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DECLARATION OF CONDOMINIUM

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JULY This Declaration of Condominium dated this 13TH day of 1990, affects the land and all improvements thereon, commonly described as Nos. 924-1046, Muirfield Ct., 1037-1039 Rascobie Ct. and 901-905 Troon Ct., Schererville, Indiana, a condominium being in the County of Lake, State of Indiana, and more specifically described as follows:

See Attached Exhibit "1"

RECITALS, INTENTS AND PURPOSES

WHEREAS, Mercantile National Bank of Indiana, a corporation duly organized and existing as a national banking association under the laws of the United States of America, as Trustee under the provisions of a Trust Agreement dated April 27, 1990, and known as Trust No. 1188, and not individually, as owner in fee simple of the property (hereinafter variously referred to as the "Developer" and as "O'Connell and Meyers Development Corp."), has constructed nine (9) buildings on the aforesaid property, said buildings consisting of 924-1046, Muirfield Ct., 1037-1039 Rascobie Ct. and 901-905 Troon Ct., Schererville, Indiana, inclusive, being one (1) and two (2) story buildings with full basements, containing twenty-five (25) apartments or condominium units, garages, and other appurtenances and facilities, all as hereinafter described.

WHEREAS, by this Declaration it is intended that the above-described improvements and real estate, hereinafter referred to as the "Property", in accordance with the provisions herein contained, shall nevertheless be subject to the benefits and burdens of a condominium and subject to the "Horizontal Property Law", of the State of Indiana, being Acts 1963, Ch. 349, §1, p. 878; 1977, P.L. 308, §1, p. 1399, as Amended, the same being I.C. §32-1-6-1, et seq.; and

WHEREAS, the Developer is the fee simple owner of the aforesaid property and has an equitable interest in the following described real estate:

Lot 33 of the Replat of Block One, Unit 8, Briar Ridge Country Club Additions to the Town of Schererville, Indiana as shown of Record in Plat Book 63, page 39 in the Office of the Recorder of Lake County, Indiana.

AND, it is the intention of the Developer to add other buildings to the Condominium in the future, and to cause said real estate, as the same is developed by the addition and construction of additional buildings thereon, to be subject to the terms, provisions, and conditions contained in this Declaration of Condominium; however, the Developer reserves the right, in its sole discretion, to elect to develop or not to



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Ann N. Antow
AUDITOR LAKE COUNTY

STATE OF INDIANA/S.S. NO.
LAKE COUNTY
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ROBERT "BOB" FREELANT
RECORDER

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develop and to submit to condominium ownership any of the property above-described other than 924-1046, Muirfield Ct., 1037-1039 Rascobie Ct. and 901-905 Troon Ct.; and

WHEREAS, a condominium is a method of ownership which, when applied to a multi-family dwelling, provides for a separate title to each residential unit, which title shall consist of an apartment or unit and an undivided interest in and to all of the property that is part of the Horizontal Property Regime; and

WHEREAS, notwithstanding such separation of title, however, the owners, by placing the condominium plan into effect, will own with others common area property, including, without intending to limit the same to such elements thereof as the walks, landscaped areas, and related facilities used and controlled in a manner consistent both with the needs and desires of the residents and the community in which the property is located; and

WHEREAS, it is desirable, therefore, that this Declaration provide the basic requirements for such needs and provide for proper use of the property, and that within these basic requirements of the Corporation hereinafter referred to, and its Board of Directors, shall have the right and duty to effect the purposes of the condominium.

NOW, THEREFORE,

DECLARATION

Developer hereby declares, on behalf of itself, its successors, grantees and assigns, to its grantees and their respective heirs, successors and assigns, as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature, whatsoever, in and to any part of the Property, as follows:

The Property, from and after the date of the recording of this Declaration in the Office of the Recorder of Lake County, Indiana, shall be and continue, subject to each and all of the terms hereof, until this Declaration is terminated or amended in accordance with the provision herein elsewhere contained.

I. DEFINITIONS

As used herein or elsewhere in the condominium documents, unless otherwise provided or unless the context

requires otherwise, the following terms shall be defined as in this article provided.

A. Apartment or Unit: An enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in a building of one (1) or more floors or stories, and designed for residential use and separately described and designated on the floor plans filed in the Office of the Recorder of Lake County, Indiana, which term shall be deemed synonymous throughout this Declaration with "Condominium Unit".

B. Apartment Owner or Co-Owner: Must be a natural person or natural persons who own or owns a unit within the building in fee simple and an undivided interest in fee simple estate of the common and limited common areas and facilities in the percentage specified in the establishment of this Declaration.

C. Assessment: The portion of the cost of maintaining, repairing, and managing the Property, which is to be paid by each owner or co-owner, which respective portions, except as herein specifically otherwise provided, are set forth in the Articles of Incorporation and the By-Laws of the Corporation.

