for each such lot. Each such membership shall be appurtenant to the Lot upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of the title of that Lot. Except as herein otherwise expressly provided, no person or entity other than an Owner or Declarant may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to a Lot.

Section 2. Transfer. A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of the record title of a Lot and then only to such transferee, by assignment, intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. It shall be the responsibility of each Owner, upon becoming entitled to membership, to so notify the Association in writing, and until so notified, the Association may continue to carry the name of the former Owner as a member, in its sole discretion. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the transferee of title of such Lot, the Association may issue a new membership to the transferee, and thereupon the old membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

Section 3. Voting. The Association shall have two (2) classes of voting membership, as follows:

- A. **Class A.** Class A members shall be all Owners of Lots, with the exception of the Declarant prior to termination of Class B membership, and shall be entitled to one (1) vote for each lot owned with respect to each matter submitted to a vote of members upon which the Class A members are entitled to vote. When more than one person holds title to any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one Vote be cast with respect to any one Lot. There can be no split vote. Prior to or at the time of any meeting

at which a vote is to be taken, each co-owner or other person entitled to a vote at such meeting shall file with the Secretary of the Association the name of the voting co-Owner or other person entitled to a vote at such meeting, unless such co-Owner or other person has filed a general voting authority with the Secretary applicable to all votes until rescinded.

- B. Class B. Class B members shall be the Declarant and all successors and assigns of the Declarant designated by the Declarant as Class B members in a written notice mailed or delivered to the resident agent of the Association. Each Class B member shall be entitled, on all matters requiring a vote of the membership of the Association, to five (5) votes for each Lot owned by them or it and five (5) votes for each single numbered parcel of land shown upon and identified as a Lot on any recorded plat of the Real Estate. The Class B membership shall cease and terminate upon the first to occur of (a) the date upon which the written resignation of the Class B members as such is delivered to the resident agent of the Association; (b) one hundred twenty (120) days after ninety five percent (95%) of the Lots in the Real Estate have been conveyed to Owners other than Declarant; (c) six (6) years after the date of recording of the first conveyance of a Lot to an Owner other than Declarant; (the applicable date being herein referred to as the "Applicable Date"). Declarant shall each be entitled to one (1) Class A membership for each Lot of which it is the Owner on or after the termination of the Class B membership.

Section 4. Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of thirty (30) days, or shall be in default in the performance of any of the terms of this Declaration for a period of thirty (30) days, such Owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

Section 5. Board of Directors. Following the Applicable Date, the Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association. Until the Applicable Date, the Board shall consist of three (3) persons designated by Declarant pursuant to the Articles of Incorporation, as long as it shall own one or more lots.

ARTICLE IV
PROPERTY RIGHTS

Section 1. General Provisions.

- A. All easements described in this Declaration are permanent easements appurtenant, running with the land. They shall at all times inure to the benefit of and be binding on the Owner and the Mortgagee from time to time of any Lots and the Owner and mortgagee, if any, from time to time of the Common Area, and their respective heirs, successors, personal representatives or assigns.
- B. The covenants and restrictions contained in this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant, the Association or the Owner of any Lot subject to this Declaration, their respective personal representatives, heirs, successors and assigns, for an initial term commencing on the date this Declaration is recorded and ending January 1, 2018, after which time the covenants and restrictions shall be

automatically renewed for ten successive periods of ten (10) years each, as the same may be amended or modified as herein permitted and provided.

Section 2. Right of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area limited, however, to and for the Common Area Uses. Such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to pass reasonable rules, with respect to the Common Area, for the health, comfort, safety and welfare of persons using the same which rules shall not exclude or limit the activities allowed in the Common Areas as provided for herein;
- B. The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;
- C. The right of the Association to levy assessments as provided in this Declaration;
- D. The Declarant's General Easement set forth below.
- E. The rights of the Association and Declarant reserved under this Declaration; and
- F. Any of the other rights of the Declarant and any and all of its designees, successors or assigns under the Declarant's Reserved Easements (as described below) or this Declaration.

This Section 2 may not be amended without the written consent of Declarant during the time that Declarant owns any property subject to this Declaration.

Section 3. Declarant's Reserved Easement. Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege, and easement with respect to any property in the Development, for the benefit of Declarant and its designees, successors and assigns over, under, in, and on the Development, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment and otherwise dealing with the Development and any other property now owned or which may in the future be owned by Declarant (collectively, "Declarant's Reserved Easements"). The Declarant's Reserved Easements shall constitute a burden on the title to all or any portion of the Development and specifically includes, without limitation:

- A. the right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, and in all or any portion of the Development; and, the right to tie into any portion of the Development with driveways, parking areas, Streets, the Drainage System and walkways; and, the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over all or any portion of the Development;
- B. the right to construct, install, replace, relocate, maintain, repair, use and enjoy signs, model residences, sales offices or trailers, construction offices or trailers, and business offices or

trailers as, in the sole opinion of Declarant, may be required, convenient or incidental to the construction and sale by Declarant of residences in all or any portion of the Development or in any portion of the Additional Land;

- C. the right to maintain a sales and marketing office or trailer for the Development within the Common Area without cost to Declarant until Declarant no longer owns any Lots in the Development; and,
- D. the Declarant's General Easement as described below.

No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property within the Development, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quitclaim deed or other assignment of rights from or by Declarant releasing such right, privilege, or easement by express reference thereto with respect to all or any portion of the Development. Declarant may grant to a builder of Lots within the Development similar rights as granted to Declarant under (B) and (C) above.

This Section 3 may not be amended without the advance written consent of Declarant as long as Declarant owns any portion of the Real Estate.

Section 4. Association's Rights and Obligations

- A. The Association shall have the obligation to manage, repair, maintain, improve and operate the Common Area and to perform all additional obligations described in this Declaration.
- B. The Association shall have the right to mortgage all or any portion of the Common Area, over or under the Common Area, for the purpose of securing a loan of money to be used for any of the purposes specified in subsection 3 A. herein above, provided that the rights of such mortgagee in the Common Area shall be subordinate to the rights of the Owners under this Declaration, and provided, further, that the mortgagee shall have received the prior written approval specified herein below.
- C. The Association shall not have the right to dedicate or transfer all or any part of the Common Area to any governmental subdivision or public agency or utility, or to grant permits, licenses, or easements over the Common Area except for granting the Town or municipality the Street right-of-way (R/W) shown on the plats and plans and demarcated as being 50' across; provided, however, that any such dedication be fully consistent with the Declarant's General Easement, and such other Easements as created in this Declaration.
- D. The Real Estate shall be subject to easements of record on the date the various portions thereof become subject to this Declaration, and to any easements in the Common Area which may be granted by Declarant prior to the Applicable Date.
- E. Anything herein apparently to the contrary notwithstanding, except as otherwise expressly herein provided, no abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Area or other common property or any part thereof shall be effective unless it shall have received the prior written approval specified herein below. However, the Common Area may not be developed in any manner with housing or otherwise. The only improvements which may be erected on any Common Area may only be those facilities which benefit the use of the Common Area by the Owners or which are necessary for the

operation of the utilities and technological infrastructure and devices installed by Declarant or directed to be installed by Declarant.

