

McGreevy, Todd

From: Wendel, Amy
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To: Service Desk
Subject: Need Highland @ Stoney Creek CCRS - Hamilton County for Julie Getty.

Amy Wendel
Chicago Title Insurance
4735 Statesmen Drive, Suite D
Indianapolis, Indiana 46250
(317) 578-2842
Fax (317) 578-2865
amy.wendel@ctt.com

2001 - 37900
2001 54408
2002 57750
2003 5502
2003 60471
2003 60831

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DECLARATION OF COVENANTS AND RESTRICTIONS
OF
HIGHLANDS AT STONY CREEK
PROPERTY OWNERSHIP

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- Exhibit "A" Real Estate
- Exhibit "B" Expansion Real Estate
- Exhibit "C" Section 1
- Exhibit "D" Fence

DECLARATION OF COVENANTS AND RESTRICTIONS OF
HIGHLANDS AT STONY CREEK PROPERTY OWNERSHIP

THIS DECLARATION made this 20th day of June, 2001, by
CENTEX HOMES, a Nevada general partnership ("Declarant").

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner in fee simple title to certain real estate located in Hamilton County, Indiana, more particularly described in the attached Exhibit A, which is incorporated herein by reference (hereinafter referred to as the "Real Estate"). Declarant has the exclusive option and/or right to purchase additional adjacent real estate as more particularly described on Exhibit B, attached (hereto and made a part hereof the "Expansion Real Estate"). As used herein, Real Estate shall also include that portion of the Expansion Real Estate purchased by Declarant.

B. Declarant is the sole owner of the fee simple title to that portion of the Real Estate more particularly described in Exhibit C attached hereto and made a part hereof (hereinafter referred to as the "Tract" or "Section 1").

C. Declarant may from time to time subject part of the Expansion Real Estate and other additional real estate located adjacent to the Real Estate or the Expansion Real Estate to the provisions of this Declaration. As used herein, Real Estate, shall include subject to the provisions of this Declaration.

D. Declarant by execution of this Declaration assures that all properties which are conveyed which are a part of the Tract shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the Tract and be binding upon all parties having any right, title or interest in the Tract, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

NOW, THEREFORE, Declarant hereby makes this Declaration as follows:

1. Definitions. The following terms as used in this Declaration, unless the context clearly requires otherwise, shall mean the following:

(a) "Applicable Date" means the date determined pursuant to Paragraph 11 of this Declaration.

(b) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Corporation, as

hereinafter defined. The Articles of Incorporation are incorporated herein by reference.

(c) "Board of Directors" means the governing body of the Corporation elected by the Members in accordance with the Bylaws of the Corporation.

(d) "Bylaws" shall mean the Bylaws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation.

(e) "Common Area" means the ground designated as such upon the recorded Plat of Highlands at Stony Creek.

(f) "Common Expense" means expenses for administration of the Corporation, expenses for the upkeep, maintenance, repair and replacement of the Common Area and Landscape Improvements and all sums lawfully assessed against the Members of the Corporation.

(g) "Corporation" means Highlands at Stony Creek Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose Members shall be the Owners of Lots, or appointees as provided in Paragraph 11 of this Declaration; such Corporation being more particularly described in Paragraph 11 of this Declaration.

(h) "Declarant" shall mean and refer to Centex Homes, a Nevada general partnership, and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of Declarant hereunder including, but not limited to, any mortgagee acquiring title to any portion of the Tract pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(i) "Duplex Unit" means one-half (½) of any building generally designed for residential occupancy and constructed on any part of the Real Estate (including one-half (½) of the party wall separating such Duplex Unit from the adjoining, attached Duplex Unit contained within the same building), it being understood that the Lots in the Real Estate have been configured to accommodate the construction of attached Duplex Units which may be acquired, held, transferred, sold, hypothecated, leased, rented, improved, used and occupied as separate and distinct parcels of real property subject to the provisions of this Declaration

(j) "Dwelling Unit" means one of the living units, including a Duplex Unit, located upon a Lot.

(k) "Highlands at Stony Creek" means the name by which the Real Estate, which is the subject of this Declaration, shall be known.

(l) "Landscape Maintenance Access Easement" shall mean and refer to those areas identified in any recorded Plat to be burdened by such easement. The landscaping located within the Landscape Maintenance Access Easement shall be maintained by the Corporation and the Corporation shall have an easement of ingress and egress on and over the areas adjacent thereto for the purpose of this maintenance obligation. The landscaping and other improvements planted or installed by the Declarant and/or the Corporation within the Landscape Maintenance Access Easement may not be removed by any Owner, nor may any Owner add any landscaping or improvements to such easement area without the prior approval of the Architectural Review Board.

(m) "Lot" means any plot of ground designated as such upon the recorded Plat of Highlands at Stony Creek and upon which one (1) Dwelling Unit is constructed, may be constructed or exists thereon. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.

(n) "Member" means a member of the Corporation.

(o) "Mortgagee" means the holder of a first mortgage lien on a Lot.

(p) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.

(q) "Plat" means the survey of Section 1 and the Lots, Common Areas, and easements located thereon, prepared by Stoepelwerth & Associates Engineering, Inc., certified by Dennis D. Olmstead, a registered land surveyor, under date of June 1, 2001, recorded as Instrument No. 260100349 in the Office of the Recorder of Hamilton County, Indiana, and incorporated herein by reference and any additional plat that may be filed, upon subjecting additional property to this Declaration.

(r) "Sign Landscape Easement" means those areas identified in any recorded Plat to be burdened by such easement. Each such area shall contain signage for the Highlands at Stony Creek together with any landscaping associated with such signage in such area. The signage and landscaping located within the easement shall be maintained by the Corporation and the Corporation shall have an easement of ingress and egress on and over the areas adjacent thereto for the purpose of this maintenance obligation. The signage and landscaping installed by the Declarant and/or the Corporation within the Sign Landscape Easement may not be removed by any Owner, nor may any Owner add any improvements to such area without the approval of the Architectural Review Board.

(s) "Tract" means the real estate described in Paragraph B of the recitals above and such other portions of the Real Estate, Expansion Real Estate and other property which have, as of any given time, been subjected to this Declaration, either by this Declaration or a Supplemental Declaration as herein provided.

(t) "Utility, Drainage and Sewer Easements" means the areas of ground on the Plat marked Drainage, Utility and Sanitary Sewer Easement; Drainage, Utility and Sewer Easement; and Drainage and Utility Easement. The Utility, Drainage and Sewer Easements are hereby created and reserved for the use of all public utility companies (not including transportation companies), governmental agencies and the Corporation for access to and installation, maintenance, repair or removal of poles, mains, ducts, drains, lines, wires, cables and other equipment and facilities for the furnishing of utility services, including cable television services. The Utility, Drainage and Sewer Easements are hereby created and reserved for (i) the use of Declarant for access to and construction, maintenance, operation, repair and control of any retention and detention ponds and improvements comprising and/or related to the storm water drainage system, either by surface drainage or appropriate underground installations, for the Real Estate and adjoining property and (ii) the use of the Corporation and the Hamilton County Drainage Board for access to and maintenance, repair and replacement of such drainage system. The Owner of any lot subject to a Utility, Drainage and Sewer Easement shall be required to keep the Easement area on his lot free from obstructions so that the storm water drainage will be unimpeded and will not be changed or altered without a permit from Hamilton County and prior written approval of the Declarant. The Utility, Drainage and Sewer Easements are hereby created and reserved for the use of the Town of Noblesville for

installation and maintenance of an underground sanitary sewer system. The delineation of the Utility, Drainage and Sewer Easement areas on the Plat shall not be deemed a limitation on the rights of any entity for whose use any such easement is created and reserved to go on any portion of any Lot subject to such easement temporarily to the extent reasonably necessary for the exercise of the rights granted to it by this Paragraph. Except as installed by Declarant or by third parties as provided above, no structures or improvements, including without limitation decks, patios, fences, walkways or landscaping, shall be erected or maintained upon said Utility, Drainage and Sewer Easements.

2. Declaration. Declarant hereby expressly declares that the Tract shall be held, conveyed and transferred in accordance with the provisions of this Declaration.

3. Description of Section 1. Section 1 consists of forty-eight (48) Lots numbered 1-15, 49-62, 133-136, 152-159 and 240-246, inclusive, together with the Common Area and all Easements as designated on the Plat. The Common Area, Easements and the size of the Lots are as designated on the Plat.

4. Description of Highlands at Stony Creek. Highlands at Stony Creek consists of 323 Lots numbered 1 through 246B inclusive, together with the Common Area and Easements as designated on the Plat. The Common Area, Easements and the size of the Lots are as designated on the Plat. The legal description for each Lot in Highlands at Stony Creek shall be as follows:

Lot __ in Highlands at Stony Creek , a subdivision in Hamilton County, Indiana as per plat thereof recorded _____ as Instrument Number __ , in the Office of the Recorder of Hamilton County, Indiana.

5. Lot Boundaries and Access. The boundaries of each Lot in Highlands at Stony Creek shall be as shown on the Plat. All Lots shall be accessed only from the interior streets of the Tract.

6. Common Area. Common Area includes all the area designated as such on any recorded Plat of Highlands at Stony Creek , including, but not limited to, the lakes, ponds, drainage areas and recreational areas, if any, but excluding all Lots and Easements. Declarant has the right, but not the obligation, to construct recreational facilities in any of the Common Area, and if such facilities are constructed, such facilities shall be part of the Common Area.

7. Landscape Maintenance Access Easement. Declarant hereby declares, creates, grants and reserves the Landscape Maintenance Access Easement as shown on the Plat as a non-exclusive easement for the use of the Declarant and the Corporation for installation, maintenance and removal of trees, shrubbery, flowers and other plantings, entryway signage and additional similar landscape improvements (all of which items, as existing from time to time, shall constitute "Landscape Improvements"). Except as installed by the Declarant or the Corporation, and except for any utility facilities or drainage facilities which may be installed in any easement that may now or hereafter be declared, granted or reserved in or upon any portion of the Real Estate and designated on the Plat as a Landscape Maintenance Access Easement, no structures or other improvements shall be installed or maintained in or upon any Landscape Maintenance Access Easements. Notwithstanding the foregoing provisions of this Paragraph and the provisions of any Plat or other recorded instrument executed by Declarant designating a Landscape Maintenance Access Easement, a Landscape Maintenance Access Easement shall automatically terminate as to that portion of such easement area that is located within or upon any public right-of-way hereafter dedicated to the public upon the recording of a Plat or other instrument creating such public right-of-way.

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

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

(b) The right of the Corporation to adopt such rules and regulations regarding the Common Area as it deems necessary as provided in Paragraph 12.

(c) The Common Area in Highlands at Stony Creek shall be conveyed to or owned by the Corporation on the Applicable Date or earlier; provided, however, that the conveyance of the Common Area to the Corporation shall not prevent Declarant from improving the Common Area as Declarant deems appropriate (including, but not limited to construction of lakes and recreational facilities, including any recreational or similar facilities which are solely for the benefit of a particular section of

Highlands at Stony Creek) at any time prior to the Applicable Date.

9. Delegation of Use of the Common Area. Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment and use of the Common Area and facilities to members of his family, his tenants or contract purchasers who reside on any Lot.

10. Easements in Common Area. Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, located in the Common Area and Easements. Such easement and right to use shall pass with title to the Lot even though not expressly mentioned in the document passing title.

An easement is also granted to the Corporation, its officers, agents and employees and to any management company selected by the Corporation to enter in or to cross over the Common Area, Easements and Lots to perform its duties; provided, however, except in the case of an emergency, reasonable notice shall be given the Lot Owner.

11. Corporation; Membership; Voting; Functions

(a) Membership in Corporation. Declarant and each Owner of a Lot which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Lot ceases at which time his membership shall terminate and will be transferred to the new Owner of his Lot; provided, however, that any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a Member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.

(b) Voting Rights. The Corporation shall have two (2) classes of membership with the following voting rights:

(i) Class A. Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot of which such Member is the Owner 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 (1) person constitutes the Owner of a particular Lot, all such

persons shall be Members of the Corporation, but all of such persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

(ii) Class B. Class B Members shall be Declarant and all successors and assigns of Declarant designated by Declarant as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to four (4) votes for each Lot of which it is the Owner on all matters requiring a vote of the Members of the Corporation. The Class B membership shall cease and terminate upon the Applicable Date, which shall be the first to occur of (i) the date upon which the written resignation of the Class B Members as such is delivered to the resident agent of the Corporation, (ii) the date when 75% of all Lots in all platted and/or planned sections of Highlands at Stony Creek have been conveyed by Declarant, or (iii) May 1, 2008.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, administration, operation and ownership of the Common Area to pay taxes assessed against and payable with respect to the Common Area and to pay any other necessary expenses and costs in connection with the Common Area and to perform such other functions as may be designated for it to perform under this Declaration.