D. Association: "MORNINGSIDE TOWNHOME CONDOMINIUMS ASSOCIATION, INC.", and its successors, a corporation not-for-profit, organized under the laws of the State of Indiana, and copies of the Articles of Incorporation and of the By-Laws of said Corporation are annexed hereto and made a part hereof as Exhibits "B" and "C" respectively.

E. Building: All structures, located on the Property which have been built substantially in accordance with the plans filed with the Recorder of Lake County, Indiana, and containing twenty-five (25) apartments or units.

F. Common Areas and Facilities: Means and includes, without limitation:

1. The land on which the buildings housing the condominium units or apartments is located;

2. The landscaped areas surrounding the buildings housing the condominium units or apartments, and all easements, rights and hereditaments thereto;

3. The walkways and driveways leading into each individual condominium unit or apartment; provided, however, each unit owner may decide who can or cannot park in the driveway leading to his unit;

4. The roof covering of the buildings housing the condominium buildings and exterior siding, facia, sheathing, and building paper on the buildings housing the condominium unit or apartment;

5. The foundation, columns, girders, beams, supports and exterior walls of the buildings housing the condominium units or apartments;

6. The facilities which house electric conduits and wiring, sanitary and storm sewers, water and communication lines which are located outside the buildings housing the condominium units or apartments;

7. All other parts of the property in the Condominium Property Regime which is necessary to its existence, maintenance, and safety.

G. Common Expenses is the property and estimated cost of:

1. Maintenance, management, operation, repair and replacement of the common areas and facilities and limited common areas and facilities and those parts of the apartments as to which, pursuant to other provisions hereof, it is the responsibility of the Corporation to maintain, repair and replace;

2. Management and administration of the Corporation, including, without limiting the same, to compensation paid by the Corporation to a managing agent, accountants, attorneys and other employees, if any;

3. All sums lawfully assessed against the apartment owners by the Corporation;

4. Expenses agreed upon as common expenses by the Corporation;

5. Any other items held by or in accordance with other provisions of this Declaration, the Condominium Documents, or required by statute.

H. Common Profit: The balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

I. Condominium Documents: This Declaration and the Exhibits annexed hereto as the same from time to time may be amended. Said Exhibits are as follows:

Exhibit A Consisting of 4 pages; "Floor Plans":

Site plan with typical floor plans including the first and second stories and the shares of interest attributed to the respective apartments, prepared by Torrenga Engineering, Inc. and Otis Associates, and filed for record in the Office of the Recorder of Lake County, Indiana, on the 13TH day of Dec. 1989 as Document No. 074395.

- Exhibit B "Articles of Incorporation of MORNINGSIDE TOWNHOME CONDOMINIUMS ASSOCIATION, INC."
- Exhibit C "By-Laws of MORNINGSIDE TOWNHOME CONDOMINIUMS ASSOCIATION, INC."
- Exhibit D ~~Rules and Regulations~~ of said Corporation.

Document is NOT OFFICIAL!

J. Declaration: This instrument by which the Property is submitted to the provisions of the Horizontal Property Law of the State of Indiana and as such Declaration from time to time may be lawfully amended and supplemented by and including therein the additional property heretofore described under Recitals, Intents, and Purposes.

K. Developer: O'CONNELL AND MEYERS DEVELOPMENT CORP., its successors and assigns.

L. Expandable Condominium: Means a condominium to which real estate may be added.

M. Limited Common Areas and Facilities: Means and includes those common areas and facilities designated in the Declaration as reserved for the use of certain apartment or apartment units to the exclusion of the other apartments, and shall include the following:

1. The one (1) enclosed garage space designated on the plans for each apartment or unit;

2. The patio attached to or abutting an apartment or unit, and serving only such apartment or unit, but excluding railings which are common areas.

N. Majority: The apartment owner or co-owners with fifty-one percent (51%) or more of the votes in accordance with the percentages assigned in the Declaration to the apartments for voting purposes.

O. Plans and Specifications: The plans and specifications referred to in Exhibit "A" hereof.

P. Person: A natural person or natural persons capable of holding title to real property.

Q. Property: Means and includes the land, buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto.

R. Share: The percentages attributed to each apartment, the share being a one twenty-fifth (1/25th) equal share, or a four percent (4%) equal share.

II. USE OF COMMON AND LIMITED COMMON AREAS AND FACILITIES

The common and limited common areas and facilities shall be used in accordance with and subject to the following provisions:

A. Covenant Against Partition: In order to effectuate the intent hereof and to preserve the condominium and the condominium method of ownership, the Property shall remain undivided and no person, irrespective of the nature of his interest in the Property, shall bring any action of partition or division of the Property or any part thereof until the termination of the Declaration in accordance with provisions herein elsewhere contained or until the building is no longer tenable, whichever occurs first.

B. Rules and Regulations Promulgated by Corporation: No person shall use the common areas or facilities or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Corporation. Without in any manner intending to limit the generality of the foregoing, the Corporation shall have the right but not the obligation to promulgate rules and regulations limiting the use of the common areas and facilities to members of the Corporation and their respective families, guests, invitees and servants.