F. The Association shall also be responsible for and shall perform the following items:

1. Roof and roof structure maintenance and repair;
2. Exterior vinyl siding maintenance and repair;
3. Exterior brick maintenance and repair;
4. Exterior wood trim maintenance and repair;
5. Patio fence maintenance and repair
6. Annual mulching and pruning of all planting beds in front of all Lots;
7. Maintain, replace and prune all trees adjoining the streets, dedicated or otherwise, and in yards in front of all of the Lots and in rear alleyways not within patio spaces;
8. Maintain, meter and service all lawn irrigation systems for any Lots;
9. Paint, but not repair or replace all garage doors as needed;
10. Paint, but not repaint or replace all front doors and patio doors of all Lots;
11. Keep the shrubs and other plantings in the front planting beds of each Lot weeded and replace as needed but not later than the next growing season any plants located therein with similar or like plants;
12. Mow and fertilize as needed all lawns and Common Areas; and
- 13.
14. Snow removal from all sidewalks to front door and garage, and all streets and alleyways (but not front porch or rear patio areas) at snowfall event limits established by the Board of Directors.

Section 5. Owner's Rights and Obligations.

- A. Each Owner shall be responsible for the upkeep and maintenance of his or her Home and all other areas, features or parts of his Lot to the extent not otherwise maintained by the Association.
- B. In the event any Owner does not adequately perform any maintenance obligation provided in this section 5, as determined in the sole discretion of the Association, the Association may, but shall not be obligated to, perform any such maintenance on the Owners behalf. Owner shall be assessed any and all costs incurred for such additional maintenance.
- B. Each Owner shall be responsible for and shall perform the following items:
- (1) Maintenance, repair and replacement of the interior drywall, including ceilings;
 - (2) Maintenance, repair and replacement of all doors in the Home, including the garage door, patio door and front door, pursuant to the design and material requirements hereunder;
 - (3) Maintenance, repair and replacement of all sidewalks, walkways, patio surfaces and driveways located on their Lot pursuant to the design and material requirements hereunder.

- (4) Maintenance, repair and replacement of any and all windows of the Home pursuant to the design and material requirements hereunder.
- (5) Proper operation of the front yard light, front porch recessed lighting, and rear garage coach lights, including replacement of the light bulbs.

Section 6. Declarant's Rights. Declarant shall have the same rights as any other Owner as to Lots owned by it from time to time, except as otherwise specified herein. In addition, until the last single numbered parcel of land shown upon, and identified as a Lot on any recorded plat(s) of the Real Estate (whether heretofore or hereafter recorded), including, without limitation, the Initial Plat is conveyed to an Owner other than Declarant, or until the Applicable Date (whichever event shall first occur), Declarant shall have the right and easement over the Common Area for the completion of improvements and making repairs to improvements (whether on the Common Area, or upon unsold Lots, or upon other portions of the Real Estate, and the right to maintain signs upon the Common Area and any other portions of the Real Estate other than Lots owned by an Owner other than Declarant) for the purpose of marketing homes, and to invite and escort the public thereon for such purpose.

Section 7. Non-Dedication to Public Uses. Nothing contained in this Declaration or in any subdivision plat of any part of the Real Estate shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to the public or to or for any public use or purpose whatsoever, all of such Common Area being reserved to the Owners and the Association as provided in this Declaration, but subject, however, to the rights of the Association and the Declarant to thereafter dedicate portions of such Common Area to the public or to or for public uses or purposes but only to the extent, and upon all of the conditions, set forth in this Declaration.

Section 8. Easement for Unintentional Encroachment. Notwithstanding any other provisions contained herein, in the event that any Home or any improvement to any Home encroaches upon any part of the Common Area, as a result of construction, reconstruction, repair, shifting, settlement or movement of any part of the Real Estate, then a perpetual easement appurtenant to such encroaching Home shall exist for the continuance of any such encroachment on the Common Area.

Section 9. Title to Common Area. Declarant hereby covenants that it shall convey and transfer the Common Area included in and constituting a part of the Real Estate to the Association prior to Declarant's resignation as a Class B member. The Common Area so conveyed by Declarant to the Association shall, at the time of such conveyance, be subject to all easements, covenants, conditions, limitations and restrictions then of record, but shall be free and clear of all liens and financial encumbrances other than the lien of the then current non-delinquent installment of real estate taxes and assessments and subsequent installments thereof which shall thereafter be paid when due by the Association.

ARTICLE V ASSESSMENTS

Section 1. Personal Obligations. Each Owner of a Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed therein, shall be and is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, which shall be payable in regular installments, for the payment or provision of all expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Area and all other expenses incurred or to be incurred by the Association for or in connection with the performance by the Association of its

duties, obligations and responsibilities under this Declaration, which expenses may include, but shall not be limited to, the expenses and costs of liability insurance for the Common Area and any other common property; snow removal, and trash removal (if provided by the Association); street lighting (if provided by the Association); and an adequate reserve fund for the periodic maintenance, repair and replacement of those improvements and elements of the Common Area and any other property that must be maintained, repaired or replaced on a periodic basis and which the Association may be obligated to maintain, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any assessments authorized herein, together with interest, costs and reasonable attorneys' fees, shall be a continuing lien from the first day of January (for annual assessments) and from the date the first installment is payable (for special assessments) against the Lot assessed. Such annual assessments shall be due and payable in a lump sum in advance of such twelve month periods or if the Association so allows, in twelve (12) equal monthly installments on the first day of each and every month or, if so determined by the Association, in such other periodic installments as may be specified by the Association. Each assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot on the date said assessment became due and payable. Said personal obligation of an Owner shall not pass to his successors in title or interest unless expressly assumed by them or unless, prior to such transfer, a written notice of the lien for such assessments shall have been recorded in the office of the Recorder of Hamilton County, Indiana. No Owner shall escape liability for the assessments which fell due while he was the Owner by reason of non-use of the Common Area or non-use, transfer or abandonment of his Lot or Home.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and residents of the Real Estate, to construct, manage, improve, maintain, repair and administer the Common Area and Amenities contracting for services for the benefit of the Owners, and for payment of any other costs and expenses incurred by the Association in connection with the performance of its duties, obligations and responsibilities hereunder. An adequate reserve fund shall be maintained for working capital and for the periodic maintenance, repair and replacement of those improvements and elements of the Common Area, Amenities and any other property that must be replaced on a periodic basis. Such reserve fund shall be maintained out of the regular annual assessments.

Section 3. Annual Assessments. From and after December 31, 2004, the maximum annual assessments may be increased each year not more than ten percent (10%) above the maximum assessments permitted for the previous year, on a cumulative basis, without a vote of membership. From and after December 31, 2004, the maximum annual assessments may be increased by more than ten percent (10%) above the maximum assessments permitted for the previous year by a vote of two thirds (2/3) of the total votes of the Members who are voting in person or by proxy, at a meeting called for this purpose. The Board of Directors may fix the annual assessments at any amount not in excess of the maximum permitted hereby.

Section 4. Reserve Fund Contribution. Each time a membership unit or ownership of a Lot is transferred, conveyed or otherwise changes ownership, a Reserve Fund contribution from the incoming member/owner for the maintenance and repair of the infrastructure in the Development in an amount as determined by the Association, and shall be collected at the time such ownership is transferred. Such contributions shall be deposited in an account separate from the operating funds of the Association.

Section 5. Special Assessments In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement, or maintenance of the Common Area, Amenities or other such property/improvements for which the

Association is responsible, provided that any such assessment shall have the assent of not less than two thirds (2/3) of the total votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum. Written notice of any meeting of Members called for the purpose of taking any action authorized under Article V shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the opening of such meeting, the presence in person or by proxy of Members entitled to cast sixty percent (60%) of the total votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at any subsequent meeting shall be one half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. Annual assessments shall be collected in a lump sum or, if the Association so chooses, on a monthly basis (or other periodic basis, if and as determined by the Board) and special assessments shall be collected as the Board determines.

