

COVENANTS OF
THE OLDE TOWNE NEIGHBORHOOD ASSOCIATION, INC.
AND
THE OLDE TOWNE ARTS AND CULTURAL SOCIETY, INC.

BE IT KNOWN, that on this 19th day of May, 2004, before me the undersigned Notary Public, came and appeared LAMB DEVELOPMENT, L.L.C. ("Developer"), a Louisiana limited liability company represented by Edward C. Lamb, its duly authorized Chief Operating Officer, pursuant to the authority attached to the Declaration referred to herein, who declared that by that act entitled "Declaration of Covenants, Servitudes, Restrictions of Olde Towne At Millcreek" ("the Declaration"), Developer has established a Traditional Neighborhood Development in Lafayette Parish, Louisiana; and

Whereas, in connection with the development and maintenance of the traditional neighborhood development of Olde Towne at Millcreek, Developer has created a system of eventual self-governing of Olde Towne at Millcreek including, but not limited to the formation of The Olde Towne Neighborhood Association, Inc., (sometimes called herein simply "the Association") and The Olde Towne Arts and Cultural Society, (sometimes called herein simply ("the Society")), both of which are Louisiana nonprofit corporations;

Whereas, Developer desires to set forth herein provisions for the organization, operation and maintenance of the Association and the Society;

Therefore, Developer hereby declares as follows:
The definitions contained in Article 1 of the Declaration are incorporated herein as though set forth entirely in this act.

ARTICLE 1

- 1.1 Duties. The Association shall have the whole responsibility to manage, control, improve and maintain the Commons, to perform other duties required by the Declaration, and shall enforce the terms of the Declaration.
- 1.2 Covenant To Maintain A Capital Reserve And Physical Inventory Of Spare Parts For Street Lights. Developer has installed street lights that support Olde Towne's development theme, and harmonize with the neighborhood's name and architectural styles. These street lights meet the Lafayette Consolidated Government illumination specifications but several components such as the poles, fixtures, pedestals, and skirts, are non-standard because they are unique within the City and not contained within the standard stock of the Lafayette Utilities System. Lafayette Consolidated Government has approved of their use in Olde Towne subject to the following provisions:
- (a) The Association or the Developer (subject to reimbursement by the Association) shall purchase the initial replacement inventory of light poles, fixtures, and skirts that are considered non-standard, each in minimum quantities of 10% of the quantities installed in Phase 1A. (list attached).
 - (b) The Association or the Developer (subject to reimbursement by the Association) shall also place in escrow the dollar cost amount required to purchase the identical 10% inventory referenced in 1.2 (a).
 - (c) The Association shall perpetually maintain an identical inventory on site, a minimum of which is 10% of all such non-standard street light items.
 - (d) The Association shall also provide for, and include in its budget, a reserve or escrow of funds sufficient to maintain this stock inventory level at all times.
 - (e) The Association shall also be solely responsible for the repair of street light pedestals (including anchor bolts), or for the replacement of them with a direct burial pole type as required by the Lafayette Consolidated Government.
 - (f) Prior to approval of any future phase of Olde Towne at Millcreek, the Association or the Developer (subject to reimbursement by the Association) shall purchase an additional inventory of replacement light poles, fixtures, and skirts that are considered non-standard, and shall also place in escrow the dollar cost amount required to purchase additional such inventory, such that (1) the inventory of replacement light poles, fixtures, and skirts that are considered non-standard shall perpetually be maintained at a level which is at least 10% of the non-standard light poles, 10% of the non-standard fixtures, and 10% of the non-standard skirts which are installed in every phase of Olde

Towne at Millcreek which has been approved and which is pending for approval; and (2) the amount in escrow shall perpetually be maintained at a level which is at least 10% of the cost of the non-standard light poles, 10% of the cost of the non-standard fixtures, and 10% of the cost of the non-standard skirts which are installed in every phase of Olde Towne at Millcreek which has been approved and which is pending for approval.

- (g) The Lafayette Consolidated Government, the Lafayette Utilities System, and their successors shall, individually and/or collectively, be third party beneficiaries of this Section 1.2, such that any and/or all of them shall have an independent right of action to enforce this Section 1.2.