C. Repair of Common and Limited Common Areas and Facilities: Maintenance, repair, management and operation of the common and limited common areas and facilities shall be the responsibility of the Corporation, but nothing herein contained, however, shall be construed so as to preclude the Corporation from delegating to persons, firms or corporations of its choice, such duties as may be imposed upon the Corporation by the terms of this sub-article II (C) and as are approved by the Board of Directors of this Corporation.

D. Collection of Expenses: Expenses incurred or to be incurred for the maintenance, repair, management and operation of the common and limited common area and facilities shall be collected from apartment owners as assessed, in accordance with provisions contained elsewhere herein.

E. Use of Common and Limited Common Areas and Facilities: Subject to the rules and regulations from time to time pertaining thereto, all apartment owners may use the common areas and facilities in such manner as will not restrict, interfere with or impede the use thereof by other apartment owners. All apartment owners having an interest in the limited common areas and facilities may use such areas and facilities in such manner as will not restrict, interfere with or impede the use thereof by other apartment owners having an interest therein.

F. Alterations and Improvements: The Corporation shall have the right to make or cause to be made such alterations and improvements to the common and limited common areas and facilities as may be deemed necessary, provided the making of such alterations and improvements are first approved by the Board of Directors of the Corporation, and if required by law or contract, the approval of the first mortgages of individual unites shall be obtained. In the event apartment owners or co-owners request that alterations or improvements be made, the cost of making such alterations and improvements shall be assessed as common expenses, unless in the judgment of a majority of the Board of Directors, such alterations and improvements are exclusively or substantially exclusively for the benefit of the apartment or unit owner or owners requesting the same, in which case such requesting owners or co-owners shall be assessed therefor in such proportions as they approve jointly and failing such agreement, in such proportions as may be determined by the Board of Directors of the Corporation.

G. Shares of Apartment Owners: The shares of the apartment or unit owners in the common and limited common areas and facilities shall be as stated in Exhibit "A: annexed hereto, and may be altered only by amendment hereof executed in form for recording by all of the apartment owners and first mortgagees of such owners. No such alteration shall affect the lien of prior recorded mortgages unless written consent of the holder of such mortgage is obtained and recorded.

H. Interest in Common Areas and Facilities: The share of an apartment owner in the common and limited common areas and facilities is appurtenant to the apartment owned by him, and inseparable from apartment ownership.

III. MAINTENANCE AND REPAIR OF CONDOMINIUM UNITS

A. By the Corporation - Other than in cases dealing with damages caused by casualty, as hereinafter provided, the Corporation, at its expense, shall be responsible for the maintenance, repair and replacement of:

1. All portions of the Apartment or Unit which constitute or contribute to the support of the building, including foundations, columns, girders, beams, exterior supporting walls, roof, and outside wall wood siding, but excluding interior apartment walls and all glass or glazing;

2. All lawn, landscaping and snow removal;

3. Patios, concrete sidewalks, steps and driveways;

4. All incidental damage caused to an apartment or unit by the Corporation in performing the above work.

B. By the Apartment or Unit Owner: The Apartment or Unit owner shall pay and shall be responsible for the maintenance, repair and replacement of:

1. All conduits, duct work, interior and exterior plumbing, electrical wiring and receptacles within the apartment or unit, together with all electrical wiring and fixtures in or on the apartment or unit garage and outside walls of said apartment or unit;

2. The heating and air conditioning unit servicing any one apartment or unit;

3. All such work which is not the specific responsibility of the Corporation to perform as provided herein.

The Apartment or Unit Owner agrees that no such work, as above provided, shall be undertaken without the written approval of the Board of Directors of the Corporation as to the person, firm or corporations selected by the Apartment or Unit Owner to perform the maintenance, repair, or replacement above-specified. The Apartment or Unit Owner further agrees not to paint or otherwise decorator change the appearance or color of any portion to the exterior of the apartment or unit, and not to make any alterations to the apartment or unit, or to remove any portion thereof, or make any additions thereto, or to do anything which would or might jeopardize or impair the safety, soundness or soundproofing of the building housing said apartment or unit, without first obtaining the written permission of the Board of Directors of the Corporation.

C. Limitation as to Damages. Nothing herein contained, however, shall be construed so as to impose a contractual liability upon the Corporation for maintenance, repair and replacement, but the corporation's liability shall be limited to damages resulting from negligence.

IV. APARTMENTS SHALL BE CONSTITUTED AS FOLLOWS:

A. Real Property. Each apartment or unit, together with the space within it as shown on the plans attached hereto as Exhibit "A", and together with all appurtenances thereto, shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the property, subject only to the provisions of this Declaration.