Section 8. Commencement of Initial Annual Assessments. The annual assessments provided for herein shall commence as to each Lot subjected to this Declaration on the first day of the month following the month of recording of the instrument by which such Lot is conveyed to an Owner who will occupy the single family home constructed upon such lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year for which such assessment is imposed.

Section 9. Commencement of Annual Assessments By November 1st of each year the Board shall fix the amount of annual assessments against each Lot for the following calendar year and shall send written notice thereof to each Owner. The due date for payment of annual assessments shall be as set by the Board. At the time the Board fixes the amount of annual assessments it shall adopt a budget for the following calendar year and cause a copy of such budget in reasonable detail to be furnished to each Owner.

Section 10. Proof of Payment Upon written demand of an Owner or Mortgagee, at any time and for a reasonable charge, the Association shall furnish a written certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's or Mortgagee's Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments not stated therein as unpaid.

Section 11. Non-Payment of Assessments. Any assessments which are not paid when due shall be deemed delinquent. If an assessment is not paid within thirty (30) days after the delinquency date, it shall bear interest from the delinquency date at the rate of eighteen percent (18%) per annum and shall become a continuing lien in favor of the Association on the Lot against which assessed and the improvements thereon, and the Association may bring an action at law or in equity against the person personally obligated to pay the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action, and the Association may also enforce and foreclose any lien it has or which may exist for its benefit.

Section 12. Recording and Enforcement of Liens. To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot, the name of

the person personally obligated to pay the same and a description of the Lot. Such a notice shall be signed by an officer of the Association and it or a notice of lien or adverse claim thereof may be recorded in the office of the Recorder of Hamilton County, Indiana. No notice of lien shall be recorded until there is a delinquency in payment of the assessment for thirty (30) days. Upon such a delinquency for thirty (30) days, the Association shall proceed promptly to enforce the lien or, in its discretion, to sue the person personally liable to pay the lien for the delinquency. Such lien shall be enforced by action in the same manner in which mortgages on real property may be foreclosed in Indiana. In any such foreclosure, the person personally obligated to pay the lien shall be required to pay all costs of foreclosure including reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The person personally obligated to pay the lien shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the foreclosed interest in the Lot as the Owner thereof. The Association shall, upon written request, report to any Mortgagee of a Lot any assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided, however, that such Mortgagee first shall have furnished to the Association written notice of the Mortgage under which it claims and its notice address.

Section 13. Assignment. The Association may assign the lien rights provided herein to any provider of Intranet or Security Monitoring Services, so long as the services are provided for the benefit of the Owners.

Section 14. Subordination of Lien. The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage ("First Mortgage") and to tax liens and liens for special assessments in favor of any taxing and assessing unit of government. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or remedies provided in a First Mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to charges which were payable prior to such sale or transfer. No such sale or transfer shall relieve a Lot from liability for any assessments thereafter becoming payable or from the lien thereof or shall relieve the person personally obligated to pay the same or from personal liability for assessments payable prior to such sale or transfer or acquisition. Any delinquent assessments, the lien for which is extinguished by reason of this provision, may be reallocated and assessed to all Lots as a common expense.

Section 15. Limitations on Assessments Owed by Declarant. Notwithstanding anything to the contrary contained herein, neither Declarant nor Estridge Custom Homes shall be obligated to pay, as to any and all Lots owned by them from time to time, any assessments (whether regular annual assessments or special assessments) payable hereunder by Owners.

ARTICLE VI ARCHITECTURAL CONTROLS

Section 1. The Architectural Review Board. An Architectural Review Board ("Architectural Review Board") consisting of two (2) or more persons shall be appointed by the Declarant. Following the end of the Development Period, the Architectural Review Board shall be appointed by the Board of Directors.

Section 2 Purpose. The Architectural Review Board shall regulate the external design, appearance, use, location, and maintenance of the Real Estate and of improvements thereon in such

manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements, and the natural vegetation and topography.

Section 3. Conditions. Except as otherwise expressly provided in this Declaration, no improvements, alterations, repairs, change of colors, excavations, changes in grade, planting, or other work that in any way alters any Lot or the exterior of the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by Declarant to an Owner shall be made or done without the prior approval of the Architectural Review Board of a Lot Development Plan therefor. Prior to the commencement by any Owner other than Declarant of (i) construction, erection or alteration of any Home, building, fence, wall, swimming pool, tennis court, patio or other structure on a Lot, or (ii) any plantings on a Lot, a Lot Development Plan with respect thereto shall be submitted to the Architectural Review Board, and no building, fence, wall, Home or other structure shall be commenced, erected, maintained, improved, altered, made or done, or any plantings made, by any person other than Declarant without the prior written approval of the Architectural Review Board of a Lot Development Plan relating to such construction, erection, alteration or plantings. Such approval shall be in addition to, and not in lieu of, all approvals, consents, permits and/or variances required by law from governmental authorities having jurisdiction over Hunters Creek, and no Owner shall undertake any construction activity within Hunters Creek unless all legal requirements have been satisfied. Each Owner shall complete all improvements to a Lot strictly in accordance with the Lot Development Plan approved by the Architectural Review Board. As used in this Section (3), "plantings" does not include flowers, bushes, shrubs or other plants having a mature height of less than eighteen (18) inches.

Section 4. Procedures. In the event the Architectural Review Board fails to approve, approve with conditions, or disapprove in writing a Lot Development Plan within sixty (60) days after notice of such Plan has been duly filed with the Architectural Review Board in accordance with procedures established by the Board of Directors, the request will be deemed denied. A decision of the Architectural Review Board (including a denial resulting from the failure of the Architectural Review Board to act on the Plan within the specified period) may be appealed to the Board of Directors, which may reverse or modify such decision by a two thirds vote of the Directors then serving.

Section 5. Guidelines and Standards. The Architectural Review Board shall have the power to establish and modify from time to time such written architectural and landscaping design guidelines and standards as it may deem appropriate to achieve the purpose set forth in Section 2 to the extent that such design guidelines and standards are not in conflict with the specific provisions of the Declaration. Any such guidelines or standards may be appealed to the Board of Directors which may terminate or modify such guideline or standard by a two-thirds (2/3) vote of the Directors then serving.

Section 6. Application of Guidelines and Standards. The Architectural Review Board shall apply the guidelines and standards established pursuant to Section 5 in a fair, uniform and reasonable manner consistent with the discretion inherent in the design review process. In disapproving any Lot Development Plan, the Architectural Review Board shall furnish the applicant with specific reasons for such disapproval and may suggest modifications in such plan which would render the plan acceptable to the Architectural Review Board if resubmitted.

Section 7. Exercise of Discretion. Declarant intends that the members of the Architectural Review Board exercise discretion in the performance of their duties consistent with the provisions of Section 6, and every Owner by the purchase of a Lot shall be conclusively presumed to have consented to the exercise of discretion by such members. In any judicial proceedings challenging a determination by the Architectural Review Board and in any action initiated to enforce this Declaration in which an abuse of discretion by the Architectural Review Board is raised as defense, abuse of discretion may be established

only if a reasonable person, weighing the evidence and drawing all inferences in favor of the Architectural Review Board, could only conclude that such determination constituted an abuse of discretion.