Each year commencing with the date of this document, the Association shall provide The Lafayette Consolidated Government, the Lafayette Utilities System, and their successors, and their assigns with: (a) an affidavit from an officer of the Association certifying under oath that the spare parts inventory required by this section is being maintained by the Association, together with such proof of said minimum inventory as may be required by The Lafayette Consolidated Government, the Lafayette Utilities System, and their successors; and (b) written proof that the spare parts escrow requirement is being maintained by the Association included, but not limited to, bank statements or escrow ledger statements evidencing the fact that the minimum escrow requirements are being maintained, failing which The Lafayette Consolidated Government, the Lafayette Utilities System, and their successors, shall have the right to require that the Association or Developer provide a letter of credit in favor of the Lafayette Consolidated Government, the Lafayette Utilities System, and their successors, for any or all of the escrow amounts required by this Section 1.2. Such letter of credit shall be subject to draw by the Lafayette Consolidated Government, the Lafayette Utilities System, or their successors upon presentation of sight draft accompanied by a beneficiary's dated statement (purportedly signed by one of its officials) stating that Association and/or Developer has failed either to (1) maintain the levels of inventory and amounts of escrow required by this Section 1.2 or (2) release escrow required by this Section 1.2 to a beneficiary for repair or replacement of a street light item covered by this Section 1.2. The obligations of Developer contained in this Section 1.2 (h) shall terminate upon the sale by Developer of one-half of the lots in all phases of Olde Towne at Millcreek.

- 1.3 Additional Powers. To the extent permitted by any Governmental Authorities, the Association may, but is not obligated to provide the following services or engage in the following activities: (a) water, sewer, electrical, telephone, television, internet access and or other utility services, including the supply of irrigation water and garbage and trash collection and disposal; (b) providing laundry equipment or service; (c) insect and pest control; (d) the improvement of vegetation, fishing, and wildlife conditions; (e) pollution and erosion controls; (f) emergency rescue, evacuation or safety equipment; (g) fire protection and prevention; (h) lighting of Commons; (i) security systems and security patrols within Olde Towne at Millcreek, (j) transportation; (k) day care and child care services; (l) landscape maintenance for and within the Commons; (m) recreation, sports, craft and cultural programs; (n) newsletters or other information services; (o) maintenance of yards on lots (which, includes without limitation thereto, grass cutting and maintenance of shrubbery and flower beds); and (p) any other service owned, or not prohibited by law to be provided, by a community association organized as a nonprofit corporation. To the extent that the Association provides any of the above services or engages in any of the preceding activities, the cost of same will be billed to the Association Members as Assessments and, in the discretion of the Association Board, said costs may be included in either the General Assessment, in Zone Assessments, Special Assessments, or in the Individual Lot Assessments.

The Association may also maintain utility easement areas, public rights-of-way and other public or private properties located within reasonable proximity to Olde Towne at Millcreek if the deterioration would affect the appearance of, or access to, Olde Towne at Millcreek. If requested by at least 25% of the Association Members, a Community Meeting may be called and existing services or the offering of any new services under this Section 1.3 may be repealed by a majority vote of the Association Members.

- 1.4 Garbage Collection. It is declared and acknowledged that the rear lanes which service rear lane loaded lots are expected to be adequate in design to accommodate the vehicles used by the third party(ies) with whom the Lafayette Consolidated Government contracts for collection and removal of garbage, trash and recyclables (hereinafter called the "Lafayette Contractor Garbage Collectors"). If the Association

Board, in its sole discretion, determines that it is unsafe or otherwise inadvisable to allow the Lafayette Contract Garbage Collectors to pick up and collect garbage, trash and/or recyclables from within Olde Towne at Millcreek, and if it is otherwise legal to do so, the Association Board is hereby expressly authorized and directed, on behalf of all Owners, and in addition to the general authority granted above in Section 1.3, to: (a) direct and instruct the Lafayette Consolidated Government and the Lafayette Contract Garbage Collectors, or either of them, to cease, until further notice, any collection of trash, garbage or recyclables from any lots within Olde Towne at Millcreek; and (b) contract with a third party for such third party to collect and pick up from each lot within Olde Towne at Millcreek all garbage, trash and recyclables that require collection and disposal within Olde Towne at Millcreek, with the cost of same being billed as Assessments as authorized in Section 1.3.