B. Boundaries. Each apartment or unit shall be bounded as to both horizontal and vertical boundaries as shown on the plans attached as Exhibit "A", subject to such encroachments as are contained in the building whether the same exist now or are created by construction, settlement or movement of the building, or permissible repairs, reconstruction or alterations. Said boundaries are intended to be as follows:

1. Horizontal Boundaries:

a. The face surface of the ceiling above and abutting the apartment or unit;

b. The top of the floor below and abutting the apartment or unit;

2. Vertical Boundaries:

a. The face surfaces of the vertical boundary wall of each apartment or unit.

C. Appurtenances. Each apartment shall include and the same shall pass with each apartment as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the right, title and interest of an apartment or unit owner in the property, which shall include, but not be limited to:

1. Common and Limited Common Areas and Facilities: an undivided share of the common and limited

common areas and facilities, such undivided share to be in that portion set forth in Exhibit "A";

2. The heating and air conditioning unit including ducts and lines, designed to serve each separate apartment, together with all appliances located therein;

3. Easements for the benefit of the apartment;

4. Corporation membership and funds and assets held by the Corporation for the benefit of the apartment owner;

5. All such appurtenances, however, shall be and continue to be subject to the easements for the benefit of other apartments;

6. The following easements from each apartment owner to each other apartment owner and to the Corporation:

a. Ingress and Egress. Easements through the common areas and facilities for ingress and egress for all persons making use of such common areas and facilities in accordance with the terms of the Condominium Documents.

b. Maintenance, Repair and Replacement. Easements through the apartment and common areas and facilities for maintenance, repair and replacement of the apartments and common areas and facilities. Use of these easements, however, for access to the apartments shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

c. Structural Support. Every portion of an apartment which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of the common and limited areas and facilities.

d. Utilities. Easements through the apartments and common areas and facilities for all facilities for the furnishing of utility and communication services within the building, which facilities shall include, but not be limited to, conduits, ducts, plumbing and wiring, provided, however, that the easements for such facilities through an apartment shall be only substantially in accordance with the plans and specifications of building.

e. Emergency Easements of Ingress and Egress. Easements over all balconies and patios

whenever reasonably required for emergency ingress and egress. Apartment owners shall install or allow to be installed locks, security devices or other things which will or might impair such easements only in accordance with the rules and regulations as may be promulgated by the Corporation.

V. USE RESTRICTIONS

In order to provide for a congenial occupation of the Building and to provide for the protection of the values of the apartments or units, the use of the property shall be restricted to and be in accordance with the following provisions:

A. Use of Apartments. The apartments shall be used for single family residences only.

B. Use of Common and Limited Common Areas and Facilities. The common areas and facilities shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the apartments.

C. Restrictions as to Fireplaces. Any and all fireplaces shall utilize only natural gas logs. No wood, paper or any other combustible material shall be utilized.

D. Approval by Corporation. No apartment or unit shall be occupied by any person not approved in advance by the Board of Directors of the Corporation. The Corporation shall signify in writing such approval or disapproval within thirty (30) days after the same is requested in writing, provided that simultaneously with such request there is submitted to the Corporation the name of the person in question, their residence address, and three (3) business and three (3) social references together with such other information as the Corporation might reasonably request. Any such approval once given may not thereafter be withdrawn. Failure of the Board of directors to disapprove within such period conclusively shall be deemed to constitute approval. The provisions in this paragraph shall not be applicable to any mortgagee or purchaser or lessee from such mortgagee as recited in Article XVII hereof.

E. Restrictions as to Pets. Residents shall be permitted to keep two (2) domestic animals only if such animals do not disturb or annoy other residents. Residents keeping domestic animals, which comply with these restrictions, shall abide by municipal sanitary regulations, and shall be responsible for any inconvenience or damage caused by such animals.

F. Nuisances. No nuisance shall be allowed upon the property, nor shall any use or practiced be allowed which is the source of annoyance to residences or which interferes with the peaceful possession and proper use of the property by its residents.

G. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the property, nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of apartment owners and the Corporation in complying with the requirements of governmental bodies which require maintenance, modification or repair of the property shall be the same as hereinabove provided for the maintenance and repair of that portion of the property subjected to such requirements.

H. This Declaration. In interpreting deeds, mortgages, and plans, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage, or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed of those of the building.

I. Rules and Regulations. Rules and Regulations concerning use of the property may be promulgated by the Corporation as hereinabove set forth; provided, however, that copies of such regulations are furnished to each apartment owner prior to the time that the same become effective. The initial regulations, which shall be deemed effective until amended by the Corporation, are attached hereto and made a part hereof as Exhibit "D". Such regulations shall not impair or limit the rights of mortgagees as elsewhere recited.