ARTICLE VII
OTHER RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. The Common Area. The Association, subject to the rights and obligations of the Owners as set forth in this Declaration, shall be responsible for, and be vested with, the exclusive management and control of the Common Area, Streets (except as otherwise provided for by virtue of the dedication of the Streets in accordance with this Declaration, any Amenities and all improvements (if any) thereon (including equipment related thereto), and shall keep the same in good order and repair. Such responsibility (to the extent the same is not otherwise herein declared or stated to be the obligation or responsibility of Owners of Lots) shall include, but not be limited to, the maintenance and repair of the Common Area, Streets (except as otherwise provided for by virtue of the dedication of the Streets in accordance with this Declaration, any Amenities, and all other improvements or material located within or used in connection with the Common Area, except for the maintenance of the Intranet Network and any other Utility Services installed in the Common Area and dedicated rights-of-way by Declarant or provided by Declarant. The Association shall maintain the fences installed by the Declarant as well as the common area landscaping, which shall include walls and signage installed by the Declarant in either the Common Area or the Landscape Easement.

Section 2. Services. The Association may obtain and pay for the services of any persons or entities, to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Real Estate, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Real Estate, the enforcement of this Declaration or any proceedings or controversy in which the Board determines it is necessary or advisable to have professional advice. The Association may arrange with others to furnish trash collection and other common services to each Lot. Any agreement for professional management of the Real Estate, must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice and by either party for cause upon thirty (30) days or less written notice and shall have a maximum contract term of one (1) year, but may be renewable by agreement of the parties for successive one-year terms.

Section 3. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. Such beneficial interest shall not be transferable except with the transfer of title to a Lot, provided that an Owner may delegate his right of enjoyment of such personal property (if any) to any resident of his Lot. A transfer of title to a Lot shall transfer to the transferee ownership of the transferor's beneficial interest in such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Lot under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Lot.

Section 4. Hazard and Liability Insurance for Common Property. The Association shall procure extended coverage insurance on the Common Area, reconstruction of such insurable Common Areas and other common property, including insured improvements. The cost of such insurance shall be assessed as provided in Article V above. Holders of First Mortgages ("First Mortgagees") on Homes, jointly or singly, may pay overdue premiums on hazard insurance policies, or may secure new hazard insurance

coverage on the lapse of a policy, for the Common Area and other common property, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. The Association is authorized to enter into an agreement in favor of all First Mortgagees of Homes establishing entitlement to such reimbursement.

Section 5. Hazard and Liability Insurance for Townhome Structures. The Association shall procure extended coverage insurance on the exterior structure in building components of the Home on each Lot in the Townhome Parcel, insuring damage, destruction and loss to the roof and all other exterior building components of each Home. The cost of such insurance shall be assessed as provided in Article V above. It shall be the individual responsibility of each Owner to procure and maintain extended coverage insurance on the contents of their Home, any and all other personal property located on their Lot, and for the interior walls (including interior portions of exterior walls) of their Home.

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ARTICLE IX
GENERAL RESTRICTIONS, OBLIGATIONS AND
RIGHTS APPLICABLE TO PROPERTY

Section 1. Home and Lot Restrictions. No more than one Home shall be erected or maintained on each Lot. No Home shall be used for purposes other than as a single-family residence, nor shall any trade or business of any kind be carried on within a Home or upon a Lot, nor shall any Lot or any part thereof be leased, sublet, assigned or suffered to be used for transient occupancy, provided that none of the following activities shall be considered a violation of this covenant:

- A. The maintenance of model Homes and business and sales offices by Declarant or their designated Builders during the construction and sale periods.
- B. The maintenance of offices by the Association or its designated manager for purposes of managing of the Real Estate.
- C. Lease, rental or use of a Home for purposes consistent with this Section.
- D. The use of a Home by an Owner for home occupation purposes to the extent permitted by applicable zoning ordinances.

Section 2. Building Setback Lines and Easements. Building setback lines and easements are established on the Plat. No building or structure shall be erected or maintained between said setback lines and the front, rear or side lot line (as the case may be) of said Lot. No building or structures may be placed inside of Easements.

Section 3. Outbuildings. No trailers, shacks, mini barns, play houses/forts, outhouses, detached storage sheds or tool sheds of any kind shall be erected or situated on any Lot, except that used by a builder during the construction of a Home, which temporary construction structures shall be promptly removed upon completion of construction of the Home.

Section 4. Access. All Lots shall be accessed from the interior streets of the Real Estate.

Section 5. Trash. No Lot shall be used or maintained as a dumping ground for trash. Rubbish, garbage or other waste shall be kept in sanitary containers. All equipment for storage or disposal of such materials shall be kept clean and shall not be stored on any Lot in open public view. All rubbish, garbage or other waste shall be regularly removed from a Lot and shall not be allowed to accumulate thereon.

Section 6. Tanks. No gas or oil storage tanks may be permanently used in connection with any Lot.

Section 7. Obstruction. There shall be no obstruction of the Common Area, nor shall anything be kept or stored on any part of the Common Area without the prior written consent of the Association except construction materials and equipment during the construction period or except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Area except upon the prior written consent of the Association.

Section 8. Prohibition of Damage and Certain Activities. Nothing shall be done or kept on any Lot or in any Home or on or in any Common Area or any part thereof which would increase the rate of insurance on the Real Estate or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept on any Lot or in any Home or on or in any Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof or of the exterior of the Real Estate and buildings thereon shall be committed by any Owner or any invitee or tenant of any Owner and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees or tenants, to the Association and other Owners. No noxious, destructive or offensive activity shall be allowed in any Homes, on any Lots or in the Common Area or any part thereof, nor shall anything be done thereon which may be or may become a nuisance to any other Owner or to any other person at any time lawfully residing on the Real Estate.

Section 9. Animals. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in or on any Lot, except that household pets may be kept on Lots, subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purposes; provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Real Estate subject to these restrictions upon three days' written notice from the Board, and provided further, that upon written request of twenty-five percent (25%) of the voting power of the Association, the Board of Directors shall have the authority to, and shall order the removal of, any pet.

Section 10. Storage. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, outdoor cooking equipment, yard and garden tools and equipment and trash and garbage containers, shall not be allowed unless approved by the Architectural Review Board. The storage or collection of rubbish of any character whatsoever, any material that emits foul or obnoxious odors, the growing of any noxious or illegal weed or other natural substance, and the harboring of the source of any noise or activity which disturbs the peace, comfort or serenity of residents is prohibited. Usual household trash and garbage shall be regularly collected and may not be kept outside. Notwithstanding the foregoing, no boats, snowmobiles, recreational vehicles, trailers, camping vehicles, buses, mobile homes, tractor/trailers, trucks, motorcycles, mini-bikes, mopeds, unlicensed or inoperable vehicles, or any other vehicles of any description other than normal passenger automobiles (including station wagons and small trucks such as pickups, sport utility vehicles and vans) shall at any time be

stored or parked on any Lot outside of a garage, or on any street within the Real Estate, or on any part of the Common Area, either permanently or temporarily.

Section 11. On-Street Parking. On-street parking is permitted on only one side of the street. On north-south running streets, parking shall only be permitted on the west side of the street. On east-west running streets, parking shall only be permitted on the north side of the street. Vehicles shall park in the same location for no more than 72 consecutive hours. Parking is not permitted within the alley except on private driveways. Where driveways empty upon streets, no parking is permitted on the street directly opposite of a driveway.

Section 12. Rentals. Any lease between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. No Home or Lot may be leased for a period of less than 90 days. Other than the foregoing, there shall be no restrictions on the right of any Owner to lease his Home.

Section 13. Rules and Regulations. The Board may adopt, and may amend, modify, rescind and cancel, such other rules and regulations from time to time governing the use and enjoyment of the Real Estate, including the Common Area, as the Board in its sole discretion deems appropriate or necessary which rules shall not limit the ability of the Members to use each and every Common Area.