12. Board of Directors

(a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, or is a person appointed by Declarant as provided in subparagraph (b) of this Paragraph 12.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in

the Articles, to-wit: Tom Kutz, Tom Fernandez and Chris White (herein referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in this Declaration, the Articles or the Bylaws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any method shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as Declarant determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the Bylaws or otherwise. This appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by Declarant to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a Member of the Corporation).

(c) Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.

(d) Term of Office and Vacancy. Subject to the provisions of subparagraph (b) of this Paragraph 12, at least one (1) member of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided herein. After the Applicable Date, the Board of Directors will consist of five (5)

members, elected by the Owners. Each member of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date (which, if appropriate, may be a special meeting) two members of the Board of Directors shall be elected for a three (3) year term, two for a two (2) year term, and one for a one (1) year term so that the terms of at least one-fifth (1/5) of the members of the Board shall expire annually. If such election is at a special meeting, the Directors elected shall serve for the applicable period plus the time from the special meeting to the first annual meeting. There shall be separate nominations for the office of each member of the Board to be elected at such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of subparagraph (b) of this Paragraph 12 as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subparagraph (e) of this Paragraph 12. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

(e) Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the votes entitled to be cast at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.

(f) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, providing for the administration of the Corporation, the management, maintenance, repair, upkeep and replacement of the Common Area and Landscape Improvements (unless the same are otherwise the responsibility or duty of Owners) and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein

called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

- (i) Protection, surveillance and replacement of the Common Area; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
- (ii) Landscaping, maintenance and upkeep of the Common Area and Landscape Easement Improvements (except as is otherwise the obligation of an Owner); such maintenance obligation specifically includes, but is not limited to, signage (including all street identification signs), drainage areas, facilities and ponds and lakes.
- (iii) Assessment and collection from the Owners of each Owner's respective share of the Common Expenses;
- (iv) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
- (v) Preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
- (vi) Procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under this Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
- (vii) Paying taxes assessed against and payable with respect to the Common Area and paying any other necessary expenses and costs in connection with the Common Area;

(viii) With respect to Duplex Units only, cutting the established lawn located on any Lot containing a Duplex Unit, fertilizing the lawn and snow removal from driveways and walkways leading from the driveway to the Duplex Unit as and when warranted by weather conditions. However, the Owner of such Duplex Unit shall be solely responsible for watering, weeding the grass, edging around fences, shrubs, bushes, trees and any other improvements; leaf removal, and caring for and maintaining any other landscaping not planted by the Declarant or the Corporation (including, without limitation, shrubs, trees, bushes, flowers or plants) and provided, further, that the Owner of such Duplex Unit shall be solely responsible for cutting any grass located inside any fenced area of the Lot unless the Owner shall provide safe, reasonable and regular access to such area to the Corporation and its authorized representatives. Safe access shall require that all pets be removed from the yard during the time such maintenance activities occur.

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

- (i) To employ a Managing Agent to assist the Board in performing its duties;
- (ii) To purchase, lease or otherwise obtain for the Corporation, to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (iii) To employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
- (iv) To employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;

- (v) To include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (vi) To open and maintain a bank account or accounts in the name of the Corporation;
- (vii) To promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Tract and the Common Area (in addition to those set forth in this Declaration) as the Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Board shall be promptly delivered or mailed to all Owners. Such rules and regulations may provide that an Owner's failure to comply with such rules and regulations may result in (i) the imposition of fines by the Corporation against such Owner; and/or (ii) such Owner losing the right to use the Common Area and related facilities.
- (h) Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$5,000.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:

- (i) Contracts for replacing or restoring portions of the Common Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
- (ii) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget; and
- (iii) Expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.

(i) Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

(j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

(k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in actions, suits or proceedings where such Director is adjudged liable for bad faith, gross negligence or wilful misconduct in the performance of his duties. The Corporation shall also reimburse any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statements or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue

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

(1) Bond. The Board of Directors may provide surety bonds and may require the Managing Agent (if any), the treasurer of the Corporation, and such other officers as the Board deems necessary, to provide surety bonds, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

13. Initial Management. The Initial Board of Directors has entered or will hereafter enter into a management agreement with Declarant or a corporation or other entity affiliated with Declarant or a third party management company for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice under which Declarant, such affiliate of Declarant or such third party management company will provide supervision, management and maintenance of the Common Area (except as such is the obligation of the individual Owners) and in general, perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years. Such management agreement is or will be subject to termination by Declarant (or its affiliate as appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement is in effect, Declarant shall have and Declarant hereby reserves to itself the exclusive right to manage the Tract and perform all the functions of the Corporation.

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

Common Area shall be paid by the Corporation and treated as a Common Expense.

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

16. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the Common Area and Landscape Improvements (except as such is the obligation of the individual Owners) shall be furnished by the Corporation, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses. After the Applicable Date and for so long as the Declarant owns any Lot(s), Declarant may, upon five (5) days notice to the Corporation, undertake any maintenance, repair or upkeep which the Corporation is obligated, but has failed, to undertake. Declarant may then bill the Corporation for the cost of such maintenance, repair or upkeep. Such bill, if not paid by the Corporation within thirty (30) days of receipt, shall bear interest at the rate of (12%) per annum.

Each Owner shall be responsible for maintaining and keeping his Lot, Dwelling Unit, and all other structural improvements located on his Lot in a good, clean, neat, sanitary and well maintained condition and shall do such work thereon as is required to cause such Lot and structural improvements to be so maintained. The obligation to maintain a Lot shall exist, whether or not a Dwelling Unit exists on such Lot, and the Owner of such Lot shall keep such Lot maintained in the same manner as such Lot would be maintained if a Dwelling Unit existed thereon.

Each Owner shall also maintain (i) the dusk-to-dawn lights installed on his Lot in good working condition, including but not limited to, replacement of photo cells; (ii) the mailbox and post installed on his Lot in good working condition; and (iii) any trees originally planted on his Lot in the area adjacent to the sidewalk ("Street Trees"). Any repair or replacement of mailboxes and/or posts shall be of the same design and quality as originally installed by Declarant. In the event any Street Tree dies, the Owner of such Lot shall be responsible for replacing, at Owner's expense, the Street Tree with a substantially similar tree, meaning a tree of the same species as the original Street Trees and with a minimum caliper of 2 1/4 inches. Each Owner shall be responsible for the maintenance of the Street Trees located on his Lot.

Notwithstanding any obligation or duty of the Corporation to repair or maintain the Common Area or Landscape Improvements, if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be

required thereby, which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation, the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's Lot is subject.

If any Owner shall fail (i) maintain and keep his Lot, Dwelling Unit and other structural improvements located on his Lot in a good, clean and sanitary condition as determined by the Board of Directors or (ii) comply with the terms of this Paragraph 16, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's Lot.

So long as the Tract is subject to this Declaration each Owner, by his acceptance of a deed to any Lot, irrevocably grants to the Corporation, its agents and employees, the right, in the form of a permanent easement, to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair, landscaping or other work contemplated herein.

17. Architectural Control

(a) The Architectural Review Board. As a standing committee of the Corporation, there shall be, and hereby is, established an Architectural Review Board consisting of five (5) or more persons. Until the Applicable Date, the Architectural Review Board shall be the Initial Board of Directors. After the Applicable Date, the Architectural Review Board shall be appointed by the Board of Directors and may be different than or the same as the Board of Directors.

(b) Purposes. The Architectural Review Board shall regulate the external design, appearance, use, location and maintenance of the Tract (including the Common Area, Easements, Landscape Improvements and Lots) and of improvements thereon in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures and improvements.

(c) Conditions. No improvements, alterations, excavation or changes in grade or other work which in any way alters any Lot or the exterior of any Dwelling Unit or other improvement thereon shall be made or done without the prior written approval of the Architectural Review

Board, except as otherwise expressly provided in this Declaration. There shall be no requirement that the Architectural Review Board approve the initial construction of a Dwelling Unit on a Lot. No building, fence, wall, Dwelling Unit, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the plans by the Architectural Review Board other than the initial construction of a Dwelling Unit and other improvements provided the plans for such construction are approved by Declarant.

(d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) have been given to it, approval will be deemed granted by the Architectural Review Board. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a majority vote.

18. Assessments

(a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by an accounting group approved by the Board, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

(b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) and Additional Assessments for Duplex Owners as provided in Paragraph 12e for the next fiscal year. At the annual meeting of the Owners, notwithstanding any other provision in this Declaration, the Articles or the Bylaws, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of those Owners present either in person or by proxy; provided, however, that in no event shall the annual

meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments, Additional Assessments for Duplex Units and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and Landscape Improvements that must be repaired and replaced on a periodic basis, which replacement reserve fund shall be used for those purposes and not for usual and ordinary maintenance expenses. By way of example only, the replacement reserve fund will be used for repairing and replacing items such as pumps, filters, landscaping (other than annual plantings and mulch), equipment, playground facilities and clubhouse furnishings and equipment. Usual and ordinary expenses which will not be paid out of the replacement reserve fund include but are not limited to, snow removal, fertilization, annual plantings, mulch, and preventive maintenance contracts. Such replacement reserve fund shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Hamilton County, Indiana selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments and Additional Assessments for Duplex Units based upon the last approved budget or, at the option of the Board, based upon one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

(c) Regular Assessments. The annual budget, as adopted by the Owners, shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment, against each Lot equal to the Common Expenses multiplied by a percentage equal to one divided by the total number of Lots in the Tract. Immediately following

the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Lot (herein called the "Regular Assessment"); provided however, that any Regular Assessments, Special Assessments or Additional Assessments may be applied to Lots owned by Declarant only with the written consent of Developer which written consent shall not be inferred or implied by Declarant's execution and recordation of this Declaration. In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein provided. The Regular Assessment against each Lot shall be paid in advance in two equal semi-annual installments with the first payment due on the first day of the first month of each fiscal year. Payment of the semi-annual installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, the Owners may elect to pay assessments annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget:

- (i) If the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment, and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or
- (ii) If the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited

against the next payment or payments of the Regular Assessment coming due, until the entire amount of such excess has been so credited;

provided, however, that if an Owner had paid his Regular Assessment annually in advance, then the adjustments set forth under (i) or (ii) above shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 19 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Semi-annual installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

(d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in this Declaration, the Board of Directors shall have the full right, power and authority to make special

assessments which, upon resolution of the Board, shall become a lien on each Lot, prorated in equal shares (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in this Declaration.

(e) Additional Assessments. Every Owner of a Duplex Unit will be charged an Additional Assessment for the services provided by the Corporation pursuant to Paragraph 12. Furthermore, in the event that Declarant constructs any recreational or similar facilities which recreational or similar facilities are for the sole benefit and use of the Owners of Lots in a particular section of Highlands at Stony Creek, the expenses associated therewith shall be an Additional Assessment. Any Additional Assessment will be assessed against each Lot in that section in an amount equal to the expenses multiplied by a percentage equal to one (1) divided by the total number of Lots in the affected section. Such Additional Assessment shall be included in the annual budget and shall be due at the same time as the Regular Assessment. In the event the Additional Assessment for a particular fiscal year of the Corporation was based upon a temporary budget, any adjustment shall be done in the manner provided for Regular Assessments under Paragraph 18 (c).

(f) Regular Assessments Prior to the Applicable Date. During the period that Declarant is selling Lots and Dwelling Units are being constructed within the Tract, it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly and notwithstanding any other provision contained in the Declaration, the Articles or the Bylaws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this Paragraph 18.