VI. CONVEYANCES

The sale, leasing and mortgaging of apartments shall be subject to the following provision until this Declaration is terminated in accordance with the provisions herein elsewhere contained, or until the building is no longer tenantable, whichever first occurs:

A. Sale or Lease. No apartment or unit owner may dispose of an apartment or unit, or any interest therein by sale or by lease without approval of the Board of Directors of the Corporation, except as elsewhere provided herein, which approval of the Corporation shall be obtained in the manner hereinafter provided:

1. Notice to Corporation. An apartment owner intending to make a sale or a lease of his apartment or any interest therein, shall give written notice to the Board of Directors of the proposed sale or lease at least thirty (30) days prior to sale or lease together with the name and address of the intended purchaser or lessee, three (3) business and three (3) social references, a credit report, a copy of the lease or offer to purchase and any other information as the corporation might reasonably request. The term of any lease may be for one (1) year only. A lease with a term of less than one (1) year or more than one (1) is not authorized and may not be submitted to the Board of Directors for approval. The Board of Directors shall have thirty (30) days after receipt of the required information stated above to either approve of the apartment owners lessee or purchaser, or to elect to provide a lessee or purchaser as provided in the following paragraph.

2. Election of Corporation. Within thirty (30) days after receipt of such notice and the information required by the Corporation, the Board of Directors of the Corporation shall either approve the transaction, or furnish a purchaser or lessee approved by the Corporation (and give notice thereof to the person desiring to sell or lease his/her apartment) who will accept the transaction upon terms as favorable to the seller as the terms stated in the notice, except that a purchaser or lessee furnished by the corporation may have not less than thirty (30) days subsequent to the date of approval within which to close the transaction. The approval of the Board of Directors of the Corporation shall be in recordable form, signed by any two (2) members of the Board, and shall be delivered to the purchaser or lessee. The failure of the corporation to act within the such thirty (30) day period shall be deemed to constitute approval, following which the corporation, nevertheless, shall prepare and deliver written approval in recordable form, as aforesaid. The apartment owner giving such notice shall be bound to consummate the transactions with said purchaser or lessee as may be approved and furnished by the corporation.

B. Mortgage. No apartment owner may mortgage his apartment, nor any interest therein without the approval of the Corporation except to a bank, life insurance company, state savings and loan association, or federal savings and loan association. The approval of the other mortgagee may be upon conditions determined by the Board of Directors of the Corporation.

VII. ADMINISTRATION.

The administration of the property, including but not limited to the acts required of the Association shall be governed by the following provisions:

A. Organization of Corporation. The Corporation shall be incorporated under the name of MORNINGSIDE TOWNHOME CONDOMINIUMS ASSOCIATION, INC." as a corporation not-for-profit under the laws of the State of Indiana under Articles of Incorporation of which a copy is attached as Exhibit "B".

B. By-Laws of Corporation. The By-Laws of the Corporation shall be in the form attached as Exhibit "C" until such are amended in the manner therein provided.

C. Powers of Corporation. The duties and powers of the Corporation shall be those set forth in this Declaration, the Articles of Incorporation and the By-Laws, together with those reasonably implied to effect the purposes of the Corporation and this Declaration; provided, however, that if there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the By-Laws, the terms and provisions of this Declaration shall prevail and the apartment owners covenant to vote in favor of such amendments in the Articles of Incorporation and/or By-Laws as will remove such conflicts or inconsistencies. The powers and duties of the Corporation shall be exercised in the manner provided by the Articles of Incorporation and the By-Laws and any duties or rights of the Corporation which are granted by or to be exercised in accordance with the provisions of this Declaration, shall so be exercised except that wherever this Declaration requires the act or approval of the Board of Directors of the Corporation, such act or approval must be that of the Board done or given in accordance with the By-Laws.

D. Notices. Notices or demands, for any purpose, shall be given by the Corporation to apartment owners and by apartment owners to the Corporation and other apartment owners in the manner provided for notices to members of the Corporation by the By-Laws of the Corporation.

E. Title to Funds. All funds and the titles of all properties acquired by the Corporation and the proceeds thereof after deducting therefrom the costs incurred by the Corporation in acquiring the same shall be held for the benefit of the apartment owners for the purposes herein stated.

F. Use of Income. All income received by the Corporation from the rental or licensing of any part of the common areas and facilities (as well as such income anticipated) shall be used for the purpose of reducing prospective common

expenses prior to establishing the annual assessment for common expenses.

VIII. INSURANCE

The insurance which shall be carried upon the property shall be governed by the following provisions:

A. Authority to Purchase. Except builder risk and other required insurance furnished by developer during construction, all insurance policies upon the property (except as hereinafter allowed) shall be purchased by the Corporation for the benefit of the apartment or unit owners and their respective mortgagees as their interests may appear and shall provide for the issuance of certificates of insurance mortgage endorsements to the holders of first mortgages on the apartments or any of them and, if insurance companies agree, shall provide that the insurer waives its rights of subrogation as to any claims against apartment owners, the Corporation and their respective servants, agents and guests. Such policies and endorsements shall be deposited with the Insurance Trustee (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

B. Apartment Owners. Each apartment owner shall obtain insurance, at his own expense, affording coverage upon his own personal property, building additions and alterations (at 100% replacement cost value) and for his own personal liability as may be required by law, but all such insurance shall contain the same waiver of subrogation as that referred to in subparagraph "A" of this Article, and must be obtained from an insurance company which the Corporation obtains coverage against the same risk, liability or peril.