- 1.5 Contracts. The Association may contract with Developer or any other party for (a) the performance of all or any portion of the management of the Association, (b) its maintenance and repair obligations, or (c) for the purpose of providing any services which the Association is authorized to provide as set forth in this Article 1. The cost of such contracts shall be included within the General Assessment, Zone Assessment, Special Assessment or Individual Lot Assessment, if applicable, and as determined by the Association Board. The Association may require that Owners contract with a third party for certain routine yard maintenance (which includes, without limitation thereto, grass cutting and maintenance of shrubbery and flower beds) in order to provide a uniform level of care within Olde Towne at Millcreek. The Association is also hereby granted an irrevocable power of attorney, coupled with an interest, to contract for routine maintenance and other services not required to be provided by the Association, but the cost of which would be assessed to that owner as an Individual Lot Assessment. The Association may also act as an agent for an Owner, but is not obligated to, contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Lot Assessment. For the purpose of exercising this agency, each Owner does grant an irrevocable power of attorney to the Association, which is a power coupled with an interest, and the Association in that capacity may act on behalf of, and as said Owner's agent and attorney-in-fact to accomplish the authority intended as set forth in the preceding sentence. The terms and conditions of all such contracts are as entered into pursuant to this Section shall be at the discretion of the Association Board.
- 1.6 Membership. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from title to any lot.
- 1.7 Voting Rights. The Association shall have two classes of voting membership:
- Class A: Class A members shall be all Owners of lots in Olde Towne at Millcreek, with the exception of Developer for so long as Developer remains a Class B member of the Association. Class A members shall be entitled to one vote for each lot owned in Olde Towne at Millcreek. When more than one person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as they determine but in no event shall more than one vote be cast with respect to any lot. Corporations, limited liability companies, partnerships and other entities shall notify the Association of the natural person who shall be considered a member of the Association for the purpose of exercising its vote and such entities shall provide such evidence of appointment and authority as the Board of Directors of the Association may require.
- Class B: The Class B Member shall be Developer, who shall be entitled to three (3) votes for each lot owned in Olde Towne at Millcreek. The Class B membership shall cease and be converted to Class A membership no earlier than five (5) years after the date of recordation of this Declaration with the Clerk of Court (except with the express written consent of Developer), but thereafter such Class B membership shall terminate ninety (90) days after the first to occur of the following:
- (1) ninety (90) days after the date as of which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, but only if a site plan proposing the annexation or inclusion into Olde Towne at Millcreek, as a new phase of development of the Developer's property, or of additional property eligible for annexation and inclusion into Olde Towne at Millcreek pursuant to the Declaration, is not offered to the Planning Commission for the Lafayette Consolidated Government within said ninety (90) day period, and which site plan if and when approved will add sufficient additional lots to those lots that will then

- be owned by Developer, so that Developer will then, following the approval of such proposed site plan, and the filing of a Supplemental Declaration, still own a majority of the lots in Olde Towne at Millcreek.
- (2) Twenty-five (25) years after the recording of the Declaration shall have elapsed; or
 - (3) The date as of which the Class B member elects in writing to become a Class A member.
- 1.8 Board of Directors.
- A. Initial Composition. The Association Board shall initially consist of at least three (3) persons each of whom shall be appointed by Developer. When at least fifty (50) lots have been conveyed to Owners other than Developer and while Developer is a Class B member of the Association, the Class A membership of the Association shall be entitled to vote and elect one (1) member of the Board of Directors of the Association, and the remaining members of the Board of Directors of the Association shall be selected by the Class B member of the Association.
 - B. After Class B Termination. Upon termination of the Class B membership of the Association, the Association Board shall be elected as provided in the Association Bylaws.
 - C. Compensation. Directors of the Association shall receive no compensation for their services unless expressly provided for in resolutions adopted by the members of the Association, but may be reimbursed for expenses when approved by the Association Board.
- 1.9 Additional Provisions. Additional provisions concerning the operation of the Association and the Association Board are contained in the Association Articles and/or the Association Bylaws.