Prior to the Applicable Date, the Corporation will enter into a management agreement with Declarant or a

corporation or other entity affiliated with Declarant or a third party management company (hereinafter referred to as "Management Agent or Managing Agent") in accordance with the provisions of Paragraph 13 of this Declaration. So long as such management agreement remains in effect, the Common Expenses or Regular Assessments shall be paid by Owners to Management Agent. Management Agent shall guarantee that until the earlier of (1) the termination of said management agreement, or (2) December 31, 2001, the yearly Regular Assessment shall not exceed \$400.00 and the Additional Assessment for the Duplex Units as provided in Paragraph 18 (e) shall not exceed \$500.00. The initial "Guaranteed Charge" for Lots upon which Duplex Units are constructed shall be \$900.00. The initial "Guaranteed Charge" for Lots upon which Dwelling Units, other than Duplex Units, are constructed shall be \$400.00. After December 31, 2001, assuming that said management agreement has not been terminated) and so long thereafter as said management agreement remains in effect and Management Agent continues to perform such functions, Management Agent guarantees that the yearly Regular Assessment and Additional Assessment for Duplex Units shall not exceed the amount of the Guaranteed Charge, plus (1) the greater of an amount representing an increase thereof to reflect any increase in the Consumer Price Index (all items - all cities) published by the United States government over such index as existed in the month of December, 2001, or (2) ten percent (10%). The amount to be added to the Guaranteed Charge shall be in an amount equal to the same percentage of the Guaranteed Charge as the percentage increase in said Consumer Price Index or ten percent (10%), whichever is greater, or if Declarant so determines a lesser amount. Such adjustments to the Guaranteed Charge shall be made annually on the first day of each fiscal year so long as said management agreement remains in effect and Management Agent continues to perform such functions. Such yearly charge shall, during such guaranteed period, entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. Declarant shall be responsible for any deficit during such guarantee period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or, if sufficient, the replacement reserve fund.

Prior to the Applicable Date, ten percent (10%) of the Regular Assessment shall be deposited into the replacement reserve fund (as established by Paragraph 18 (b)) until the balance of such replacement reserve fund

is \$25,000.00. Thereafter, deposits into the replacement reserve fund will cease unless and until expenditures are made from such fund, at which time ten percent (10%) of the Regular Assessments will again be deposited into such fund until the balance of such fund again reaches \$25,000.00. After the Applicable Date, ten percent (10%) of the Regular Assessment will be deposited into the replacement reserve fund regardless of the balance of such fund.

That portion of the Regular Assessment collected by Declarant prior to the Applicable Date applicable to the replacement reserve fund shall be held by the Initial Board and if required, applied to the repair and replacement of the Common Area and Landscape Improvements. To the extent that such replacement reserve fund is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date.

Payment of the Regular Assessment prior to the Applicable Date with respect to each Lot shall commence on the date of conveyance of such Lot by Declarant to such new owner ("Commencement Date"). The first payment shall be payable on the Commencement Date prorated to the first day of the month when the next semi-annual payment is due. Thereafter, payment of the Regular Assessment shall be paid semi-annually beginning with the first day of the fiscal year or the first day of the seventh calendar month of the fiscal year, as applicable.

Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement described in Paragraph 13 of this Declaration and to adhere to and abide by the same.

Neither the Declarant, or any builder constructing Dwelling Units within the Tract shall be assessed any portion of any Regular, Special or additional Assessment prior to the Applicable Date.

(g) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Regular Assessments, Additional Assessments and Special Assessments or from contributing toward the Common Expenses or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular, Additional and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or

neglect to make any payment of any Regular Assessment, Additional Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment, Additional Assessment or Special Assessment when due the Board may, in its discretion, accelerate the entire balance of unpaid assessments and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary. The Board may, at its option, bring suit to recover a money judgment for any unpaid Regular Assessment, Additional Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment, whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including but not limited to reasonable attorneys' fees) and interest from the date such assessments were due until paid at the rate equal to the prime interest rate as announced by Bank One, Indianapolis, NA, from time to time by (or if said bank is no longer in existence then such rate charged by a national bank in Hamilton County, Indiana, selected by the Board of Directors) during the unpaid period plus three percent (3%).

(h) Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the Bylaws, any sale or transfer of a Lot to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment, Additional Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Lot and Dwelling Unit or the purchaser at such foreclosure sale or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessments, Additional Assessments or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments, Additional Assessments or Special Assessments, the lien for which has been divested as aforesaid shall be deemed to be a Common Expense

collectible from all Owners (including the party acquiring the subject Lot from which it arose).

19. Mortgages and Unpaid Assessments

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

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

(b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments, Additional Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Paragraph 18 hereof.

(c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation, (1) to pay any taxes or other charges against the Common Area which are in default and (2) to

pay any overdue premiums on hazard insurance for the Common Area or to secure new hazard insurance for the Common Area on the lapse of a policy. Any mortgagee making such payment shall be owed immediate reimbursement by the Corporation.

20. Insurance.

(a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring all of the Common Area and Landscape Improvements in an amount equal to the full replacement value of the improvements which in whole or in part, comprise the Common Area and Landscape Improvements, unless the Board determines that a lesser amount of insurance is appropriate. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above.

All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinabove set forth shall be paid to it or to the Board of Directors. The proceeds shall be used or disbursed by the Corporation or Board of Directors, as appropriate.

Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to Mortgagees.

Each Owner shall be solely responsible for loss or damage to his Dwelling Unit and the contents thereof, however caused, and his personal property stored elsewhere on the Tract and the Corporation shall have no liability to the Owner for such loss or damage. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

(b) Public Liability Insurance. The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as

the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors, any committee or organ of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Tract. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners.

(c) Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

(d) General Provisions. The premiums for all insurance hereinabove described shall be paid by the Corporation as part of the Common Expenses.

(e) Owners to Maintain Insurance. Each Owner of a Dwelling Unit shall at all times maintain fire and extended coverage insurance in an amount equal to the full insurable replacement cost of such Residence Unit.

21. Casualty and Restoration of Common Dwelling Area.

In the event of damage to or destruction of any of the Common Area or Landscape Improvements due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Common Area or Landscape Improvements, or in

the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the Common Area or Limited Common Area to as near as possible the same condition as it existed immediately prior to the damage or destruction.

22. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Common Area shall be in addition to any other covenants or restrictions contained herein and in the Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by the Corporation. Present or future Owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

(a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family. No Lot shall be subdivided to form lots of less area.

(b) All Dwelling Units shall have the minimum square footage of finished living area (exclusive of garages, carports, basements and porches) required by the Planned Unit Development Approval for the Highlands at Stony Creek and/or applicable zoning and subdivision laws.

(c) Nothing shall be done or kept in any Dwelling Unit, or on any Lot, or on the Common Area which will cause an increase in the rate of insurance on any Common Area. No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Area which will result in a cancellation of insurance on any Dwelling Unit or any part of the Common Area, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(d) No nuisance shall be permitted on any Lot.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building. No sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any Dwelling Unit without the prior written consent of the Architectural Review Board. No sign of any kind shall be displayed to the public view on any Lot, except that one sign of not more than six (6) square feet may be displayed at any time solely for the purpose of advertising a property for sale, and except that Declarant may use larger signs during the sale and development of the Tract.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Area or any of the Landscape Easement, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance.

(g) All rubbish, trash or garbage shall be stored in closed sanitary containers, shall be regularly removed from the premises, and shall not be allowed to accumulate.

(h) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Tract; provided, however, that notwithstanding the foregoing, lawful home offices and home business activities conducted by the Owner of such Dwelling Unit are permissible provided all of the following conditions are met:

- (i) there is not significant increased traffic in and around the Tract as a result of such use or activity;
- (ii) no signs, billboards, or other advertising materials are displayed or posted on the exterior of any Dwelling Unit or anywhere else on the Tract;
- (iii) the use or activity does not violate existing zoning laws;
- (iv) the use or activity does not violate any of the other provisions of this

Declaration, including, but not limited to, this paragraph 22;

- (v) the Owner of the Dwelling Unit shall maintain all necessary casualty and public liability insurance; and
- (vi) such use or activity is conducted during reasonable hours.
- (i) No structure of a temporary character, trailer, boat, camper, bus or tent shall be maintained on any Lot, nor shall any garage or other building, except a permanent residence, be used on any Lot at any time as a residence or sleeping quarters either temporarily or permanently.
- (j) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Area or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Area.
- (k) No boat docks, decks, rafts or similar structures or improvements shall be permitted on or near the lakes. No Owner of any Lot shall do or permit to be done any action or activity which could result in the pollution of the lakes, diversion of water, change in elevation of the water level, earth disturbance resulting in silting or any other conduct which could result in an adverse effect upon water quality, drainage or proper lake management or otherwise impair or interfere with the use of the lake for drainage and related purposes for the benefit of Highlands at Stony Creek. No Owner, members of their families, guests or invitees or occupants of any Dwelling Unit or other persons entitled to use the same, may swim, boat, ice skate or engage in similar activities on the lake.
- (l) No boats, campers, trailers of any kind, busses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, minibikes or mopeds shall be permitted, parked or stored anywhere within the Tract, unless stored completely enclosed within a garage. No repair work shall be done on the Tract on any vehicles, including passenger automobiles unless completely enclosed within a garage.

(m) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Area or Easements, except with express prior permission from the Board.

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

(o) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.

(p) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease.

(q) There are designated on the Plat building lines. Except as required for utilities to serve the Tract or a Lot, no building or structure will be permitted within this no-build area.

(r) Each Owner by acceptance of a deed to a Lot shall be deemed to have waived such Owner's right to remonstrate against annexation of all or any portion of the Tract.

(s) No detached structure shall be maintained on any Lot except with the express prior permission from the Architectural Review Board.

(t) Any fences to be constructed on a Lot must be constructed in accordance with the provisions hereof and must be approved by the Architectural Review Board prior to the installation of any fence. The Architectural Review Board will not approve any fence unless it complies with the following requirements:

(i) the fence is located in the rear yard of the Lot (the fence shall adjoin the rear side of the Dwelling Unit); there shall be no fences whatsoever constructed in the front yard of any Lot;

(ii) the fence shall be either a four (4) foot black vinyl fence; six (6) foot wood, shadowbox or dog-eared fence; or a wood fence constructed with cedar

treated gothic top spaced picket panels (42"x8" panels with 3-3/8" pickets and no more than 2-1/2" between pickets), as more particularly shown on Exhibit D attached hereto and incorporated herein (the "Picket Fence").

- (iii) there shall be no fences or any other permanent improvements constructed in any part of any Lot which is part of the Common Area.
- (iv) only Picket Fences (as described in (ii) above) and shown on Exhibit D will be allowed on any Lot adjoining a lake, a trail or any part of the Common Area.
- (v) All fences must be located on the property line and must adjoin any existing fence(s) on adjacent Lot(s).
- (u) No antenna, satellite dishes or other device for the transmission or reception of radio, television or satellite signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors and above ground whether attached to a Dwelling Unit or otherwise on any Lot without the written approval of the Architectural Review Board.

Notwithstanding the foregoing, any such device may be installed and maintained on any Lot without the written approval of the Architectural Review Board if (i) it is not visible from neighboring Lots, streets or Common Area; or (ii) the Owner prior to installation has received the written consent of the Owners of all Lots who would have views of the device from their Lots and presented such consents to the Architectural Review Board; or (iii) the device is virtually indistinguishable from structures, devices or improvements such as heat pumps, air conditioning units, barbeque grills, patio furniture and garden equipment which

are allowed by this Declaration; or
(iv) it is a satellite dish two (2)
feet or less in diameter.

Notwithstanding anything to the contrary contained herein or in the Articles or Bylaws, including, but not limited to, any covenants and restrictions set forth herein or otherwise, Declarant shall have, until the Applicable Date, the right to use and maintain any Lots and Dwelling Units owned by Declarant and other portions of the Tract (other than individual Dwelling Units and Lots owned by persons other than Declarant), all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not limited to, model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Common Area, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Tract at any time.