C. Corporation.

1. Casualty. The building and all other insurable improvements upon the land, including the common Areas and Facilities, and all personal property as may be owned by the Corporation shall be insured by the Corporation in an amount equal to 100% replacement value thereof as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against loss or damage by what is commonly known as "All Risk Insurance".

2. Liability. The Corporation shall obtain and keep in force a Comprehensive Automobile and General Liability policy to cover the Corporation expenses for premises and operations, independent contractors,

contractual liability and incidental products and complete operations, if any, endorsed with what is called "The Broad Form Comprehensive General Liability Endorsement", with limits not less than One Million Dollars (\$1,000,000.00) per occurrence combined single limit, which policy shall be purchased to provide protection of the Corporation members, its Officers, Directors, and all persons acting or who may come to act as servants, agents, or guest thereof.

3. Other Coverage. The Corporation shall obtain and keep in force, a Directors and Officers liability policy. The Corporation may, at the option of the Board of Directors, purchase for the benefit of the co-owners of the Corporation, such other insurance coverages, including without limitation, worker's compensation insurance, and specialized policies coverage land or improvements on which the Corporation has or shares ownership or other rights.

4. Premiums. Premiums upon the insurance policies purchased by the Corporation, as above provided, shall be paid by the Corporation and charged as an expense of the Corporation.

D. Beneficiary of Policies. In the event of a casualty loss to the condominium property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board of Directors of the Association as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all such insurance proceeds in trust for the purposes hereinafter contained, and for the benefit of the Association, the Unit or Apartment Owners, and their respective mortgagees. The Board, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any bank in Indiana with trust powers. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers vested in the Board under the terms herein provided.

1. Common Areas and Facilities. Proceeds on account of damage to common areas and facilities: that undivided share for each apartment owner and his mortgagee, if any, which is set forth in Exhibit "A".

2. Apartments or Units. Proceeds on account of apartments shall be held in the following undivided shares:

a. Partial Destruction - When the Building is to be Restored: For owners of damaged apartments in proportions to the cost of repairing the damage suffered by each damaged apartment. Upon the request of the Insurance Trustee, the Corporation shall certify to the Insurance Trustee the appropriate portions of the aforesaid, and each apartment owner shall be bound

by, and the Insurance Trustee may rely upon, such certification.

b. Total Destruction of the Building - or Where the Building is not to be Restored: For all apartment owners the share of each being that share set forth in Exhibit "A".

3. Mortgagees. In the event a mortgagee endorsement has been issued to an apartment, the share of the apartment owner shall be held in trust for the mortgagee and the apartment owner as their respective interests may appear.

E. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners after first paying or making provision for the payment of the expense of the Insurance Trustee in the following manner:

1. Reconstruction or Repair: If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by it.

2. Failure to Reconstruct or Repair: If it is determined in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment, and may be enforced by him.

3. Certificate. In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Corporation as to the names of the apartment owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Corporation forthwith shall deliver such certificate.

F. Obtainment of Policy and Changes. When any policy of insurance has been obtained by or on behalf of the Corporation of co-owners, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each co-owner or mortgagee whose interest

may be affected thereby, by the officer required to send notices of meetings of the Corporation co-owners.

IX. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

A. If any part of the common areas and facilities shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. Partial. In case of fire or any other casualty or disaster, other than complete destruction of any of the buildings containing the condominium units, the improvements shall be reconstructed and the insurance proceeds applied to reconstruct the improvements.

2. Total. In the event of complete destruction of any of the buildings containing condominium units, the building shall not be reconstructed, except as otherwise provided, and the insurance proceeds, if any, shall be divided among the co-owners in the percentage by which each owns an undivided interest in the common areas and facilities or proportionately according to the fair market value of all the condominium units immediately before the casualty as compared with all other condominium units, as specified in the by-laws of the condominium, and the property shall be considered as to be removed from the condominium unless by a vote of two-thirds (2/3) of all the co-owners a decision is made to rebuild the building, in which case the insurance proceeds shall be applied and any excess of construction costs over insurance proceeds shall be contributed as provided herein in the event of less than total destruction of the buildings. A determination of total destruction of any buildings containing condominium units shall be determined by a vote of two-thirds (2/3) of all co-owners at a special meeting of the association of co-owners called for that purpose.

3. Reconstruction. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications.

4. Continuation of Encroachments. Encroachments upon or in favor of apartments which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the apartment owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the building was originally constructed. Such encroachments

shall be allowed to continue in existence for so long as the building stands.

5. Certificate. The Insurance Trustee may rely upon a certificate of the Corporation certifying as to whether or not the damaged property is to be reconstructed or repaired. The Corporation, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

B. Responsibility. If the damage is only to those parts of one apartment for which the responsibility of maintenance and repair is that of the apartment owner, then the apartment owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Corporation.