ARTICLE 2-DECISION MAKING

- 2.1 Community Meeting.
- When called. The Community Meeting shall be called annually for the election of directors to serve on the Association Board, and whenever any action is required by the Declaration to be taken by vote or assent in writing of the Association Members.
- A. Quorum. Voting at a Community Meeting requires the presence or proxy of members representing the percentage of votes established by the Association Board as necessary to transact business. The Association Board may revise this percentage from time to time, but in no event shall the required percentage for a quorum be less than 25% or more than 50%, unless otherwise required by statute. Notwithstanding any inference herein to the contrary, until termination of Class B membership, presence of the Class B member at a Community Meeting and a quorum of the Class A membership, shall be required in order for the membership to be entitled to effectively vote on any issue brought before the Association's membership.
 - B. Notice. Notice of any meeting of the Association Members must be given to the Association Members at least ten (10) days but not more than thirty (30) days before the meeting, except in an emergency when whatever notice is reasonable, but in the sole discretion of the Association Board, shall be given.
- 2.2 Action without Meeting. If permitted by the Association Board, the membership may approve any matter (specifically including the election of directors) by written consent without a meeting, without prior notice and without a vote; provided, however, such consent shall be required to be given in writing and signed by the percentage of the members of the Association, as required by the Declaration, the Association Articles or the Association Bylaws, and by Developer as the Class B member wherever approval by the Class B member is required. Consents shall be in accordance with the Association Bylaws and any applicable statutes.
- 2.3 Association Board Meetings.
- A. Association Board's Responsibility. Except as specifically provided in this act or in the Declaration, the Association Board has been delegated the power, and shall have the authority, to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this act or the Declaration and the care of the Commons. All consents, approvals, elections and other action authorized to be taken or given by the Association shall require only the approval of the Association Board, with the exception of those decisions that are expressly reserved to Association Members. If a quorum is present at a meeting of the Association Board, all decisions of the Association

Board shall be made by a vote of the majority of the directors present at such meeting, with the exception of those cases where a greater vote is required either by law or by the Articles of Incorporation of the Association.

- B. Quorum. Voting at an Association Board meeting requires the presence of at least one-half of the directors, in person or by telephone conference or, if allowed by state law, by proxy. If not prohibited by law, any action required to be taken by vote of the Association Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting), by obtaining the written approval of a majority of the directors of the Board of Directors of the Association.
- 2.4 Record Keeping. The Association Board shall keep records of all meetings, both of the Association Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any member of the Association.
- 2.5 Notice of Status as Member. With the exception of those Owners who acquire title to a lot from Developer, each Owner shall, upon acquiring title to a lot, immediately (a) give written notice to the Association at its office that he/she/it has acquired ownership to a lot, and (b) shall include with such notice a copy of the cash sale, deed or other instrument pursuant to which such Owner acquired title to a lot. The Association Board and the Association shall be entitled to rely on its records for the purpose of determining the identity and address of Association Members, as of the date any notice is to be given or any decision is to be made. There is no obligation on the part of the Association to check the records of the Clerk of Court at any time for the purpose of determining the identities of the Owners of lots. Although the Association may on occasion check the records of the Clerk of Court for the purpose of identifying Owners of lots, such actions shall not be considered as creating any obligation on the part of the Association to check the records of the Clerk of Court at any time thereafter for the purpose of determining the identities of the Owners of Lots. The records of the Association, for the purpose of identifying members entitled to notice of any meeting of Association Members, shall consist of (i) the cash sales, deeds or other instruments pursuant to which Developer initially transferred title to lots, and (ii) those notices given to the Association pursuant to the requirements of the first sentence of this Section.
- 2.6 Effective Date of Ownership for Purposes of Notice. Notice of any meeting of Association Members shall be considered as having been duly and properly given, if given to those persons entitled to notice based on the records of the Association, as described in Section 2.5, as to the date any notice is given of said meeting.

ARTICLE 3-ASSOCIATION BUDGET

- 3.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Association Board selects a different fiscal year.
- 3.2 Budget Items. The budget for the Association shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by, or properly approved in accordance with, this act. Specifically to be included in each annual budget are provisions that assure the maintenance of a capital reserve for street light spare parts and the maintenance of a physical inventory for street light spare parts as described in Section 1.2. The budget may also include reasonable amounts, as determined by the Association Board for working capital for the Association and for reserves. If the Commons are taxed separately from the lots by the City and/or the Parish of Lafayette, Louisiana, or by any other Governmental Authority with taxing power, for ad valorem property taxes or any other taxes, the Association shall include such taxes as part of the budget and shall pay such taxes. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.
- 3.3 Reserves. The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves

accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the members of the Association. If the reserves are inadequate for any reason, including non-payment of any members' assessment, the Association Board may at any time levy and collect an emergency assessment in accordance with the provisions of Section 4.5 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Association Board so determines, the excess may be returned on a prorata basis to all members of the Association as of the date of such decision to refund such excess of reserves, who are current in payment of all assessments to the Association, or may be used to reduce the following year's assessments. The Association may rely on its record as identified in Section 2.5 in determining the names and addresses of Association Members as of the date of any refund of excess reserves.