Section 14. Occupancy or Residential Use of Partially Completed Home Prohibited. No Home shall be occupied or used for residential purposes or human habitation until it shall have been substantially completed for occupancy in accordance with the approved building plan. The determination of whether the Home shall have been substantially completed in accordance with the approved building plan shall be made by the Committee and such decision shall be binding on all parties.

Section 15. Other Restrictions. The Real Estate shall be subject to the easements, restrictions and limitations of record, and to all governmental zoning authority and regulations affecting the Real Estate.

Section 16. Right to Perform Certain Maintenance. In the event that the Owner of any Lot in the Real Estate shall fail to maintain his Lot and any improvements situated thereon in accordance with the provisions of this Declaration, Declarant shall have the right, but not the obligation, by and through its agents and employees or contractors, to enter upon said Lot and repair, clean or perform such other acts as may be reasonably necessary to make such Lot and improvements thereon, if any, conform to the requirements of this Declaration. The cost therefor to Declarant shall be collected in a reasonable manner from Owner. Declarant or its agents, employees or contractors shall be liable for any damage which may result from any maintenance work performed hereunder. Upon the Applicable Date, the Association shall succeed to and be vested with the rights of the Declarant as provided for in this Section.

Section 17. Development and Sale Period. Nothing contained in this Article IX shall be construed or interpreted to restrict the activities of Declarant in connection with the development of the Real Estate and sale of Lots. Declarant shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities upon any portion of the Real Estate at any time owned or leased by Declarant, as in the sole opinion of Declarant may be reasonably required, or convenient or incidental to, the development of the Real Estate and sale of the Lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices.

ARTICLE X
RIGHTS FOR THE PROTECTION OF FIRST MORTGAGEES

Section 1. Precedence. The provisions of this Article take precedence over any other conflicting provisions of this Declaration.

Section 2. Notice of Action. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a First Mortgage on a Lot or Home and the address of such party (a holder of a First Mortgage on a Lot or Home who has so requested such notice shall be referred to herein as an "eligible mortgage holder" and an insurer or governmental guarantor of a First Mortgage on a Lot or Home who has so requested such notice shall be referred to herein as an "eligible insurer or guarantor"), any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

- A. Any condemnation loss or any casualty loss which affects a material portion of the project or any lot or Home on which there is a First Mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- B. Any delinquency in the payment of assessments or charges owed, or any other default in the performance of any obligation under the Declaration, By-Laws or Articles of Incorporation by an Owner of a Lot or Home subject to a First Mortgage held, insured, or guaranteed by such holder or insurer or guarantor, which remains uncured for a period of 60 days;
- C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- D. Any proposed action which would require the consent of a specified percentage of mortgage holders as specified in this Article; and
- E. Any default in the performance by the Owner of any obligation under the Declaration or By-Laws which is not cured within sixty (60) days.

Section 3. No Right of First Refusal. The right of an Owner to sell, transfer, or otherwise convey his Lot or Home will not be subject to any right of first refusal or any similar restriction in favor of the Association or other Owners.

Section 4. Liability for Unpaid Assessments. Any First Mortgagee who obtains title to or comes into possession of a Lot pursuant to the remedies provided in its First Mortgage or by foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale in connection with any such First Mortgage shall not be liable for the unpaid assessments of the Lot which were payable prior to the acquisition of title to or possession of such Lot by the First Mortgagee.

Section 5. Certain Amendments. In addition to other requirements set forth herein, unless at least seventy-five percent (75%) (or such higher percentage as is required by law or this Declaration) of the First Mortgagees of the Lots or their assigns (based upon one vote for each First Mortgage owned), and at least seventy-five percent (75%) (or such higher percentage as is required by law or this Declaration) of the Owners (other than any sponsor, developer, or builder, including the Declarant of the Lots (based upon one vote for each Lot owned) have given their prior written approval, neither the Association nor the Owner shall be entitled to:

- A. Terminate the legal status of the project (except in accordance with procedures set forth in this Declaration and the By-Laws in the event of amendment or termination made as a result of destruction, damage or condemnation);
- B. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area shall not be deemed such a transfer,
- C. Use hazard insurance proceeds for losses to any Common Area or other common property for other than the repair, replacement or reconstruction of such common property;
- D. Add or amend any material provisions of this Declaration which establish, provide for, govern or regulate any of the following:
 - (1) voting;
 - (2) assessments, assessment liens or subordination of such liens;
 - (3) reserves for maintenance, repair and replacement of the Common Area (or exterior maintenance of Homes if applicable);
 - (4) insurance or Fidelity Bonds;
 - (5) rights to use of the Common Area;
 - (6) responsibility for maintenance and repair of the several portions of the project;
 - (7) boundaries of any Lot;
 - (8) the interests in the general Common Area;
 - (9) leasing of Lots or Homes;
 - (10) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Lot or Home;
 - (11) any provisions which are for the express benefit of First Mortgage holders, eligible mortgage holders or eligible insurers or guarantors of First Mortgages on Lots, except in accordance with procedures set forth in this Declaration and the By-Laws in the event of amendment or termination made as a result of destruction, damage or condemnation or with respect to a reallocation of interests in the Common Area which might occur pursuant to any plan of expansion or phased development contained in this Declaration; or
- E. By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof pertaining to the architectural design or the exterior appearance of Home(s).

For purposes of this Section, an addition or amendment to such documents shall not be considered material if it is made (1) for the purpose of correcting clerical, typographical or technical

errors, (II) for clarification only, (III) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (IV) to induce any of the agencies or entities mentioned or referred to in subsection III herein above to make, purchase, sell, insure or guarantee First Mortgages covering Lots and Home(s), or (V) to bring such documents into compliance with any statutory requirements, and any such addition or amendment to such documents which is so considered not to be material may be made by Declarant acting alone and without the consent, approval or joinder of the Owners, the Association, any First Mortgagees, any other mortgagees or any other person.

An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or mail to the requesting party a negative response within 30 days shall be deemed to have approved such request.

Section 6. Examination of Books and Records. First Mortgagees and holders, insurers and guarantors of First Mortgages shall have the right to examine the books and records of the Association, as set forth more fully in the By-Laws.

Section 7. Payment of Taxes and Insurance. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area or other common property and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Area or other common progeny, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

Section 8. Designation of Representative. Any holder of a First Mortgage on a Lot or Home may designate a representative to attend meetings of members, but no such representative shall have any voting privileges unless such voting privileges have been granted to the holder of such First Mortgage by the Owner of the Lot involved.

Section 9. Distribution of Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the By-Laws shall be construed as giving to the Owner or to any other party priority over any rights of First Mortgagees of Lots pursuant to their First Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Common Area or other common property.

ARTICLE XI INSURANCE

Section 1. Maintenance of Insurance. Commencing not later than the time of the first conveyance of a Lot to an Owner other than Declarant, the Association shall maintain, to the extent reasonably available, the following insurance, all of which shall be issued by insurance carriers meeting at least the minimum requirements of, and shall otherwise comply with the requirements of the agencies and entities mentioned or referred to herein, to-wit

- A. Master or blanket type of policy of fire insurance with extended coverage endorsement (including vandalism, sprinkler leakage (if appropriate), debris removal, cost of demolition, malicious mischief, windstorm and water damage) insuring the Common Area (including all

of the fixtures installed therein). Said policy shall afford, as a minimum, protection against the following:

- (1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement,
- (2) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available.