1. Estimate of Costs. Immediately after a casualty causing damage to property for which the Corporation has the responsibility of maintenance and repair, the Corporation shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

2. Assessments. Where the insurance proceeds are not sufficient to cover the cost of reconstruction and the property is not to be removed from the horizontal property regime, the co-owners shall contribute the balance of any such costs in the percentage by which a condominium unit owner owns an undivided interest in the common areas and facilities as expressed in the Declaration. Such amount shall be assessed as part of the common expense and shall constitute a lien from the time of assessment.

3. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Corporation from assessment against Apartment Owners, shall be disbursed in payment of such costs in the following manner:

a. Corporation. If the amount of the estimated costs of reconstruction and repair exceeds the total annual assessments for common expenses made during the year in which the casualty occurred, then the sums paid upon assessments to meet such cost shall be deposited by the Corporation with the Insurance Trustee. In all other cases, the Corporation shall hold the sums paid upon such assessments and disburse

the same in payment of the costs of reconstruction and repair.

b. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Corporation from collections of assessments against apartment owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

i. Apartment Owner. The portion of insurance proceeds if any, representing damage for which the responsibility of reconstruction and repairs lies with the apartment owner; to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the apartment owner may direct, or if there is a mortgagee endorsement, then to such payees as the apartment owner and the first mortgagee jointly direct. Nothing contained herein, however, shall be construed so as to limit or modify the responsibility of the apartment owner to make such reconstruction or repair.

ii. Corporation: Lesser Damage. If the amount of the estimated costs of reconstruction and repair is less than the total of the annual assessments for common expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs upon the order of the Corporation; provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

iii. Corporation: Major Damage. If the amount of estimated costs of reconstruction and repair of the building or other improvement is more than the total of the annual assessments for common expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Corporation and upon approval of an architect qualified to practice in Indiana and employed by the Corporation to supervise the work.

iv. Surplus. It shall be presumed that the first moneys disbursed in payment of costs in reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the apartment owners and their mortgagees who are the beneficial owners of the fund.

v. When the damage is to both common areas and facilities and apartments, the insurance proceeds shall be applied first to the costs of repairing the common areas and facilities, and the balance to the apartments in the shares above stated.

4. Insurance Adjustments. Each apartment owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Corporation except in any case where the damage is restricted to one apartment, subject to the rights or mortgagees of such apartment owners.

X. TAXES AND SPECIAL ASSESSMENTS

A. Assessment of Taxes. Taxes, assessments and other charges of the State of Indiana, or any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each individual apartment and shall be paid by each owner.

B. Payment by Corporation. During the period of time the taxes and special assessments and other charges upon the property or any portion thereof are not assessed to individual apartment owners as aforesaid, the taxes, assessments and other charges not separately assessed to apartment owners shall be included in the budget of the Corporation and shall be paid by the Corporation. The Corporation shall assess each apartment owner in accordance with the percentage of ownership specified herein.

XI. ASSESSMENTS

Assessments against the apartment owners shall be made or approved by the Board of Directors of the Corporation and paid by the apartment owners to the Corporation in accordance with the following provisions:

A. Share of Expense. Common Expenses: Each apartment owner shall be liable for his share of the common expenses, and any common surplus shall be owned by each apartment owner in a like share.

B. Assessments Other than Common Expenses. Any assessments, the authority to levy which is granted to the Corporation or its Board of Directors by the Condominium Documents, shall be paid by the apartment owners to the Corporation in the proportions set forth in the provisions of the Condominium Documents authorizing the assessments.

C. Accounts. All sums collected by the Corporation from assessments shall be held for the apartment owners in the respective shares in which they are paid and shall be credited to separate accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as follows:

1. Common Expense Account: To which shall be credited collections of assessments for all common expenses as well as payments received for defraying costs of the use of common areas and facilities;

2. Capital Improvements Fund: The Board shall maintain as a Common Expense out of each unit owners annual assessment, a portion, as determined by the Board of Directors from time to time which shall be allocated to a Capital Improvements Fund, which fund shall be used for capital expenditures and replacement and repair of the common areas and facilities and not for usual and ordinary repair expenses of the common areas and facilities. This fund shall be maintained in a separate interest bearing account with a bank or savings and loan authorized to conduct business in Lake County, Indiana.

D. Assessment for Common Expenses. Assessments for common expenses shall be paid by each apartment or unit owner in advance on a calendar quarterly basis; the amount so paid shall be set by the Board of Directors and shall be based upon the amount of the estimated or projected common expenses for the year computed by the Treasurer of the Corporation, consonant with the yearly budget; the amount to be paid shall be paid on the first day of each quarter to the Treasurer of the Corporation, the total amount each individual apartment or unit owner shall pay shall be based upon the share interest of each unit, as set forth in Exhibit "A".

E. Other Assessments. Other assessments shall be made in accordance with the provisions of the Condominium Documents and if the time of payment is not set forth in the

Condominium Documents, the same shall be determined by the Board of Directors of the Corporation.