- 3.4 Preparation and Approval of Annual Budget.
- A. Initial Budget. Developer shall determine the budget for the fiscal year in which a lot is first conveyed to an Owner other than Developer.
 - B. Subsequent Years. Beginning with the year in which a lot is first conveyed to an Owner other than Developer, and each year thereafter, at least one month before the end of the fiscal year, the Association Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Association Board shall send to each Association Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Association Member.
 - C. Approval. If General Assessments are to be increased to greater than 125% of the previous year's General Assessment, and at least 25% of the Association Members request review within thirty (30) days after the budget is delivered to the Association Members, the Association Board shall call a Community Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Association Members. If the budget is rejected, the Association Board shall approve a new budget within ten (10) days and send a copy to each Association Member.
- 3.5 Effect of Failure to Prepare or Adopt Budget. The Association Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under Section 3.4, shall not waive or release an Association Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget, each Association Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.
- 3.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Association Board must be ratified by a majority of the Association's Class A members. If the substantial capital improvement is approved by the Association's Class A members, the Association Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six (6%) percent of the Association's annual budget, or if, when added to other capital improvements for the fiscal year in question, totals more than ten (10%) percent of the Association's annual budget. Notwithstanding any inference to the contrary, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Design Review Board is required for all capital improvements. This paragraph shall not limit the right of Developer to make improvements to the Commons.
- 3.7 Zone Improvement. Any Village Zone may, by two-thirds (2/3) vote of the Association Members owning lots within that Zone, and approval of the Association Board, vote to assess themselves for capital improvements to the Commons which will primarily benefit that Village Zone. Any assessment so approved shall be assessed to all Owners of lots within that Village Zone as an Individual Lot Assessment. If more than one Village Zone is to vote, the Association Board shall determine whether approval and assessment is to be by Village Zone or by the combined group of Village Zones. If a group of lots smaller than an entire Village Zone wishes to be assessed for capital improvements, all of those being assessed must agree to the assessment.
- 3.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the

Association Board with respect to assessments and charges of all types may be commingled in a single fund.

ARTICLE 4-COVENANTS FOR MAINTENANCE ASSESSMENTS

4.1 Obligation of Owners other than Developer for Assessments. Each Owner (other than Developer) of any lot by acceptance of title to the lot, whether or not it shall be so expressed in the Owner's instrument of acquisition, is deemed to covenant and agree to pay to the Association the following (to be collectively referred to as "Assessments"):

- (a) General Assessments;
- (b) Special Assessments;
- (c) Zone Assessments;
- (d) Individual Lot Assessments; and
- (e) Society Assessments;

together with interest at the rate of twelve (12%) from that date which is ten (10) days after each payment of an Assessment is due, and all costs of collection, if any, including a reasonable attorney's fee whether or not suit is brought or otherwise filed. Upon default in the payment of any one or more installments, the Association Board may accelerate the entire balance of such assessments, which shall be declared immediately due and payable in full.

When determining the Assessment due from each lot owner, the Association Board may, in its sole discretion, but is not obligated to, distinguish between lots on which buildings have not been constructed, lots on which buildings have been constructed and lots on which buildings are in the process of being constructed.

4.2 Obligation of the Developer for Assessments. The Developer covenants and agrees to pay to the Association the following (to be collectively referred to as "Assessments"):

- (a) General Assessments;
- (b) Special Assessments;
- (c) Zone Assessments
- (d) Individual Lot Assessments;

The Developer shall be required to pay applicable assessments monthly in advance, however, Developer shall never be charged interest on unpaid assessments, shall never be subject to costs of collection or legal fees and The Association Board may never bring suit against Developer for failing to pay said assessments. When determining the Assessments due from the Developer, the Association Board may, in its sole discretion, but is not obligated to, distinguish between lots on which buildings have not been constructed, lots on which buildings have been constructed and lots on which buildings are in the process of being constructed.