23. Expanding the Real Estate That is Subject to the Declaration. The Real Estate that is described herein as Section 1 (in paragraph 8 of the recitals of this Declaration) is the Real Estate being subjected to this Declaration and constitutes Section 1 of the general plan of development of the Real Estate. The balance of the Real Estate and the Expansion Real Estate is the additional real estate that Declarant has the right to subject to the terms and provisions of this Declaration. The maximum number of Lots which may be developed on the Real Estate and the Expansion Real Estate is 323, including the Lots in Section 1. Subject to said limit as to the maximum number of Lots to be developed on the Real Estate and Expansion Real Estate, and the obligations and restrictions contained in this Declaration, Highlands at Stony Creek may be expanded by Declarant to include additional portions of the Real Estate and the Expansion Real Estate in one or more additional Sections by the execution and recording of one or more amendments or supplements to this Declaration and one or more final plats; provided, however, that no single exercise of such right and option of expansion as to any part or parts of the Real Estate shall preclude Declarant from time to time further expanding Highlands at Stony Creek to include other portions of the Real Estate and Expansion Real Estate and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Real Estate so long as such expansion is done on or before May 1, 2008. Such expansion is entirely at the discretion of Declarant and nothing contained in this original Declaration or otherwise shall require

Declarant to expand Highlands at Stony Creek beyond Section 1 or any other portion of the Real Estate which Declarant may voluntarily in its sole discretion, from time to time, subject to this Declaration by amendments or supplements to this Declaration as provided above. Simultaneously with the recording of the amendments or supplements to this Declaration expanding Highlands at Stony Creek, Declarant shall record an additional plat encompassing the portion of the Real Estate or Expansion Real Estate to be subjected to this Declaration. To the extent allowed under applicable law, Declarant reserves the right to add additional contiguous real estate to the Real Estate, which additional real estate may, in Declarant's discretion, have the use and benefit of the Common Areas provided herein. On the filing of a supplement to this Declaration, the portion of the Real Estate, Expansion Real Estate, or other real estate described in such amendment or supplement to this Declaration shall be governed in all respects by the provisions of this Declaration. To the extent that there are any inconsistencies or discrepancies between any Plat and this Declaration or any amendment or supplements thereto, the terms of this Declaration shall control.

24. Amendment of Declaration.

(a) Generally. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

- (i) Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting at which the proposed amendment is to be considered.
- (ii) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or Owners having in the aggregate at least a majority of the votes of all Owners.
- (iii) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the Bylaws.
- (iv) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than seventy-five percent (75%) in the aggregate of the votes of all Owners; provided however, that prior to the Applicable Date all proposed amendments shall

require the written consent of the Declarant. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.

(v) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Paragraph 19 with respect to casualty insurance to be maintained by the Corporation, or (3) the provisions of Paragraph 21 of this Declaration with respect to reconstruction or repair of the Common Area in the event of fire or any other casualty or disaster, or (4) the provisions of Paragraph 17 of this Declaration establishing the Architectural Review Board and providing for its functions, or (5) the provisions of Paragraph 18 of this Declaration with respect to the commencement of assessments on any Lot, or (6) the provisions of Paragraph 24b of this Declaration with respect to amendments, solely by Declarant without, in each and any of such circumstances, the unanimous approval of all Owners, including Declarant so long as Declarant owns any Lot, and of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the Office of the Recorder of Hamilton County, Indiana, and such

amendment shall not become effective until so recorded.

(b) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the Declarant shall have and hereby reserves the right and power acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration at any time and from time to time if such amendment or supplement is made (a) 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 & Urban Development, the Federal Housing Association, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements or (d) to correct clerical, typographical or other errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Paragraph 24 on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Paragraph 24 shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Tract.

25. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles, and the Bylaws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles, the Bylaws, and rules and regulations, as each may be amended or supplemented from time to time, are

accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or the Tract as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Lot or Lots or any part of the Tract in any manner shall be subject to the Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

26. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation.

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

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

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

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

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

32. The Plat. The Plat of Highlands at Stony Creek Section 1 is incorporated into this Declaration by reference and has been filed in the office of the Recorder of Hamilton County, Indiana, of even date herewith.

33. Duplex Units and Party Walls. Certain sections of Highlands at Stony Creek shall be developed as Duplex Units. The Duplex Units located within Section 1C of the Highlands at Stony Creek shall be subject to every right, duty and obligation set forth in this Declaration including, but not limited to, the payment of assessments set forth in Paragraph 18 hereof. However, in addition to the foregoing, the Duplex Units shall also be subject to the conditions in this Paragraph 33 concerning the rights and obligations of Owners of Duplex Units generally and with respect to the party walls contained therein.

- (a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any Duplex Unit and which connects two Duplex Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Paragraph 33, the general rules of law regarding party walls and liability for property damage due to negligent or intentional or willful acts or omissions shall apply thereto.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall and for purposes of this Section 33(b), the term "party wall" shall include the roof connecting the two (2) attached Dwelling Units.
- (c) Destruction by Fire or Other Casualty. If any party wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance maintained by any of the Owners who make use of such party wall, and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and any other Owners who make use of the wall, shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a disproportionate contribution from the others under any rule of law regarding liability for negligent, intentional or willful acts or omissions.
- (d) Weatherproofing. Notwithstanding any other provision of this Article, to the extent that such damage is not covered and paid by insurance proceeds, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

- (e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall be binding upon and inure to such Owner's successors in title.
- (f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Paragraph 33, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor from another party, the Board of Directors of the Corporation shall select an arbitrator for the refusing party. The cost of the arbitrators shall be borne equally by the parties.
- (g) Easements for Inexactness of Construction. The boundary lines separating each Lot shall be as shown on the Plat, and it is intended that the center of the party wall separating each Duplex Unit from the adjoining Duplex Unit shall be physically located exactly on the center of the boundary line separating the two adjoining Lots upon which such Duplex Units are constructed. However, in the event that, because of inexactness of staking or construction, settling or shifting during or after construction or any other reason, the center of any such party wall shall not coincide with the center of the associated boundary line, then a permanent easement shall exist on the Lot onto which the encroaching Duplex Unit encroaches for the exclusive benefit of the Owner of the encroaching Duplex Unit for purposes of occupancy, possession, maintenance, use and enjoyment, and such easement shall run with the land and be binding upon, and inure to the benefit of, any person or entity then or thereafter acquiring or having any right, title or interest in or to the benefitted or encumbered Lot or any party thereof, including, without limitation, mortgagees. The portion of the encumbered Lot subjected to such an easement shall be limited to exact area onto which the encroaching Duplex Unit encroaches upon such Lot.
- (h) Exterior Changes. No exterior changes, including but not limited to, color, style, or material, shall be made to a Duplex Unit without the prior approval of the Architectural Review Board. The Architectural Review Board shall prescribe regulations and guidelines regarding permitted colors and materials for the exterior of Duplex Units. Changes which do not comply with such regulations and guidelines shall not be approved or permitted. Notwithstanding the foregoing, any building which contains

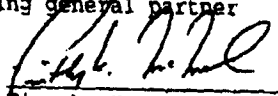
Duplex Units shall, at all times, have a single, uniform exterior color.

34. Annexation. Each Owner, by the acceptance of a deed to a Lot shall be deemed to have waived such Owner's right to remonstrate against any permit, application or request made by the City of Noblesville or its Wastewater Utility to the Indiana Department of Environmental Management or any other similar body, unit or entity for any expansion of, change in, or installation of sanitary sewer lines through the Tract.

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

CENTEX HOMES, a Nevada general partnership

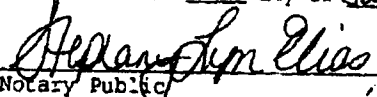
By: Centex Real Estate Corporation,
Its managing general partner

By: 
Printed: Timothy K. McMahon
Title: Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the division president of Centex Real Estate Corporation, the managing general partner of Centex Homes, a Nevada general partnership, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Highlands at Stony Creek Property Ownership" on behalf of said Corporation and general partnership.

Witness my hand and Notarial Seal this 20th day of June, 2001.


Notary Public Co. Res. Marion

Stephany Lyn Elias
(Printed Signature)



My Commission Expires: January 30, 2009

-42- Prepared by:
Boe, McKinney, & Evans,

My County of Residence: Marion

This instrument prepared by Tammy K. Haney, Attorney-at-Law, Bose McKinney & Evans LLP, 600 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

EXHIBIT "A"

LAND DESCRIPTION
(Phase 1 Purchase Area)

(DESCRIPTION TO PHASE 1)

Part of the West Half of Section 3, Township 18 North, Range 5 East, in Hamilton County, Indiana, more particularly described as follows:

Part of the Southwest Quarter of Section 3, Township 18 North, Range 5 East, in Hamilton County, Indiana, more particularly described as follows:

Beginning at a railroad spike marking the Southeast corner of the Southwest Quarter of said Section 3; thence North 00 degrees 00 minutes 00 seconds West (bearing based on NAD83 State Plane Coordinates - East Zone) along the East line of the said Southwest Quarter 2648.38 feet (2648.00 feet - 0.38 feet) to the Northwest corner of the said Southwest Quarter, marked by a stone (with high point) thence North 01 degree 01 minutes 28 seconds East along the East line of the Northwest Quarter of said Section 3 a distance of 430.27 feet (430.00 feet - 0.27 feet) to a point on the centerline of State Road No. 28 (Old Reynolds and Reynolds Road) marked by a 1/2" iron nail, said point lies on a curve having a radius of 18,048.00 feet, the radius point of which bears North 12 degrees 30 minutes 37 seconds East; thence Northwesterly along said centerline and degree 43 minutes 46 seconds East from said radius point; thence North 13 degrees 18 minutes 11 seconds East along said centerline 820.45 feet; thence North 13 degrees 43 minutes 49 seconds East 820.00 feet; thence North 78 degrees 13 minutes 11 seconds East parallel with the said centerline 431.86 feet; thence North 78 degrees 13 minutes 11 seconds West 128.59 feet; thence South 08 degrees 27 minutes 24 seconds East 34 degrees 02 minutes 33 seconds West 32.13 feet; thence South 82.80 feet; thence North 43 degrees 59 feet; thence South 81 degrees 51 minutes 13 seconds East 43.96 feet; thence South 87 degrees 03 minutes 31 seconds East 70.89 feet; thence South 81 degrees 53 minutes 38 seconds East 82.78 feet; thence South 89 degrees 22 minutes 50 seconds East 27.13 feet; thence South 48 degrees 44 minutes 10 seconds West 47.79 feet to a curve having a radius of 250.00 feet, the radius point of which bears South 48 degrees 44 minutes 10 seconds East; thence Southwesterly along said curve and radius point; thence South 27 degrees 04 minutes 00 seconds West from a curve having a radius of 10.00 feet, the radius point of which bears North 82 degrees 00 minutes 00 seconds West for 54 minutes 00 seconds West; thence Southwesterly along said curve 15.36 feet to a point which bears South 18 degrees 19 minutes 48 seconds West; thence North 82 degrees 00 minutes 00 seconds West from said radius point, along said curve bears South 19 degrees 19 minutes 48 seconds West; thence North 16 degrees 08 minutes 41 seconds East from thence North 78 degrees 27 minutes 58 seconds West 88.88 feet; thence South 87 degrees 54 minutes 29 seconds West 132.81 feet; thence South 70 degrees 33 minutes 13 seconds East 408.88 feet; thence South 24 degrees 33 minutes 31 seconds East 181.53 feet; thence South 08 degrees 24 minutes 58 seconds West 4.31 feet; thence South 48 degrees 46 seconds East 337.84 feet; thence South 02 degrees 36 minutes 30 seconds East 102.73 feet; thence South 01 degree 39 minutes 16 seconds West 50.00 feet; thence South 39 degrees 47 minutes 28 seconds East 542.88 feet; thence North 58 degrees 00 minutes 38 seconds East 574.88 feet to a curve having a radius of 250.00 feet, the radius point of which bears South 31 degrees 05 minutes 33 seconds West; thence Northwesterly along said curve 23.16 feet to a point which bears North 44 degrees 37 minutes 06 seconds East from said radius point; thence North 44 degrees 37 minutes 06 seconds West 17.13 feet; thence North 48 degrees 31 minutes 18 seconds West 138.00 feet; thence South 28 degrees 29 minutes 08 seconds East 200.44 feet; thence South 08 degrees 06 minutes 50 seconds East parallel with the East line of the said Southwest Quarter 504.23 feet; thence South 12 degrees 31 minutes 58 seconds West 178.11 feet; thence South 25 degrees 23 minutes 07 seconds East 80.42 feet; thence South 11 degrees 27 minutes 08 seconds East 138.71 feet; thence South 00 degrees 37 minutes 25 seconds East 338.98 feet to the South line of the said Southwest Quarter; thence North 88 degrees 00 minutes 48 seconds East along the said South line 368.27 feet to the point of beginning, containing 60.970 acres, more or less.