The name of the insured under such policies must be set forth therein substantially as follows:

*"Hunters Creek Townhome Owners Association, Inc. for
the use and benefit of the individual Owners".*

The policies may also be issued in the name of an authorized representative of the Association, including any insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or insurance Trustee), as a trustee for each Owner and each such Owner's First Mortgagee. Each Owner and each such Owner's First Mortgagee, if any, shall be beneficiaries of the policy with respect to the Common Area equally with each other Lot. Policies must provide for the recognition of any insurance Trust Agreement.

If reasonably available, such policies shall include:

- (1) Agreed Amount Endorsement (or like endorsement);
 - (2) Inflation Guard Endorsement;
 - (3) Construction Code Endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement) if the project is subject to a construction code provision which would become operative and require changes to undamaged portions of the improvements, thereby imposing significant costs in the event of partial destruction of the project by an insured peril;
 - (4) Steam Boiler Coverage (if applicable) for loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000 per accident per location; and
 - (5) All such policies must provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Owners individually; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss.
- B. Worker's Compensation, occupational disease and like insurance (if the Association has eligible employees);

C. Comprehensive public liability insurance in such amounts and with such coverage as the Board of Directors shall from time to time determine, but at least:

- (1) covering events occurring anywhere on the Common Area (and public and private ways) or arising out of or in connection with the use, ownership or maintenance of the Common Area;
- (2) covering, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, and legal liability arising out of lawsuits related to employment contracts of the Association, and such other coverages as are customarily covered with respect to projects similar in construction, location, and use;
- (3) insuring each officer and member of the Board of Directors, the managing agent and each Owner and with cross liability endorsement to cover liabilities of the Owners as a group to an Owner and with a "Severability of Interest Endorsement" which would preclude the insurer from denying the claim of an Owner for the negligent act of another Owner, occupant or the Association; and
- (4) in amounts generally required by private institutional investors for projects similar in construction, location and use. (However, such coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence).

D. Such other insurance as the Board of Directors may determine.

E. All such policies must provide that they may not be changed or substantially modified by any party without at least 10 days' prior written notice to the Association and to each holder of a First Mortgage which is listed as a scheduled holder of a First Mortgage in the insurance policy.

Section 2. Owners' Individual Policies. Each Owner should carry, and shall be responsible for carrying, insurance for his own benefit insuring his personal liability, his Lot, his Home, and other personal progeny, and fixtures, furniture, furnishings, and other personal property, and fixtures and other property supplied or installed by him or a previous Owner or tenant.

Section 3. Insurance Trustee. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any Trustee with whom the Association may enter into any insurance Trust Agreement or any successor to such Trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Any insurance Trustee must be a corporation or association organized or authorized to do business under the laws of the State of Indiana, and authorized and permitted by its charter documents and by state law to conduct a trust business.

Section 4 Insurance Premiums. Insurance premiums for any blanket property insurance coverage, and the other insurance coverages purchased by the Association, shall be common expenses to be paid by assessments levied by the Association, and such assessments shall be held in a separate escrow account of

the Association and used solely for the payment of the blanket property insurance premiums and other insurance premiums as such premiums become due.

ARTICLE XII
EMINENT DOMAIN

Section 1. Representation. The Association shall represent the Owners in any condemnation proceedings and in any negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or part thereof, and by acceptance of a deed for his, her or its Lot, each Owner appoints the Association as such Owner's agent and attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or other trustee (such as a bank or title insurance company appointed as such by the Association), for the use and benefit of the Owners and their Mortgagees as their interests may appear.

Section 2. Reconstructions. In the event of a partial taking of the Common Area (or conveyance in lieu thereof) the Association shall promptly cause the remaining portions of the Common Area to be restored functionally and aesthetically to reasonably the same condition as before the taking, using so much of the proceeds of such taking for such purpose as shall be reasonably necessary. In the event of a total taking of the Common Area (or conveyance in lieu thereof), and the project is terminated by the election herein above required, the proceeds shall be allocated equally among each Lot, payable jointly to the Owners and mortgage holders thereof.

ARTICLE XIII
GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of these covenants and restrictions and of the provisions contained in the Articles of Incorporation and By-Laws of the Association may be by any proceeding at law or in equity instituted by the Association or by any Owner against any person (including the Association) violating or attempting to violate any covenant or restriction, either to restrain violation, to compel compliance, or to recover damages, and against the land, to enforce any lien created by these covenants; and, failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Attorneys' fees and costs of any such actions to restrain violation or to recover damages as determined by the court shall be assessable against and payable by any persons violating the terms contained herein. Not action taken under this Section shall interfere with the rights of the Declarant, its successors, assigns and devisees to enforce a violation of these Declarations under Article XVI.

Section 2. Mergers. Upon a merger or consolidation of the Association with another corporation as provided in its Articles and By-Laws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or corporation, or, alternatively, the properties, rights and obligations of another corporation may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established upon any other properties in one scheme. No such merger or consolidation, however, shall effect any revocation, change or additions to the covenants established by this Declaration within the Real Estate, except as herein above provided.

Section 3. Severability. Invalidation of any one or more of these covenants or restrictions by legislation, judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Notices. Any notice required to be sent to any Member of the Association under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member appearing on the records of the Association at the time of such mailing.

Section 5. Interpretation of Headings. All headings in the Declaration are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Declaration. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and *vice versa*, as the context requires. The introduction paragraph and recitals set forth above shall form a part of this Declaration. The term "including" or terms of similar import, shall mean "including, without limitation" of its equivalent whenever used herein, and shall not limit the generality of any description preceding such term. Reference to any agreement, document or instrument means such agreement, document or instrument, as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof. The term "or" is not exclusive. Terms such as "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Declaration as a whole, and not to any particular article, section, paragraph or provision.

Section 6. Construction. In the event of an apparent conflict between this Declaration and the By-Laws, the provisions of this Declaration shall govern.

Section 7. Complete Agreement. This Declaration, the schedules and exhibits hereto, together with all other agreements, documents, releases, schedules, exhibits and other writings incorporated into this Declaration shall constitute the complete and exclusive statement of agreement among the parties with respect to their subject matter.

Section 8. Obligation of Good Faith. The parties shall, in the performance of all obligations under this Declaration be obligated to act in good faith with one another in the performance of their duties hereunder; provided, however, that this provision shall not be construed to limit or lessen any higher duties which may exist between the parties by contract, operation of law or otherwise, to the extent any such higher duties may exist.

ARTICLE XIV AMENDMENT

Except as hereinafter provided, this Declaration may be amended during the initial term provided above by an instrument signed by not less than seventy-five percent (75%) of the Owners and thereafter by an instrument signed by not less than sixty percent (60%) of the Owners. Certain amendments also require additional approval as specified in this Declaration.

The foregoing notwithstanding, none of the rights or duties of Declarant reserved or set out hereunder may be amended or changed without Declarant's prior written approval, as the case may be, so long as Declarant owns a Lot or Lots. The foregoing notwithstanding, this Declaration may also be amended by Declarant at any time prior to the Applicable Date if it has an ownership interest in the Real Estate.

ARTICLE XV
PARTS OF THE PROPERTY

Section 1. Granting of Permits, Licenses and Easements. The Association is granted the authority to grant permits, licenses and easements over the Common Areas for roads, access and other purposes necessary for the proper operation of the Development as provided herein.

The Declarant shall retain and reserve and is hereby granted the authority to grant permanent easements for the use and enjoyment of the Common Area or portions thereof to any Owners, their families, tenants, guests, and homeowner associations and members of such homeowner associations of real estate adjacent or contiguous to the Real Estate (collectively the "Adjacent Owners") and to provide for the cost of maintenance and operation thereof including payments of joint assessments by such Adjacent Owners upon terms and conditions the Declarant deems appropriate ("Adjacent Owners Easement and Maintenance Agreement").