4.3 Equitable Division of Assessments. General Assessments, Special Assessments, and Society Assessments shall be assessed equally among the lots. If an Owner combines two (2) lots or parts of lots, with appropriate approval to so combine said lots, and uses them as a single lot, the Association and the Society may (but is not required to) assess them as a single lot in accordance with regulations consistently applied. In the event the Association and/or the Society agrees to assess two (2) lots, or parts of lots, as a single lot as authorized under this Section, the Owners of such lots, or portions of lots, shall have only one (1) vote, with respect to said lots or parts of lots, as an Association Member and/or as a Society Member, when voting on matters that are required to be voted on by the Association Members or Society Members. It is understood that the Association and the Society are not required to make the same decision on any requests submitted to them pursuant to this Section.

4.4 General Assessments.

- A. Establishment by Association Board. The Association Board shall set the date or dates General Assessments become due and may provide for collection and payment of assessments annually or in semiannual installments.
- B. Semiannual Assessment Dates. The first days of May and November are hereby established as the initial semiannual dates on which General Assessments become due.
- C. Date of Commencement. The semiannual General Assessments shall begin on the day of conveyance of the first lot to an Owner other than Developer. The initial assessment on any lot subject to assessment may be collected at the time title is conveyed to the Owner. Each Owner shall be responsible for the prorated share of the semiannual General or Special Assessment charged to

- each lot for the period, prorated from the 1st of the month following the day of closing.
- D. Initial and Subsequent General Assessments on Lots Prior to the First Occupancy of a Building. As of the date of this act, the General Assessment due from the Owner of each lot on which buildings have never been occupied, is \$10.00 per month payable in advance semiannually. At the closing and transfer of title, the Owner shall pay the Association the prorated General Assessment that is due through the next future semiannual assessment date. Subsequent General Assessments, if applicable, are due on each future semiannual assessment date.
- E. Subsequent General Assessments. Subsequent General Assessments on lots after the first occupancy of a building are \$40.00 per month, beginning on the next future semiannual assessment date and is payable in advance for the assessment period.
- F. Budget Requirement. Such amount may be collected and received by the Association Board without first establishing a budget.
- G. Modification of Assessments. The General Assessment may be hereafter modified without amending this act.
- 4.5 Special Assessment. In addition to the General Assessment, the Association Board may levy in any fiscal year a Special Assessment applicable to that year and to not more than the next four succeeding years as follows:
- A. Capital Improvements. Any substantial capital improvement which has been approved in accordance with Section 3.6, or any capital improvement not required to be approved by the Association Members, may be paid by Special Assessment.
- B. Emergency Assessment. By a two-thirds (2/3) vote, the Association Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this act or the Declaration or the law requires the Association to pay (including but not limited to, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).
- 4.6 Zone Assessment. The Association Board may levy Zone assessments applicable to all or part of certain Village Zones for expenses approved in accordance with the Declaration or this act.
- 4.7 Individual Lot Assessment. The Association may levy at any time an Individual Lot Assessment against a particular lot for the purpose of defraying, in whole or in part, the cost of any special services to that lot or any other charges described in this act or the Declaration as an Individual Lot Assessment
- 4.8 Society Assessments.
- A. Establishment by Society Board and Date of Commencement. The commencement date, due date, and collection of the annual Society Assessments shall be governed by the same provisions as set forth for General Assessments in Section 4.4 A, B and C.
- B. Collection. The Association shall, if requested by the Society, collect the Society Assessment from each Owner at the time of collection of the semiannual General Assessments, and shall give to the Society all funds collected on its behalf within fifteen (15) days of collection. The Society shall have authority to enforce collection of Society Assessments in the same manner as the Association may enforce collection of General and Special Assessments.
- C. Amount. The annual amount of the Society Assessment shall not exceed \$100 or twenty (20%) percent of the annual General Assessment, whichever is greater.
- D. Initial and Subsequent Society Assessments on Lots Prior to the First Occupancy of a Building. As of the date of this act, the Society Assessment due from the Owner of each lot on which buildings have never been occupied, is \$4.00 per month, payable in advance semiannually. At the closing and transfer of title, the Owner shall pay the Association the prorated Society Assessment that is due through the next future semiannual assessment date. Subsequent Society Assessments, if applicable, are due on each future semiannual assessment date.
- E. Subsequent Society Assessments. Subsequent Society Assessments on lots after the first occupancy of a building are \$8.00 per month, beginning on the

next future semiannual assessment date following occupancy and are payable in advance for the assessment period.