Commencing at a railroad spike marking the Southeast corner of the Southwest Quarter of said Section 3; thence North 00 degrees 00 minutes 00 seconds West (bearing based on NAD83 State Plane Coordinates - East Zone) along the East line of the said Southwest Quarter 1052.78 feet; thence South 88 degrees 58 minutes 10 seconds West 327.89 feet to the Point of Beginning; thence North 54 degrees 28 minutes 38 seconds East 25.84 feet; thence North 80 degrees 00 minutes 00 seconds West 143.08 feet; thence North 88 degrees 58 minutes 36 seconds West 20.77 feet; thence North 22 degrees 15 minutes 37 seconds West 272.55 feet; thence North 43 degrees 11 minutes 26 seconds West 220.64 feet; thence South 48 degrees 28 minutes 14 seconds West 151.88 feet to a curve having a radius of 250.00 feet, the radius point of which bears South 43 degrees 28 minutes 14 seconds West; thence Northwesterly along said curve 33.98 feet to a point which bears North 34 degrees 46 minutes 11 seconds East from said radius point, along said curve 14.36 feet to a curve having a radius of 10.00 feet, the radius point of which bears North 34 degrees 46 minutes 11 seconds East; thence Northwesterly along said curve 121.33 feet to a point which bears North 27 degrees 04 minutes 00 seconds East; thence North 27 degrees 04 minutes 00 seconds West 121.33 feet to a curve having a radius of 250.00 feet, the radius point of which bears South 02 degrees 36 minutes 30 seconds East; thence Northwesterly along said curve 70.13 feet to a point which bears North 48 degrees 19 minutes 48 seconds East; thence North 48 degrees 19 minutes 48 seconds East 63.81 feet; thence South 16 degrees 38 minutes 44 seconds West 171.12 feet; thence South 16 degrees 38 minutes 44 seconds West 243.81 feet; thence South 25 degrees 23 minutes 07 seconds East 243.81 feet; thence South 01 degree 13 minutes 38 seconds East 172.73 feet; thence South 08 degrees 06 minutes 50 seconds West 68.88 feet; thence South 08 degrees 06 minutes 50 seconds East 48.31 feet to the point of beginning, containing 2.099 acres, more or less.

Subject to all legal encumbrances and rights of way.

\\CORP\NOCOR\101\38892.3

EXHIBIT "C"

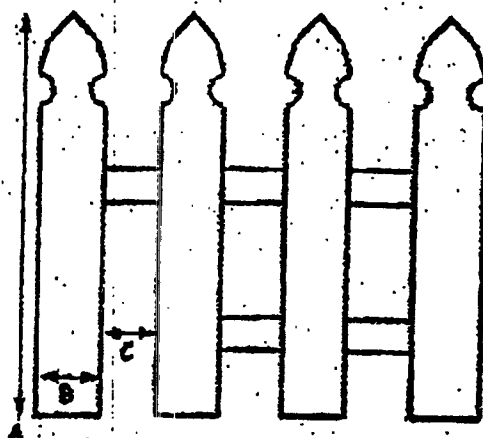
The Highlands at Stoney Creek
Section 1

I, the undersigned Registered Land Surveyor hereby certify that the included plat correctly represents a subdivision of part of the West Half of Section 3, Township 18 North, Range 5 East, Hamilton County, Indiana, more particularly described as follows:

Commencing at a stone marking the Southeast corner of the Northwest Quarter of said Section 3; thence North 80 degrees 01 minutes 36 seconds East (assumed bearing) along the East line of said Half Quarter Section 57.89 feet to the POINT OF BEGINNING of this description; thence South 86 degrees 45 minutes 52 seconds West 488.54 feet; thence North 28 degrees 07 minutes 04 seconds West 50.18 feet; thence South 81 degrees 52 minutes 58 seconds West 135.17 feet; thence South 28 degrees 07 minutes 04 seconds East 79.83 feet; thence South 15 degrees 55 minutes 38 seconds East 290.80 feet; thence South 33 degrees 59 minutes 36 seconds East 289.10 feet; thence South 01 degrees 13 minutes 35 seconds East 172.73 feet; thence South 28 degrees 52 minutes 21 seconds West 65.50 feet; thence South 00 degrees 08 minutes 00 seconds East 40.31 feet; thence South 56 degrees 55 minutes 36 seconds East 90.77 feet to the point of curvature of a curve concave northerly, the radius point of said curve being North 33 degrees 04 minutes 25 seconds East 10.00 feet from said point; thence easterly along said curve 14.86 feet to the point of tangency of said curve, said point being South 52 degrees 36 minutes 01 seconds East 10.00 feet from the radius point of said curve; thence South 52 degrees 04 minutes 17 seconds East 58.60 feet to a point on a curve concave easterly, the radius point of said curve being South 52 degrees 36 minutes 01 seconds East 10.00 feet from said point; thence southerly along said curve 13.34 feet to the point of tangency of said curve, said point being South 50 degrees 58 minutes 46 seconds West 10.00 feet from the radius point of said curve; thence North 89 degrees 50 minutes 10 seconds East 222.88 feet to a point on the East line of the Southwest Quarter of said Section 3; thence South 00 degrees 09 minutes 50 seconds East along said East line 580.00 feet; thence South 88 degrees 50 minutes 10 seconds West 150.00 feet; thence South 00 degrees 09 minutes 50 seconds East parallel to said East line 23.30 feet; thence South 88 degrees 50 minutes 10 seconds West 235.00 feet; thence North 00 degrees 09 minutes 50 seconds West parallel to said East line 301.88 feet; thence North 28 degrees 29 minutes 58 seconds West 200.44 feet; thence North 35 degrees 27 minutes 12 seconds East 188.83 feet; thence North 00 degrees 09 minutes 00 seconds West 18.23 feet; thence North 56 degrees 55 minutes 35 seconds West 99.89 feet to the point of curvature of a curve concave southerly, the radius point of said curve being South 33 degrees 04 minutes 25 seconds West 10.00 feet from said point; thence westerly along said curve 15.29 feet to the point of tangency of said curve, said point being North 54 degrees 30 minutes 36 seconds West 10.00 feet from the radius point of said curve; thence North 53 degrees 30 minutes 04 seconds West 50.01 feet to a point on a curve concave westerly, the radius point of said curve being North 54 degrees 30 minutes 36 seconds West 10.00 feet from said point; thence northerly along said curve 14.41 feet to the point of tangency of said curve, said point being North 42 degrees 56 minutes 18 seconds East 10.00 feet from the radius point of said curve, said point also being the point of curvature of a curve concave northeasterly, the northwesterly along said curve 108.43 feet to the point of tangency of said curve, said point being South 67 degrees 46 minutes 22 seconds West 250.00 feet from the radius point of said curve; thence North 22 degrees 13 minutes 37 seconds West 3.44 feet; thence South 67 degrees 46 minutes 23 seconds West 74.47 feet; thence North 16 degrees 52 minutes 50 seconds West 76.33 feet; thence North 41 degrees 25 minutes 18 seconds West 85.00 feet; thence North 69 degrees 29 minutes 39 seconds West 85.00 feet; thence South 84 degrees 33 minutes 49 seconds West 151.83 feet; thence North 71 degrees 33 minutes 18 seconds West 150.13 feet; thence South 89 degrees 56 minutes 28 seconds West 142.38 feet; thence South 85 degrees 24 minutes 29 seconds West 133.88 feet; thence North 24 degrees 35 minutes 31 seconds West 220.00 feet; thence North 85 degrees 24 minutes 29 seconds East 4.31 feet; thence North 24 degrees 35 minutes 31 seconds West 181.53 feet; thence North 57 degrees 19 minutes 49 seconds East 323.70 feet; thence North 50 degrees 44 minutes 12 seconds East 1,032.36 feet; thence North 76 degrees 16 minutes 11 seconds West 431.65 feet; thence North 13 degrees 43 minutes 48 seconds East 85.00 feet; thence South 76 degrees 16 minutes 11 seconds East 520.44 feet to a point on a curve concave northerly, the radius point of said curve being North 13 degrees 43 minutes 48 seconds East 15,048.08 feet from said point; thence easterly along said curve 384.18 feet to the point of tangency of said curve, said point being South 12 degrees 20 minutes 37 seconds West 15,048.08 feet from the radius point of said curve, said point also being on the East line of the Northwest Quarter of said Section 3; thence South 00 degrees 01 minutes 38 seconds West along said East line 382.58 feet to the place of beginning. Containing 30.673 acres, more or less, subject to all legal highways, rights-of-ways, easements, and restrictions of record.

EXHIBIT "C"

Cedar Treated
Gothic Top
Spaced Picket Panel
(42" X 8')



A = 42" (with an installed height of no more than 48")
B = 3 3/8"
C = 2 1/2"



HAMILTON COUNTY RECORDER

MARY L. CLARK - RECORDER

Instrument Number 200100037900

Date of Plat 6-1-01

Recording Date 6-25-01

Time 12:06 PM

Recording Fee \$29.00

Grantor (Developer/Owner) CENTEX HOMES BY TIMOTHY K MCMAHON, DIVISION PRESIDENT
ALSO, STONY CREEK GOLF CLUB BY SAM TAYLOR

Grantee (Name of Plat) THE HIGHLANDS AT STONY CREEK, SEC 1C, SECONDARY PLAT

Legal Description PT OF THE W HALF OF SEC 3, TWP 18 N, R 5 E, CONTAINS 8.789 ACRES
MORE OR LESS

Plat Cabinet & Slide Number PC 2 SLIDE 608

Number of Lots 44 LOTS, NUMBERED 63A-70B, 99A-108B, AND 119A-122B

Transferred: YES XXXXXXXXXXXXXXXXXX NO

Date of Transfer 6-25-01

Cross Reference Number 200100037901

33 NORTH NINTH STREET, SUITE 309
NOBLESVILLE, INDIANA 46060-2204
PHONE (317) 776-9619

1700
④

200100037901
Filed for Record in
HAMILTON COUNTY, INDIANA
HARRY L CLARK
06-25-2001 12:06 pm.
DEC COV RES 17.00

Section 1C

**SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS OF
THE HIGHLANDS AT STONY CREEK**

THIS SUPPLEMENTAL DECLARATION made this 25th day of June, 2001, by
Centex Homes, a Nevada general partnership ("Declarant"),

W I T N E S S E I H:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to the following described real estate located in Hamilton County, Indiana, to-wit:

See legal description attached hereto made a part hereof and marked Exhibit A.
(Hereinafter referred to as The Highlands at Stony Creek Section 1C

B. On June 20, 2001, Declarant executed a Declaration of Covenants and Restrictions of The Highlands at Stony Creek Property Ownership which was recorded in the Office of the Recorder of Hamilton County, Indiana on June 25, 2001, as Instrument No. 2010003789B (collectively, the "Declaration"). The Declaration is incorporated herein by reference and all of the terms and definitions as described therein are hereby adopted and shall have the same meaning in this Supplemental Declaration.

C. The Highlands at Stony Creek Section 1C is part of the Real Estate described in paragraph A of the recitals of the Declaration. Paragraph 21 of the Declaration provides that all or part of the Real Estate may be annexed to The Highlands at Stony Creek Property Ownership, incorporated into the Declaration and the Owners thereof become members of The Highlands at Stony Creek Property Ownership in accordance with the conditions in paragraph 21 of the Declaration and the filing of the Supplemental Declaration by Declarant. All conditions relating to the annexation of The Highlands at Stony Creek to the Tract of The Highlands at Stony Creek Property Ownership have been met, and Declarant, by execution of this Supplemental Declaration, hereby incorporates The Highlands at Stony Creek Section 1C into The Highlands at Stony Creek Property Ownership.

NOW, THEREFORE, Declarant makes this Supplemental Declaration as follows:

1. Declaration. Declarant hereby expressly declares that The Highlands at Stony Creek Section 1C and all appurtenant easements, Common Area, Limited Common Area, Lots, improvements and property of every kind and nature whatsoever, real, personal and mixed, located thereon is hereby annexed to and becomes a part of The Highlands at Stony Creek Section 1C Property Ownership as if such originally had been included in the Declaration, and shall hereafter be held, transferred, sold conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The Highlands at Stony Creek Section 1C hereafter and for all purposes shall be included in the definition of "Tract" as defined

ODMAMH00MAM01.40701.1

In paragraph 1(q) of the Declaration.