Section 2. Reservation of Rights to the Use of the Real Estate.

A. Plat Easements. In addition to such other easements created in the Declaration or in a supplemental declaration, and as may be created by the Declarant pursuant to other written instruments recorded in the Office of the Recorder of Hamilton County, Indiana, the Real Estate shall be subject to drainage easements, sanitary sewer easements, utility easements, and dedicated street rights-of-way, either separately or in any combination thereof, shown on the plats for the Development which are reserved for the use of Declarant, the Association, the Owners and public and quasi-public and governmental agencies, respectively, as follows:

- (1) Drainage Easements. (D.E.) are created for the limited purposes of providing paths and courses for area and local storm drainage, either over land or in an adequate underground conduit, to serve the needs of the Development and adjoining ground and/or public drainage systems, and it shall be the Association's responsibility to maintain the drainage across the Common Area in the Development. The Drainage Easements are marked, either separately or in combination, on the Plat as "Drainage Easement" or "D.E.". Said areas are subject to construction or reconstruction solely to obtain adequate drainage at any time by any governmental authority having jurisdiction over drainage on the Real Estate, by Declarant and by the Association; provided, however, such easement shall not confer in any way any obligation to perform such construction or reconstruction upon the Declarant or the Association. Under no circumstances shall said easement be blocked in any manner by the construction or reconstruction of any improvement. The Owner of any Lot subject to a Drainage Easement shall be required to keep the portion of said Drainage Easement on the Lot free from obstructions so that the surface water drainage will be unimpeded. The Drainage Easement is created and reserved (i) for the use of Declarant during the Development Period for access to and installation, repair or removal of a drainage system, either by surface drainage or appropriate underground installations, for the Real Estate and adjoining property, and (ii) for the use of the Association and for access to and maintenance, repair, and replacement of such drainage system. Drainage swales, (ditches) located within Drainage Easements shall not be altered, dug out, filled in, tiled in or otherwise changed without the written consent of the Hamilton County Drainage Board and/or any other governmental authority having jurisdiction over drainage on the Real Estate (the "Drainage Board"). Owners must maintain these swales as sodded grass ways or other non-eroding surfaces. Owners violating the Drainage Easement will be subject to action by the Drainage Board which

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may include the Drainage Board restoring such swale to the proper state which cost shall be the responsibility of the Owner. There is a part of the Real Estate on the Plat marked "Common Area." The Common Area shall be used (i) for storm water retention drainage purpose; (ii) for the aesthetic and visual enjoyment of the Owners of Lots and, (iii) following the end of the Development Period, for such purposes allowed herein.

- (2) Utility Easements (U.E.) - Are created (i) for the exclusive use of the local governmental agency having jurisdiction over the sanitary waste disposal system of said town, city and/or county designated to serve the Development for the sole purpose of installation and maintenance of sewers that are part of said system. Each Owner of a Lot must connect with any public sanitary sewer available. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant, its designees, successors or assigns.
- (3) Streets. The rights-of-way "R/W" (denoted on the plats and plans as drives, streets and courts and with the streets being demarcated as being 50' across) (hereinafter referred to as the "Streets") as shown on the Plats and Plans shall be subject to a limited dedication to the public for only roadway purposes by specific notation on the plat or by separate instrument. Any dedicated Streets shall be subject to the Declarant's Reserved Easements.
- (4) Landscape Easement. The "Landscape Easement" ("L.E.") shall only be used for landscaping purposes and the landscaping located within the easement may be maintained by the Association, and the Association shall have an easement of ingress and egress on and over such area for the purpose of maintenance. The landscaping and other improvements planted or installed by the Declarant and/or the Association in this area may not be removed by an Owner, and no fence shall be placed in such area by an Owner, except as approved by the Association or the Declarant.

All plat easements mentioned herein include the right of reasonable ingress and egress for the exercise of other rights reserved. No structure, including fences, shall be built on any drainage, sewer, or utility easement if such structure would interfere with the utilization of such easement for the purpose intended or violate any applicable legal requirement or the terms and conditions of any easement specifically granted to a Person who is not an Owner by an instrument recorded in the office of the Recorder of Hamilton County, Indiana, but a paved driveway necessary to provide access from a public street and a sidewalk installed by or at the direction of the Declarant (and replacements thereof) shall not be deemed a "structure" for the purpose of the plat easements set forth herein.

C. Other Easements.

- (1) Public Health and Safety Easements. An easement is hereby created for the benefit of, and granted to, all police, fire protection, ambulance, delivery vehicles, and all similar Persons to enter upon the Common Area in the performance of their duties.
- (2) Drainage Board Easement. An easement is hereby created for the benefit of, and granted to, any Drainage Board to enter the Property and to the extent necessary to exercise its rights with respect to any legal drain constituting a part of the drainage system, ponds, or lakes located on the Property.

- (3) **Crossing Underground Easements.** Easements utilized for underground service may be crossed by driveways, walkways, and paths provided prior arrangements are made with the Declarant. Such easements as are actually utilized for underground service shall be kept clear of all other improvements, including buildings, patios, or other pavings, other than crossing driveways, walkways or paths, and the Declarant shall not be liable for any damage done by Declarant or Declarant's assigns, agents, employees, or servants to shrubbery, trees, flowers, or other improvements of the Association or Owners located on the land covered by said easements.
- (4) **Declarant's Easement to Correct Drainage.** For a period of ten (10) years from the date of conveyance of the first unit in the Development, Declarant reserves a blanket easement and right on, over and under the ground within the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance; provided; however, such easements and rights shall not in any way confer any obligation to perform such maintenance or repair upon the Declarant. Such right expressly includes the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which Declarant shall restore the affected property to its original condition as nearly as practicable. Declarant shall give reasonable notice of its intention to take such action to all affected Owners, unless in the opinion of Declarant an emergency exists which precludes such notice.
- (5) *Association's Easement to Perform Necessary Maintenance. Declarant hereby grants and conveys to the Association, a perpetual blanket easement and right on, over and under the ground within the Property to perform any maintenance provided in the Declaration, where (i) such maintenance is necessary to maintain reasonable standards of health, safety, or appearance, or (ii) where such maintenance is reasonably necessary to maintain or repair any Exterior Home Improvement or Facilities; and (iii) where such maintenance or repair is reasonably necessary to maintain continued utility service to any Home; provided; however, such easements and rights shall not in any way confer any obligation to perform such maintenance or repair upon the Association or the Declarant.*
- (5) **Water Retention.** The Association and each Owner consents to the temporary storage (detention) of storm water within the Drainage Easements (D.E.) on the Property.

Section 3. Easement for Public and Quasi Public Vehicles. All public and quasi-public vehicles, including, but limited to, police, fire, and other emergency vehicles, trash and garbage collection, post office vehicles, and privately-owned delivery vehicles shall have the right to enter upon the streets and Common Area of the Development in the performance of their duties.

ARTICLE XVI ENFORCEMENT

Section 1. Right of Action and Enforcement. The Association shall have a right of action against any Owner or Owners for failure to comply with any provision of this Declaration, the Bylaws of the Association, the Articles of the Association, or any rules, regulations, or decisions of the Association or its Board of Directors or any committee acting under the authority of the Association or its Board of Directors (the "Enforced Provisions"). The Enforced Provisions, as each may be amended from time to

time, may be enforced by the Association through court proceedings for injunctive relief, for damages or for both, including, without limitation, such relief as is set forth under Section 2 of this Article.