- F. Budget Requirement. Such amount may be collected and received by the Association Board without first establishing a budget.
 - G. Modification of Assessments. The Society Assessment may be hereafter modified without amending this act.
- 4.9 Capital Contribution Assessment. At the closing and transfer of title of each lot to the first Owner other than Developer, the Owner shall contribute an amount equal to two months' assessments (which shall include at least the General Assessment and the Society Assessment for lots on which no buildings have been constructed and on which no buildings are being constructed) or such greater amount as required by Developer by contract with the person to whom it may sell a lot. This contribution shall be used by the Association and the Society for the purpose of initial and nonrecurring administrative expenses of the Association and the Society respectively, and for providing initial working capital for the Association and the Society, and shall not be considered as a pre-payment of Assessments (including without limitation the General Assessment and the Society Assessment).
- 4.10 Effect and Remedies of Nonpayment of Assessment.
- A. Personal Obligation. All Assessments, together with any interest and cost of collection when delinquent, including reasonable attorney fees whether or not suit is brought (collectively the "Assessment Charge"), shall be the personal obligation of the person or entity who was the Owner of the lot at the time when the Assessment was levied. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the lot or by non-use of the Commons.
 - B. Creation of Lien. The Assessment Charge shall also be an encumbrance on the land and shall be a continuing lien on the lot against which the Assessment Charge is made from the date of recording of a claim of lien in the mortgage records of the Lafayette Parish Clerk of Court. This encumbrance and lien in favor of the Association shall secure the Assessment Charge which is then due and those which may accrue subsequent to the recordation of the claim of lien and prior to the entry of final judgment of foreclosure.
 - C. Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge(s) or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. With the consent of the Society, the Association may include with its claim any amounts due to the Society as Society Assessments. The Association, acting on behalf of the Owner, shall have the power to bid for an interest in any lot foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the lot.
 - D. Subordination of the Lien to Mortgages. The recorded lien of the Assessment Charge shall be inferior to any prior recorded mortgage or encumbrance of any Mortgagee.
 - E. Other Remedies. The Association board shall have the right to assess fines up to a maximum of \$10.00 per day and to suspend the voting rights and right to use of the Commons by an Owner for any period during which any Assessment against the said Owner's lot remains unpaid.

ARTICLE 5-INSURANCE

- 5.1 Review of Coverage. The Association Board shall review limits of coverage for each type of insurance at least once a year.
- 5.2 Casualty Insurance. The Association Board may obtain and, if additional Commons with significant insurable improvements are added to Olde Towne at Millcreek, shall be required to obtain and maintain, casualty insurance on the Commons for fire damage. Endorsements for extended coverage, vandalism, malicious mischief, flood and windstorm should be obtained where available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Commons.
- 5.3 Public Liability. The Association Board may obtain public liability insurance in such limits as the Association Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Commons

and any water access located on or adjoining Olde Towne at Millcreek. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Association Board or other Owners.

- 5.4 Director Liability Insurance. The Association Board may obtain liability insurance insuring against personal loss for actions taken by members of the Association Board and advisory members in the performance of their duties. Such insurance will be of the type and amount determined by the Association Board in its discretion.
- 5.5 Other Coverage. The Association Board shall obtain and maintain workmen's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Association Board may determine or as may be requested from time to time by a majority vote of the Members.
- 5.6 Repair and Reconstruction after Fire or Other Casualty.
- A. Commons. If fire or other casualty damages or destroys any of the improvements on the Commons, the Association Board shall arrange for and supervise the prompt repair and restoration of the improvements. The Association Board shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.
- B. Lot Improvements. If fire or other casualty, damages or destroys a building, or any other improvements on a lot, the Owner of that lot shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the Design Review Board. The Owner, however, may choose to not re-build the improvements at all. In such cases, the Owner must remove all improvements to the property including the slab, and restore the lot to its original condition. If the Owner fails to clean and secure a lot within thirty days after the casualty, or, in cases where the Owner chooses not to rebuild, fails to restore the lot to the original condition, the Association may, in accordance with the provisions of Section 6.10., Subpart E of the Declaration, remove debris, raze or remove portions of damaged structures and perform any other clean up the Association deems necessary to make the lot safe and attractive. The cost of such clean up shall be assessed to the lot Owner as an Individual Lot Assessment pursuant to Section 4.7.