2. Description of Lots. There shall be twenty-two (22) Lots, Numbered 83-77, 99-108 and 119-122 in The Highlands at Stony Creek Section 1C as shown on the Supplemental Plat for Stony Creek Section 1C. Stony Creek Property Ownership of the Tract now has Seventy (70) Lots.

3. Square Footage. All Dwelling Units located on Lots in The Highlands at Stony Creek Section 1C shall have the minimum square feet of finished living area (exclusive of garages, carports, basements and porches) required by applicable zoning laws or ordinances or as otherwise designated on the Plat.

4. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of a Lot and/or Dwelling Unit shall constitute an agreement that the provisions of this Supplemental Declaration, the Declaration and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by each Owner, tenant and occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot and/or Dwelling Unit or the Property as if those provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

5. Supplemental Plat. The Supplemental Plat for Stony Creek Section 1C prepared by Stoeppeiwirth & Associates, Inc., certified by Dennis D. Olmstead, a registered land surveyor under the date of June 1, 2001 setting forth the layout, location, identification and dimension of the Lots identified in this Supplemental Declaration is incorporated into the Declaration, added to the plans filed with the Declaration, and has been filed in the Office of the Recorder of Hamilton County, Indiana, as of June 25, 2001, as Instrument No. 200100037900.

6. To the extent that there are any inconsistencies in the terms and conditions of this Supplemental Declaration, the Declaration and any recorded Plat, the terms of such recorded Plat shall control.

7. Except to the extent modified or amended herein, all terms and conditions of the Declaration remain in full force and effect.

ODM:\MHODMA\301,4020,1

EXECUTED the day and year first above written.

CENTEX HOMES

By: Centex Real Estate Corporation, general partner

By: [Signature]
Timothy K. McMahon
Indianapolis Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the Division President of Centex Homes, and acknowledged the execution of the foregoing "Supplemental Declaration of The Highlands at Stony Creek Property Ownership" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 24th day of June, 2001.

[Signature]
Notary Public

Stephany Lyn Elias
(Printed Signature)

My Commission Expires:
January 30 2009

My County of Residence:
Marion



This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans, 800 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

40701

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EXHIBIT "A"

DESCRIPTION OF PROPERTY

THE HIGHLANDS AT STONY CREEK
SECTION 10

The undersigned Registered Land Surveyor hereby certify that the included plot correctly represents a subdivision of part of the West 1/4 of Section 3, Township 18 North, Range 5 East, Hamilton County, Indiana, more particularly described as follows:

at a stone marking the Northeast corner of the Southwest Quarter of said Section 3; thence South 00 degrees 00 minutes 50 seconds East along the East line of said Quarter Section 1848.30 feet; South 89 degrees 50 minutes 10 seconds West 150.00; thence South 00 degrees 09 minutes 50 seconds East parallel to said East line 23.20 feet; thence South 89 degrees 50 minutes 10 seconds West 235.00 feet; thence North 00 degrees 00 seconds 80 minutes West parallel to said East line 301.98; thence North 28 degrees 29 minutes 58 seconds West 200.44 feet to the POINT OF BEGINNING of this description; thence South 48 degrees 31 minutes 18 seconds West 139.00 feet; thence South 43 degrees 22 minutes 54 seconds East 17.13 feet to the point of curvature of a curve concave southwesterly, the radius point of said curve being South 46 degrees 37 minutes 08 seconds West 250.00 feet from said point; thence southeasterly along said curve 23.16 feet to the point of tangency of said curve, said point being North 51 degrees 55 minutes 33 seconds East 250.00 feet from the radius point of said curve; thence South 58 degrees 59 minutes 38 seconds West 188.80 feet; thence North 33 degrees 00 minutes 22 seconds West 120.00 feet; thence South 58 degrees 59 minutes 38 seconds West 33.81 feet; thence North 33 degrees 00 minutes 22 seconds West 170.00 feet; thence South 58 degrees 59 minutes 38 seconds West 357.40 feet; thence North 40 degrees 18 minutes 40 seconds West 88.47 feet; thence North 38 degrees 00 minutes 48 seconds West 189.07 feet; thence North 02 degrees 38 minutes 30 seconds West 102.73 feet; thence North 42 degrees 09 minutes 38 seconds East 85.83 feet; thence North 65 degrees 24 minutes 20 seconds West 102.73 feet; thence North 75 degrees 24 minutes 33 seconds East 47.21 feet; thence North 67 degrees 41 minutes 55 seconds East 97.05 feet; thence North 68 degrees 18 minutes 52 seconds East 10.45 feet; thence North 00 degrees 13 minutes 28 seconds East 159.85 feet to a point on a curve concave southwesterly, the radius point of said curve being South 17 degrees 19 minutes 16 seconds West 275.00 feet from said point; thence southeasterly along said curve 80.05 feet to a point on said curve, said point being North 29 degrees 49 minutes 58 seconds East 275.00 feet from the radius point of said curve; thence North 29 degrees 49 minutes 58 seconds East 128.23 feet; thence North 84 degrees 33 minutes 49 seconds East 151.83 feet; thence South 68 degrees 29 minutes 39 seconds East 85.00 feet; thence South 41 degrees 25 minutes 18 seconds East 85.00 feet; thence South 16 degrees 52 minutes 50 seconds East 78.33 feet; thence North 67 degrees 46 minutes 23 seconds East 74.48 feet to a point on a curve concave northeasterly, the radius point of said curve being North 68 degrees 33 minutes 40 seconds East 250.00 feet from said point; thence southeasterly along said curve 111.87 feet to the point of tangency of said curve, said point being South 42 degrees 55 minutes 18 seconds West 250.00 feet from the radius point of said curve, said point also being the point of curvature of a curve concave westerly, the radius point of said curve being South 42 degrees 55 minutes 18 seconds West 10.00 feet from said point; thence southerly along said curve 14.41 feet to the point of tangency of said curve, said point being South 54 degrees 30 minutes 36 seconds East 10.00 feet from the radius point of said curve; thence South 53 degrees 30 minutes 84 seconds East 50.01 feet to a point on a curve concave southerly, the radius point of said curve being South 54 degrees 30 minutes 36 seconds East 10.00 feet from said point; thence southerly along said curve 15.29 feet to the point of tangency of said curve, said point being North 33 degrees 04 minutes 26 seconds East 10.00 feet from the radius point of said curve; thence South 38 degrees 55 minutes 36 seconds East 98.88 feet; thence South 00 degrees 09 minutes 00 seconds East 18.23 feet; thence South 35 degrees 27 minutes 12 seconds West 188.83 feet to the place of beginning. Containing 8.788 acres, more or less, subject to all legal highways, rights-of-ways, easements, and restrictions of record.

improvements and property of every kind and nature whatsoever, real, personal and mixed, located thereon is hereby annexed to and becomes a part of The Highlands at Stony Creek Section 3A Property Ownership as if such originally had been included in the Declaration, and shall hereafter be held, transferred, sold conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The Highlands at Stony Creek Section 3A hereafter and for all purposes shall be included in the definition of "Tract" as defined in paragraph 1(q) of the Declaration.

2. Description of Lots. There shall be twenty-five (25) Lots, Numbered 123-132 and 137-151 in The Highlands at Stony Creek Section 3A as shown on the Supplemental Plat for Stony Creek Section 3A. Stony Creek Property Ownership or the Tract now has One Hundred Eighteen (118) Lots.

3. Square Footage. All Dwelling Units located on Lots in The Highlands at Stony Creek Section 3A shall have the minimum square feet of finished living area (exclusive of garages, carports, basements and porches) required by applicable zoning laws or ordinances or as otherwise designated on the Plat.

4. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of a Lot and/or Dwelling Unit shall constitute an agreement that the provisions of this Supplemental Declaration, the Declaration and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by each Owner, tenant and occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot and/or Dwelling Unit or the Property as if those provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

5. Supplemental Plat. The Supplemental Plat for Stony Creek Section 3A prepared by Stoepfelwerth & Associates, Inc., certified by Dennis D. Olmstead, a registered land surveyor under the date of September 9, 2002 setting forth the layout, location, identification and dimension of the Lots identified in this Supplemental Declaration is incorporated into the Declaration, added to the plans filed with the Declaration, and has been filed in the Office of the Recorder of Hamilton County, Indiana, as of October 17, 2002, as Instrument No. 200200077655.

6. To the extent that there are any inconsistencies in the terms and conditions of this Supplemental Declaration, the Declaration and any recorded Plat, the terms of such recorded Plat shall control.

7. Except to the extent modified or amended herein, all terms and conditions of the Declaration remain in full force and effect.

EXECUTED the day and year first above written.

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation

Its: Managing General Partner

By: [Handwritten Signature]
Timothy K. McMahon
Indianapolis Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the Division President of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, and acknowledged the execution of the foregoing "Supplemental Declaration of The Highlands at Stony Creek Property Ownership" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 13th day of January, 2003.



[Handwritten Signature]
Notary Public

Stephany Lyn Elias
(Printed Signature)

My Commission Expires
January 31, 2009

My County of Residence:
Marion

This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans, 600 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

C:\WINDOWS\TEMP\SUPPLEMENTAL DECLARATIONS OF COVENANTS - HIGHLANDS - STONY CREEK 3A.DOC

EXHIBIT "A"

DESCRIPTION OF PROPERTY

THE HIGHLANDS AT STONY CREEK SECTION 3A

I, the undersigned Registered Land Surveyor hereby certify that the included plat correctly represents a subdivision of part of the Southwest Quarter of Section 3 and part of the Northwest Quarter, Township 18 North, Range 5 East, Hamilton County, Indiana, more particularly described as follows:

Commencing at the Northeast corner of said Quarter Section; thence South 00 degrees 09 minutes 50 seconds East along the East line of the said Quarter Section 1,086.30 feet; thence South 89 degrees 50 minutes 10 seconds West 222.98 feet to a point on a curve concave easterly, the radius point of said curve being North 50 degrees 58 minutes 47 seconds East 10.00 feet from said point; thence northerly along said curve 13.34 feet to the point of tangency of said curve, said point being North 52 degrees 36 minutes 01 seconds West 10.00 feet from the radius point of said curve; thence North 52 degrees 04 minutes 17 seconds West 50.00 feet to a point on a curve concave northerly, the radius point of said curve being North 52 degrees 36 minutes 02 seconds West 10.00 feet from said point; thence westerly along said curve 14.95 feet to the point of tangency of said curve, said point being South 33 degrees 04 minutes 25 seconds West 10.00 feet from the radius point of said curve; thence North 56 degrees 55 minutes 35 seconds West 90.77 feet; thence North 00 degrees 09 minutes 00 seconds West 40.31 feet; thence North 28 degrees 52 minutes 21 seconds East 55.50 feet; thence North 01 degrees 13 minutes 35 seconds West 172.73 feet; thence North 33 degrees 59 minutes 39 seconds West 269.10 feet; thence North 15 degrees 55 minutes 59 seconds West 290.50 feet; thence North 28 degrees 37 minutes 04 seconds West 79.93 feet; thence North 61 degrees 52 minutes 58 seconds East 135.17 feet; thence South 28 degrees 07 minutes 04 seconds East 50.18 feet; thence North 66 degrees 45 minutes 52 seconds East 485.54 feet; thence South 00 degrees 01 minutes 38 seconds West along the said East line 57.69 feet to the place of beginning. Containing 10.159 acres, more or less, subject to all legal highways, rights-of-ways, easements, and restrictions of record.



HAMILTON COUNTY RECORDER

MARY L. CLARK • RECORDER

Instrument Number 200200077655

Date of Plat 9-27-2002

Recording Date 10-17-2002

Time 12:58 P.M.

Recording Fee \$ 28.00

Grantor (Developer/Owner) CENTEX HOMES
BY: CENTEX REAL ESTATE CORPORATION ITS: MANAGING
GENERAL PARTNER. TIMOTHY K. MCMAHON, DIVISION PRESIDENT

Grantee (Name of Plat) HIGHLANDS AT STONEY CREEK
SECTION 3A
SECONDARY PLAT

Legal Description A PART OF THE NORTHWEST QUARTER OF SECTION 3,
TOWNSHIP 18 NORTH, RANGE 5 EAST, HAMILTON COUNTY, INDIANA.
(10.159 ACRES)

Plat Cabinet & Slide Number PC 3 SLIDE 70

Number of Lots 25 LOTS #123-132 & 137-151

Transferred: YES X NO

Date of Transfer 10-17-2002

Cross Reference Number 200100037898

33 NORTH NINTH STREET, SUITE 309
 NORTLEEVILLE, INDIANA 46060-2204
 PHONE (317) 776-9619

21.00
④
1.00 none

Section 3B

SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS OF THE HIGHLANDS AT STONY CREEK

200300060471
Filed for Record in
HAMILTON COUNTY, INDIANA
JENNIFER J HAYDEN
06-24-2003 At 11:51 am.
DEC CDV RES 21.00

THIS SUPPLEMENTAL DECLARATION made this 17th day of June, 2003, by Centex Homes, a Nevada general partnership ("Declarant"),

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to the following described real estate located in Hamilton County, Indiana, to-wit:

See legal description attached hereto made a part hereof and marked Exhibit A, (hereinafter referred to as The Highlands at Stony Creek Section 3B).