Section 2. Equitable Remedies. The rights and obligations set forth in this Declaration constitute unique and distinctive property rights and obligations which are not generally available or replaceable, and for which the payment of monetary damages may not be adequate compensation in the event of a violation of any Enforced Provision. Any violation of this Declaration, including, without limitation, any Enforced Provision by an Owner or any Person acting through or on behalf of an Owner may cause irreparable damage or harm to the Association which will be extremely difficult to measure: therefore, the Association shall have, jointly and severally, the right to temporary or permanent injunctive relief issued by a court of competent jurisdiction to (a) enjoin or restrain any Owner from a violation of this Declaration, and/or (b) instructing any Owner to act in accordance with the terms and provisions of this Declaration.

Section 3. Action by Association. Notwithstanding any provision in this Declaration to the contrary, any action to enforce this Declaration by the Association, including, without limitation, action taken in accordance with Section 1 or Section 2 of this Article shall only be taken by the Association if a majority of the members of the full Board of Directors of the Association vote in favor of such action; and, provided further, that any action by the Association be taken or commenced only after receiving the affirmative vote of the majority of a full Board of Directors.

Section 4. Costs and Attorneys Fees. Any proceeding arising because of failure (or an alleged failure) of an Owner to comply with any provision of this Declaration, including, without limitation, the Enforced Provisions, shall entitle the prevailing party to recover its costs and reasonable attorneys fees and expenses incurred in connection with any proceeding related to such default or failure or alleged default or failure.

ARTICLE XVII ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Annexation without Approval of Owners

- A. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property adjacent to the Development as the same exists from time to time whether in fee simple or leasehold, by filing in the Recorder's Office of Hamilton County, Indiana, an amendment annexing such property. Such amendment to this Declaration shall not require the vote or approval of any Owners. Any such annexation shall be effective upon the filing for record of such amendment unless provided herein.
- B. Declarant shall have the unilateral right to transfer to any other person the said right, privilege and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of said real property to be so annexed and that such transfer is memorialized in a written, recorded instrument.
- C. The rights reserved unto this Declarant to subject Additional Land to the Declaration shall not be implied or construed so as to impose any obligation upon Declarant to subject any of such Additional Land to this Declaration or to the jurisdiction fo the Association nor any

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obligation, if subjected, to build housing of the same type, design, or materials. If such Additional Land is not subject to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose covenants and restrictions similar to those contained herein upon such Additional Land, nor shall such rights in any manner limit or restrict the use to which such Additional Land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

Section 2. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, which upon conveyance or dedication shall be accepted by the Association and thereafter shall be maintained by the Association as a Common Expense for the benefit of all Owners.

Section 3. Amendment. These Declarations shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" attached hereto.

Section 4. No Remonstrations. Owners are prohibited from remonstrating against efforts by the Declarant or successors to annex, rezone or plat Additional Land.

In Witness hereof, Declarant has caused this document to be executed as of the date first written above.

Estridge Development Company, Inc.

By: Michael J. Keller

Printed: MICHAEL J. KELLER

Title: CEO

STATE OF INDIANA)
) SS:
COUNTY OF HAMILTON)

ACKNOWLEDGMENT

Before me, a Notary Public in and for said County and State, personally appeared, MICHAEL J. KELLER, the C.F.O. of Estridge Development Company, Inc., who acknowledged the execution of the foregoing Covenants, Conditions & Restrictions on behalf of Estridge Development Company, Inc.

Witness my hand and Notarial Seal this 21 day of June, 2004.

My Commission Expires: 12-17-2006 Donna Aronson

Residing in Marion County

Notary Public Signature

DONNA ARONSON

Printed Name



DONNA ARONSON
Res. of Marion Co.
Comm. Exp. 12-17-2006

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PREPARED BY NICK BACON

EXHIBIT A

Part of the Southwest Quarter of Section 24, Township 18 North, Range 3 East, in Hamilton County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of the Southwest Quarter of Section 24, Township 18 North, Range 3 East, in Hamilton County, Indiana; thence South 00 degrees 06 minutes 42 seconds East (assumed bearing) on the East line of said Southwest Quarter 1451.11 feet; thence North 88 degrees 00 minutes 00 seconds West 40.03 feet to the true point of beginning for the tract herein described; thence North 88 degrees 00 minutes 00 seconds West 715.00 feet; thence South 01 degree 03 minutes 53 seconds East 201.80 feet; thence South 62 degrees 24 minutes 21 seconds East 324.67 feet; thence South 88 degrees 00 minutes 00 seconds East 367.87 feet to the northwesterly right-of-way line for U.S. Highway 31 per Warranty Deed recorded in Deed Record 248, page 216 in the Office of the Recorder of Hamilton County, Indiana; thence North 16 degrees 54 minutes 30 seconds East on said northwesterly right-of-way line 198.45 feet; thence North 00 degrees 06 minutes 42 seconds West parallel with East line of said Southwest Quarter 150.10 feet to the point of beginning; containing 5.00 acres; more or less.

14.00
2.00 nonc

Cross Reference
This instrument burdens real estate located in Hamilton County, state of Indiana, commonly known as Hunters Creek, a subdivision in Washington Township, Hamilton County, Indiana, the plat of which is recorded in the office of the recorder of Hamilton County, Indiana, and the Declaration of Covenants, Conditions and Restrictions for Hunters Creek dated June 21, 2004 and recorded June 24, 2004 as instrument number 200400043814, in the Office of the Recorder of Hamilton County, Indiana.

**FIRST AMENDMENT OF DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR HUNTERS CREEK**

THIS FIRST AMENDMENT OF DECLARATION (hereinafter called "the Declaration" or "this Declaration") is made this 12 day of January, 2007, by the Hunters Creek Townhome Owners Association, Inc. (hereinafter, the "Association").

WITNESSETH:

WHEREAS, Association is a non-profit association incorporated in the State of Indiana to which is delegated and assigned the power and responsibility to (1) administer and enforce the covenants and restrictions contained in the Declaration of Covenants, Conditions and Restrictions for Hunters Creek dated June 21, 2004 and recorded June 24, 2004 as instrument number 200400043814, in the Office of the Recorder of Hamilton County, Indiana. ("Declaration"); (2) collect and disburse the assessments and charges imposed and created in the Declaration; (3) perform certain maintenance, and repairs as provided in the Declaration; and (4) promote the health, safety and welfare of the owners of the Real Estate as defined in the Declaration as the "Real Estate"; and

WHEREAS, the Applicable Date has occurred and the Declaration no longer retains an ownership interest in the Real Estate; and

WHEREAS, the Association deems it appropriate and advisable to supplement and amend the Declaration in accordance with the provisions hereof; and

NOW, THEREFORE, the Association hereby supplements and amends the Declaration by the replacement or addition (as applicable) of the following sections with the corresponding language:

ARTICLE V -ASSESSMENTS

Article V, Section 4 is hereby amended and replaced in it's entirety with the following language (additional language reflected as bold text):

***Section 4. Reserve Fund Contribution.** Each time a membership unit or ownership of a Lot is transferred, conveyed, changes ownership, or a new rental lease is executed that would result in a change of occupancy, a Reserve Fund contribution from the incoming member/owner for the maintenance and repair of the infrastructure in the Development shall be made in an amount as determined by the Association, and shall be collected at the time such ownership or occupancy is transferred. Such contributions shall be deposited in an account separate from the operating funds of the Association.*

**ARTICLE IX- GENERAL RESTRICTIONS,
OBLIGATIONS AND RIGHTS APPLICABLE TO PROPERTY**

Article IX, Section 18 is hereby added in it's entirety with the following language:

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Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