ARTICLE 6-THE SOCIETY

- 6.1 Duties. The Society is responsible for the encouragement and promotion of the arts and cultural events within Olde Towne at Millcreek and may take such actions as are consistent with that purpose. This power and authority is to be liberally constructed in favor of authorizing actions by the Society.
- 6.2 If requested by at least 10% of the Society Members, a meeting of the Society Members may be called and the taking of any action under Section 6.1 may be repealed by majority vote of the Society Members.
- 6.3 Contracts. The Society may contract with Developer or any other party for the performance of all or any portion of the management of the Society and to take such actions as shall be approved by the Society Board. The cost of the contract shall be included within the Society Assessment, as determined by the Society Board. The terms and conditions of all such contracts entered into pursuant to this Section shall be at the discretion of the Society Board.
- 6.4 Membership. Every Owner shall be a member of the Society. Membership shall be appurtenant to and may not be separated from title to any lot.
- 6.5 Voting Rights. The Society shall have the same two classes of voting membership, and the voting of the members and the duration of the Class B membership shall be governed by the same provisions, as established herein for the Association under Section 1.7.
- 6.6 Board of Directors. The Initial Composition, subsequent membership, and compensation of the Board of Directors of the Society shall be the same as is set forth for the Association in Section 1.8.
- 6.7 Additional Provisions. Additional provisions concerning the operation of the Society and the Society Board are contained in the Society Articles and/or the Society Bylaws.

- 6.8 Notice of Status as Member and Effective Date of Ownership for Purposes of Notice. The same rules as are established for the Association in Section 2.5 regarding Notice of Status as Member of the Association and Effective Date of Ownership shall apply to the Society.

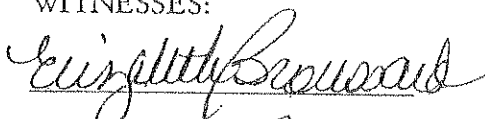
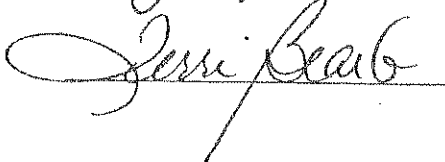
ARTICLE 7-SOCIETY BUDGET

- 7.1 Fiscal Year. The fiscal year of the Society shall begin January 1 of each year and end on December 31 of that year, unless the Society Board selects a different fiscal year.
- 7.2 Budget Items. The budget for the Society shall estimate total expenses to be incurred by the Society in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by, or properly approved in accordance with the Declaration or this act. The budget may also include reasonable amounts, as determined by the Society Board, for working capital for the Society and for reserves. Fees for professional management of the Society, accounting services, legal counsel and other professional services may also be included in the budget.
- 7.3 Reserves. The Society may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual Society Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Society Members. If there is an excess of reserves at the end of the fiscal year and the Society Board so determines, the excess may be returned on a prorata basis to all members of the Society as of the date of such decision to refund such excess of reserves, who are current in payment of all assessments due the Society, or may be used to reduce the following year's assessments. The Society may rely on its records as identified in Section 2.5 in determining the names and addresses of Society Members as of the date of any refund or excess reserves.
- 7.4 Preparation and Approval of Annual Budget. The determination of the initial budget, budgets for subsequent years, and the approval or failure to adopt subsequent budgets of the Society, shall be governed by the same provisions as established herein for the Association Budget under Section 3.3 and 3.4 except that any references to the Association are replaced by the Society.
- 7.5 Accounts. Reserves shall be kept separate from other Society funds either in a single account for all reserves or separated by purpose. All other sums collected by the Society Board with respect to Assessments and charges of all types may be commingled in a single fund.
- 7.6 Approval by Association Board. Notwithstanding any language herein to the contrary, the annual budget must be approved by the Association Board before it shall be submitted to the Society Members.
- 7.7 Association Covenants. Unless the context clearly indicates a meaning to the contrary, any reference in this act to duties, rights, or obligations under the Declaration shall include duties, rights, or obligations under this act and any reference to duties, rights, or obligations under this act shall include duties, rights, and obligations contained in the Declaration.


IN WITNESS WHEREOF, the undersigned has executed this act on the day and year first above written, before the undersigned competent witnesses and Notary Public.

WITNESSES:

LAMB DEVELOPMENT, L.L.C.

BY: 
EDWARD C. LAMB, CHIEF OPERATING
OFFICER


TIMOTHY J. BRADLEY
NOTARY PUBLIC