B. On June 20, 2001, Declarant executed a Declaration of Covenants and Restrictions of The Highlands at Stony Creek Property Ownership which was recorded in the Office of the Recorder of Hamilton County, Indiana on June 25, 2001, as Instrument No. 2001-00037898, as amended by a Supplemental Declaration recorded by a Supplemental Declaration recorded on June 25, 2001, as Instrument No. 2001-00037901 and a First Amendment recorded August 29, 2001, as Instrument No. 2001-0005448, a Supplemental Declaration recorded August 13, 2002, as Instrument No. 2002-00057750, and a Supplemental Declaration recorded January 14, 2003 as Instrument No. 2003-00005502 (all of which were recorded in the Office of the Recorder of Hamilton County, Indiana, and are collectively referred to as the "Declaration"). The Declaration is incorporated herein by reference and all of the terms and definitions as described therein are hereby adopted and shall have the same meaning in this Supplemental Declaration.

C. The Highlands at Stony Creek Section 3B is part of the Real Estate described in paragraph A of the recitals of the Declaration. Paragraph 21 of the Declaration provides that all or part of the Real Estate may be annexed to The Highlands at Stony Creek Property Ownership, incorporated into the Declaration and the Owners thereof become members of The Highlands at Stony Creek Property Ownership in accordance with the conditions in paragraph 21 of the Declaration and the filing of the Supplemental Declaration by Declarant. All conditions relating to the annexation of The Highlands at Stony Creek to the Tract of The Highlands at Stony Creek Property Ownership have been met, and Declarant, by execution of this Supplemental Declaration, hereby incorporates The Highlands at Stony Creek Section 3B into The Highlands at Stony Creek Property Ownership.

NOW, THEREFORE, Declarant makes this Supplemental Declaration as follows:

- 1. Declaration. Declarant hereby expressly declares that The Highlands at Stony Creek Section 3B and all appurtenant easements, Common Area, Limited Common Area, Lots,

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improvements and property of every kind and nature whatsoever, real, personal and mixed, located thereon is hereby annexed to and becomes a part of The Highlands at Stony Creek Section 3B Property Ownership as if such originally had been included in the Declaration, and shall hereafter be held, transferred, sold conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The Highlands at Stony Creek Section 3B hereafter and for all purposes shall be included in the definition of "Tract" as defined in paragraph 1(q) of the Declaration.

2. Description of Lots. There shall be twenty-four (24) Lots, Numbered 178-192 and 209-217 in The Highlands at Stony Creek Section 3B as shown on the Supplemental Plat for Stony Creek Section 3B. Stony Creek Property Ownership or the Tract now has One Hundred Forty-two (142) Lots.

3. Square Footage. All Dwelling Units located on Lots in The Highlands at Stony Creek Section 3B shall have the minimum square feet of finished living area (exclusive of garages, carports, basements and porches) required by applicable zoning laws or ordinances or as otherwise designated on the Plat.

4. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of a Lot and/or Dwelling Unit shall constitute an agreement that the provisions of this Supplemental Declaration, the Declaration and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by each Owner, tenant and occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot and/or Dwelling Unit or the Property as if those provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

5. Supplemental Plat. The Supplemental Plat for Stony Creek Section 3B prepared by Stoeppelwerth & Associates, Inc., certified by Dennis D. Olmstead, a registered land surveyor under the date of May 15, 2003 setting forth the layout, location, identification and dimension of the Lots identified in this Supplemental Declaration is incorporated into the Declaration, added to the plans filed with the Declaration, and has been filed in the Office of the Recorder of Hamilton County, Indiana, as of JUNE 24th, 2003, as Instrument No. 200300060470.

6. To the extent that there are any inconsistencies in the terms and conditions of this Supplemental Declaration, the Declaration and any recorded Plat, the terms of such recorded Plat shall control.

7. Except to the extent modified or amended herein, all terms and conditions of the Declaration remain in full force and effect.

EXECUTED the day and year first above written.

CENTEX HOMES, a Nevada general partnership

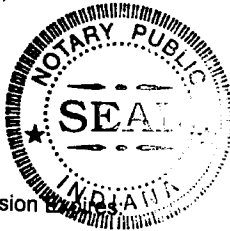
By: Centex Real Estate Corporation, a Nevada corporation
Its: Managing General Partner

By: [Signature]
Timothy K. McMahon
Indianapolis Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the Division President of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, and acknowledged the execution of the foregoing "Supplemental Declaration of The Highlands at Stony Creek Property Ownership" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 17th day of June, 2003.



[Signature]
Notary Public

Stephany Lyn Elias
(Printed Signature)

My Commission Expires January 30, 2009

My County of Residence: Marion

This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans, 600 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

EXHIBIT A

[Legal Description]

Beginning at the Southeast corner of said Quarter Section; thence South 89 degrees 00 minutes 45 seconds West along the South line of said Quarter Section 1,062.66 feet; thence North 00 degrees 59 minutes 15 seconds West 294.96 feet; thence South 89 degrees 00 minutes 45 seconds West parallel to said South line 294.92 feet; thence North 00 degrees 00 minutes 00 seconds East 205.00 feet; thence North 07 degrees 00 minutes 00 seconds East 46.37 feet; thence South 88 degrees 00 minutes 00 seconds East 141.97 feet; thence North 02 degrees 00 minutes 00 seconds East 73.00 feet; thence South 88 degrees 00 minutes 00 seconds East 195.57 feet; thence South 79 degrees 59 minutes 23 seconds East 249.80 feet; thence South 84 degrees 15 minutes 50 seconds East 34.84 feet; thence North 83 degrees 23 minutes 17 seconds East 205.71 feet; thence North 64 degrees 09 minutes 41 seconds East 50.00 feet to a point on a curve concave northeasterly, the radius point of said curve being North 64 degrees 09 minutes 41 seconds East 200.00 feet from said point; thence southeasterly along said curve 28.77 feet to the point of tangency of said curve, said point being South 55 degrees 55 minutes 12 seconds West 200.00 feet from the radius point of said curve; thence South 34 degrees 04 minutes 48 seconds East 54.87 feet to the point of curvature of a curve concave northerly, the radius point of said curve being North 55 degrees 55 minutes 12 seconds East 10.00 feet from said point; thence easterly along said curve 14.36 feet to the point of tangency of said curve, said point being South 26 degrees 20 minutes 37 seconds East 10.00 feet from the radius point of said curve, said point also being the point of curvature of a curve concave southeasterly, the radius point of said curve being South 26 degrees 20 minutes 37 seconds East 250.00 feet from said point; thence northeasterly along said curve 4.37 feet to the point of tangency of said curve, said point being North 25 degrees 20 minutes 30 seconds West 250.00 feet from the radius point of said curve, said point also being a point on the West line of The Highlands at Stony Creek Section 2B recorded as Instrument Number 200200057751, Plat Cabinet #3, Slide #33 in the Office of the Recorder of Hamilton County, Indiana, the following Four (4) courses being on and along the Western and Southern boundary of said The Highlands at Stony Creek Section 2B; (1) South 29 degrees 23 minutes 07 seconds East 50.38 feet; (2) South 12 degrees 28 minutes 29 seconds East 126.97 feet; (3) South 00 degrees 37 minutes 29 seconds East 308.99 feet; (4) North 89 degrees 00 minutes 45 seconds East parallel to the South line of said Quarter Section 369.59 feet to a point on the East line of said Quarter Section; thence South 00 degrees 09 minutes 50 seconds East along said East line 40.00 feet to the place of beginning. Containing 11.164 acres, more or less, subject to all legal highways, rights-of-ways, easements, and restrictions of record.

This subdivision consists of 24 lots numbered 178-192, 209-217 (all inclusive) and 3 Common Areas labeled 14-16 (both inclusive). The size of lots and width of streets are shown in feet and decimal parts thereof.

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200300060831
Filed for Record in
HAMILTON COUNTY, INDIANA
JENNIFER J HAYDEN
06-25-2003 At 08:43 am.
DEC COV RES 16.00

Section 2C

SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS OF
THE HIGHLANDS AT STONY CREEK

THIS SUPPLEMENTAL DECLARATION made this 17th day of June, 2003, by Centex Homes, a Nevada general partnership ("Declarant"),

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to the following described real estate located in Hamilton County, Indiana, to-wit:

See legal description attached hereto made a part hereof and marked Exhibit A, (hereinafter referred to as The Highlands at Stony Creek Section 2C).

B. On June 20, 2001, Declarant executed a Declaration of Covenants and Restrictions of The Highlands at Stony Creek Property Ownership which was recorded in the Office of the Recorder of Hamilton County, Indiana on June 25, 2001, as Instrument No. 2001-00037898, as amended by a Supplemental Declaration recorded by a Supplemental Declaration recorded on June 25, 2001, as Instrument No. 2001-00037901 and a First Amendment recorded August 29, 2001, as Instrument No. 2001-0005448, a Supplemental Declaration recorded August 13, 2002, as Instrument No. 2002-00057750, a Supplemental Declaration recorded January 14, 2003 as Instrument No. 2003-00005502, and a Supplemental Declaration recorded June 24th, 2003 as Instrument No. 2003-00060471 (all of which were recorded in the Office of the Recorder of Hamilton County, Indiana, and are collectively referred to as the "Declaration"). The Declaration is incorporated herein by reference and all of the terms and definitions as described therein are hereby adopted and shall have the same meaning in this Supplemental Declaration.

C. The Highlands at Stony Creek Section 2C is part of the Real Estate described in paragraph A of the recitals of the Declaration. Paragraph 21 of the Declaration provides that all or part of the Real Estate may be annexed to The Highlands at Stony Creek Property Ownership, incorporated into the Declaration and the Owners thereof become members of The Highlands at Stony Creek Property Ownership in accordance with the conditions in paragraph 21 of the Declaration and the filing of the Supplemental Declaration by Declarant. All conditions relating to the annexation of The Highlands at Stony Creek to the Tract of The Highlands at Stony Creek Property Ownership have been met, and Declarant, by execution of this Supplemental Declaration, hereby incorporates The Highlands at Stony Creek Section 2C into The Highlands at Stony Creek Property Ownership.

NOW, THEREFORE, Declarant makes this Supplemental Declaration as follows:

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1. Declaration. Declarant hereby expressly declares that The Highlands at Stony Creek Section 2C and all appurtenant easements, Common Area, Limited Common Area, Lots, improvements and property of every kind and nature whatsoever, real, personal and mixed, located thereon is hereby annexed to and becomes a part of The Highlands at Stony Creek Section 2C Property Ownership as if such originally had been included in the Declaration, and shall hereafter be held, transferred, sold conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The Highlands at Stony Creek Section 2C hereafter and for all purposes shall be included in the definition of "Tract" as defined in paragraph 1(q) of the Declaration.
2. Description of Lots. There shall be thirty-six (36) Lots, Numbered 84A-91B and 109A-119B in The Highlands at Stony Creek Section 2C as shown on the Supplemental Plat for Stony Creek Section 2C. Stony Creek Property Ownership or the Tract now has One Hundred Seventy-eight (178) Lots.
3. Square Footage. All Dwelling Units located on Lots in The Highlands at Stony Creek Section 2C shall have the minimum square feet of finished living area (exclusive of garages, carports, basements and porches) required by applicable zoning laws or ordinances or as otherwise designated on the Plat.
4. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of a Lot and/or Dwelling Unit shall constitute an agreement that the provisions of this Supplemental Declaration, the Declaration and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by each Owner, tenant and occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot and/or Dwelling Unit or the Property as if those provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.
5. Supplemental Plat. The Supplemental Plat for Stony Creek Section 2C prepared by Stoeppelwerth & Associates, Inc., certified by Dennis D. Olmstead, a registered land surveyor under the date of May 15, 2003 setting forth the layout, location, identification and dimension of the Lots identified in this Supplemental Declaration is incorporated into the Declaration, added to the plans filed with the Declaration, and has been filed in the Office of the Recorder of Hamilton County, Indiana, as of June 25, 2003, as Instrument No. 2003 060600830
6. To the extent that there are any inconsistencies in the terms and conditions of this Supplemental Declaration, the Declaration and any recorded Plat, the terms of such recorded Plat shall control.
7. Except to the extent modified or amended herein, all terms and conditions of the Declaration remain in full force and effect.

16.00
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Section 2B

SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS OF
THE HIGHLANDS AT STONY CREEK

200200057750
Filed for Record in
HAMILTON COUNTY, INDIANA
MARY L CLARK
08-13-2002 02:51 pm.
DEC COV RES 16.00

THIS SUPPLEMENTAL DECLARATION made this 3 day of July, 2002, by
Centex Homes, a Nevada general partnership ("Declarant"),

W I T N E S S E T H:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to the following described real estate located in Hamilton County, Indiana, to-wit:

See legal description attached hereto made a part hereof and marked Exhibit A, (hereinafter referred to as The Highlands at Stony Creek Section 2B).

B. On June 20, 2001, Declarant executed a Declaration of Covenants and Restrictions of The Highlands at Stony Creek Property Ownership which was recorded in the Office of the Recorder of Hamilton County, Indiana on June 25, 2001, as Instrument No. 2001-00037898, as amended by a Supplemental Declaration recorded by a Supplemental Declaration recorded on June 25, 2001, as Instrument No. 2001-00037901 and a First Amendment recorded August 29, 2001, as Instrument No. 2001-00054408 (all of which were recorded in the Office of the Recorder of Hamilton County, Indiana, and are collectively referred to as the "Declaration"). The Declaration is incorporated herein by reference and all of the terms and definitions as described therein are hereby adopted and shall have the same meaning in this Supplemental Declaration.

C. The Highlands at Stony Creek Section 2B is part of the Real Estate described in paragraph A of the recitals of the Declaration. Paragraph 21 of the Declaration provides that all or part of the Real Estate may be annexed to The Highlands at Stony Creek Property Ownership, incorporated into the Declaration and the Owners thereof become members of The Highlands at Stony Creek Property Ownership in accordance with the conditions in paragraph 21 of the Declaration and the filing of the Supplemental Declaration by Declarant. All conditions relating to the annexation of The Highlands at Stony Creek to the Tract of The Highlands at Stony Creek Property Ownership have been met, and Declarant, by execution of this Supplemental Declaration, hereby incorporates The Highlands at Stony Creek Section 2B into The Highlands at Stony Creek Property Ownership.

NOW, THEREFORE, Declarant makes this Supplemental Declaration as follows:

1. Declaration. Declarant hereby expressly declares that The Highlands at Stony Creek Section 2B and all appurtenant easements, Common Area, Limited Common Area, Lots, improvements and property of every kind and nature whatsoever, real, personal and mixed, located thereon is hereby annexed to and becomes a part of The Highlands at Stony Creek

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Section 2B Property Ownership as if such originally had been included in the Declaration, and shall hereafter be held, transferred, sold conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The Highlands at Stony Creek Section 2B hereafter and for all purposes shall be included in the definition of "Tract" as defined in paragraph 1(q) of the Declaration.

2. Description of Lots. There shall be twenty-three (23) Lots, Numbered 160-177 and 235-239 in The Highlands at Stony Creek Section 2B as shown on the Supplemental Plat for Stony Creek Section 2B. Stony Creek Property Ownership or the Tract now has Nine-Three (93) Lots.

3. Square Footage. All Dwelling Units located on Lots in The Highlands at Stony Creek Section 2B shall have the minimum square feet of finished living area (exclusive of garages, carports, basements and porches) required by applicable zoning laws or ordinances or as otherwise designated on the Plat.

4. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of a Lot and/or Dwelling Unit shall constitute an agreement that the provisions of this Supplemental Declaration, the Declaration and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by each Owner, tenant and occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Lot and/or Dwelling Unit or the Property as if those provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

5. Supplemental Plat. The Supplemental Plat for Stony Creek Section 2B prepared by Stoepelwerth & Associates, Inc., certified by Dennis D. Olmstead, a registered land surveyor under the date of JUNE 19, 2002 setting forth the layout, location, identification and dimension of the Lots identified in this Supplemental Declaration is incorporated into the Declaration, added to the plans filed with the Declaration, and has been filed in the Office of the Recorder of Hamilton County, Indiana, as of AUGUST 13, 2002, as Instrument No. 2002-00057751.

6. To the extent that there are any inconsistencies in the terms and conditions of this Supplemental Declaration, the Declaration and any recorded Plat, the terms of such recorded Plat shall control.

7. Except to the extent modified or amended herein, all terms and conditions of the Declaration remain in full force and effect.

EXECUTED the day and year first above written.

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation
Its: Managing General Partner

By: [Signature]
Timothy K. McMahon
Indianapolis Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the Division President of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, and acknowledged the execution of the foregoing "Supplemental Declaration of The Highlands at Stony Creek Property Ownership" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 3rd day of July, 2002.

[Signature]
Notary Public
[Signature]
(Printed Signature)



My Commission Expires:
January 30, 2009

My County of Residence:
Marion

This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans, 600 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

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EXHIBIT "A"

DESCRIPTION OF PROPERTY

HIGHLANDS AT STONYCREEK SECTION 28

I, the undersigned Registered Land Surveyor hereby certify that the included plat correctly represents a subdivision of part of the Southwest Quarter of Section 3, Township 18 North, Range 5 East, Hamilton County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Quarter Section; thence North 00 degrees 09 minutes 50 seconds West (Assumed Bearing) along the East line of said Quarter Section, 40.01 feet to the POINT OF BEGINNING; thence South 89 degrees 00 minutes 45 seconds West parallel to the South line of said Quarter Section 369.59 feet; thence North 00 degrees 37 minutes 29 seconds West 308.99 feet; thence North 12 degrees 28 minutes 14 seconds West 126.94 feet; thence North 29 degrees 23 minutes 07 seconds West 50.42 feet; thence North 13 degrees 55 minutes 20 seconds East 159.04 feet; thence North 00 degrees 09 minutes 50 seconds West 309.79 feet; thence North 89 degrees 50 minutes 10 seconds East 235.00 feet; thence North 00 degrees 09 minutes 50 seconds West 23.30 feet; thence North 89 degrees 50 minutes 10 seconds East 150.00 feet to a point on the East line of said Quarter Section; thence South 00 degrees 09 minutes 50 seconds East along said East line, 958.04 feet to the place of beginning. Containing 8.382 acres, more or less, subject to all legal highways, rights-of-ways, easements, and restrictions of record.

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1.00
None

**SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS OF
THE HIGHLANDS AT STONY CREEK**

THIS SUPPLEMENTAL DECLARATION made this 13th day of January, 2003, by
Centex Homes, a Nevada general partnership ("Declarant"),

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title to the following described real estate located in Hamilton County, Indiana, to-wit:

See legal description attached hereto made a part hereof and marked Exhibit A, (hereinafter referred to as The Highlands at Stony Creek Section 3A).

B. On June 20, 2001, Declarant executed a Declaration of Covenants and Restrictions of The Highlands at Stony Creek Property Ownership which was recorded in the Office of the Recorder of Hamilton County, Indiana on June 25, 2001, as Instrument No. 2001-00037898, as amended by a Supplemental Declaration recorded by a Supplemental Declaration recorded on June 25, 2001, as Instrument No. 2001-00037901 and a First Amendment recorded August 29, 2001, as Instrument No. 2001-0005448 and a Supplemental Declaration recorded August 13, 2002, as Instrument No. 2002-00057750 (all of which were recorded in the Office of the Recorder of Hamilton County, Indiana, and are collectively referred to as the "Declaration"). The Declaration is incorporated herein by reference and all of the terms and definitions as described therein are hereby adopted and shall have the same meaning in this Supplemental Declaration.

C. The Highlands at Stony Creek Section 3A is part of the Real Estate described in paragraph A of the recitals of the Declaration. Paragraph 21 of the Declaration provides that all or part of the Real Estate may be annexed to The Highlands at Stony Creek Property Ownership, incorporated into the Declaration and the Owners thereof become members of The Highlands at Stony Creek Property Ownership in accordance with the conditions in paragraph 21 of the Declaration and the filing of the Supplemental Declaration by Declarant. All conditions relating to the annexation of The Highlands at Stony Creek to the Tract of The Highlands at Stony Creek Property Ownership have been met, and Declarant, by execution of this Supplemental Declaration, hereby incorporates The Highlands at Stony Creek Section 3A into The Highlands at Stony Creek Property Ownership.

NOW, THEREFORE, Declarant makes this Supplemental Declaration as follows:

1. Declaration. Declarant hereby expressly declares that The Highlands at Stony Creek Section 3A and all appurtenant easements, Common Area, Limited Common Area, Lots,

EXECUTED the day and year first above written.

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation
Its: Managing General Partner

By: [Signature]
Timothy K. McMahon
Indianapolis Division President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timothy K. McMahon, by me known and by me known to be the Division President of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, and acknowledged the execution of the foregoing "Supplemental Declaration of The Highlands at Stony Creek Property Ownership" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 17th day of June, 2003.



[Signature]
Notary Public

Stephany Lyn Elias
(Printed Signature)

My Commission Expires January 30, 2009

My County of Residence: Marion

This instrument prepared by Tammy K. Haney, Attorney at Law, Bose McKinney & Evans, 600 East 96th Street, Suite 500, Indianapolis, Indiana 46240.

EXHIBIT A

[Legal Description]

Commencing at the Southeast corner of said Quarter Section; thence South 89 degrees 00 minutes 45 seconds West along the South line of said Quarter Section 1,062.66 feet; thence North 00 degrees 59 minutes 15 seconds West 294.96 feet; thence South 89 degrees 00 minutes 45 seconds West parallel to the aforesaid South line 294.92 feet; thence North 00 degrees 00 minutes 00 seconds East 205.00 feet; thence North 07 degrees 00 minutes 00 seconds East 310.00 feet; thence North 17 degrees 00 minutes 00 seconds West 166.45 feet to the POINT OF BEGINNING of this description; thence continuing North 17 degrees 00 minutes 00 seconds West 133.55 feet; thence North 38 degrees 00 minutes 00 seconds West 173.59 feet; thence North 52 degrees 00 minutes 00 seconds East 130.00 feet; thence North 38 degrees 00 minutes 00 seconds West 14.79 feet; thence North 52 degrees 00 minutes 00 seconds East 170.03 feet to a point on the western boundary of The Highlands at Stony Creek, Section 1C recorded as Instrument No. 200100037900, Plat Cabinet 2, Slide 608 in the Office of the Recorder of Hamilton County, Indiana, the following six (6) courses being on and along the western boundary of said The Highlands at Stony Creek Section 1C; (1) South 38 degrees 00 minutes 46 seconds East 84.07 feet; (2) South 40 degrees 18 minutes 40 seconds East 86.47 feet; (3) North 56 degrees 59 minutes 38 seconds East 351.40 feet; (4) South 33 degrees 00 minutes 22 seconds East 170.00 feet; (5) North 56 degrees 59 minutes 38 seconds East 33.91 feet; (6) South 33 degrees 00 minutes 22 seconds East 120.00 feet; thence South 56 degrees 59 minutes 38 seconds West 240.00 feet; thence South 36 degrees 27 minutes 00 seconds West 58.45 feet; thence South 21 degrees 06 minutes 37 seconds West 199.55 feet; thence North 68 degrees 53 minutes 23 seconds West 170.00 feet; thence North 21 degrees 06 minutes 37 seconds East 0.18 feet; thence North 88 degrees 00 minutes 00 seconds West 203.95 feet to the place of beginning, containing 5.869 acres, more or less. Subject to all legal highways, rights-of-ways, easements, and restrictions of record.

This subdivision consists of 36 lots numbered 84A-91B, 109A-118B (all inclusive) and 2 Common Areas labeled C.A. #12-13 (both inclusive). The size of lots and width of streets are shown in feet and decimal parts thereof.