F. Assessments for Emergencies. Assessments for emergencies which cannot be paid from the common expense account shall be made only by the Board of Directors of the Corporation.

G. Assessments for Liens. All liens of any nature, including taxes and special assessments levied by governmental authority which are a lien upon more than one apartment or upon any portion of the common areas and facilities, shall be paid by the Corporation as a common expense and shall be assessed against the apartments in accordance with the shares of the apartments concerned or charged to the ordinary expense account, whichever in the judgment of the Board of Directors is appropriate.

H. Assessment Roll. The assessments against all apartment or unit owners shall be set forth upon a roll of the apartments which shall be available in the office of the Corporation for inspection at all reasonable times by apartment owners or their duly authorized representatives. Such roll shall indicate for each apartment the name and address of the owner or owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate made by the Corporation as to the status of an apartment owner's assessment account shall limit the liability of any person for whom made other than the apartment owner. The Corporation shall issue such certificate to such persons as an apartment owner may request in writing.

I. Liability for Assessments. The owner of an apartment or condominium unit and his grantee shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Such liability may not be avoided by a waiver of the use or enjoyment of any common area and facilities or by abandonment of the apartment for which the assessments are made. A purchaser of an apartment at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure shall be liable only for the assessments coming due after acquisition of title and for that portion of due assessments prorated to the period after the date title is acquired. Such a purchaser as aforesaid shall be entitled to the benefit of all prepaid assessments paid beyond the date such purchaser acquires title.

J. Lien for Assessments. The unpaid portion of an assessment which is due shall be secured by a lien upon:

1. The apartment or condominium unit and all appurtenances thereto, and shall constitute a lien from the

time of assessment of such common expenses prior to all other liens except only:

a. Tax liens on the apartment in favor of any assessing unit and special district; and

b. All sums paid on a first mortgage of record.

2. The Board of Directors shall perfect such lien by filing notice of the same within sixty (60) days from the date such assessment was due and may foreclose the lien under the laws of the State of Indiana governing mechanics and materialmen's liens. In any such foreclosure, the delinquent owner may be required to pay a reasonable rental for the apartment or unit, and the Corporation in such foreclosure shall be entitled to the appointment of a receiver to collect such delinquent assessment. The Corporation may, in addition to or in the alternative to such foreclosure, file suit to recover a money judgment for unpaid common expenses and such action shall not constitute a waiver of the lien securing such unpaid assessment.

3. If the Board of Directors determines to file foreclosure to collect such unpaid assessments, the Board of Directors acting on behalf of the Corporation shall have the power to bid in the apartment at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

K. Application of Payments.

1. Interest - Application of Payments. Assessments and installments thereof not paid on or before eight (8) days after the date when due shall be subject to a monthly late payment charge of five percent (5%) of the unpaid assessment amount. All late payments collected shall be credited to the common expense account.

2. Suit and Collection Costs. The Board of Directors of the Corporation, at its option, may enforce collection of delinquent assessments by actions at law or by foreclosure of the liens securing the assessments or by any other competent proceeding and the delinquent owner shall be assessed interest at the rate of twelve percent (12%) per annum, all costs, including collection fees, reasonable attorneys' fees and the costs of the suit proceedings.

XII. COMPLIANCE AND DEFAULT

Each apartment owner shall be governed by and shall comply with the terms of the Condominium Documents and Rules and Regulations adopted pursuant thereto, and said Documents and Rules and Regulations as they may be amended from time to time. A default shall entitle the Corporation or other apartment owners to the following relief:

A. Legal Proceeding. Failure to comply with any of the terms of the Condominium Documents and Rules and Regulations adopted pursuant thereto, shall be ground for relief which may include, without intending to limit the same, to an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Corporation or if appropriate, by an aggrieved apartment owner.

B. Liability of Owner. All apartment or condominium unit owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of any apartment or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by an apartment owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

D. No Waiver of Rights. The failure of the corporation or of an apartment or unit owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Corporation or apartment owner to enforce such right, provision, covenant or condition in the future.

E. No Election of Remedies. All rights, remedies and privileges granted to the Corporation or any apartment owner pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Condominium Documents, or at law or in equity.

XIII. AMENDMENT

Except for alterations in the shares which cannot be done except with the consent of all apartment owners whose shares are being affected, and their mortgagees, the Condominium Documents may be amended in the following manner:

A. Declaration. Amendments to the Declaration shall be proposed and adopted as follows:

1. Notice. Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the notice of any meeting at which a proposed amendment is considered.

2. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Corporation or by the apartment or unit owners meeting as member of the Corporation, and after being proposed and approved by either of such bodies, must be approved by others. Directors and apartment owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such approvals must be by not less than seventy-five percent (75%) of the Directors and seventy-five percent (75%) of the apartment owners and their mortgagees.

3. Recording. A copy of each amendment to the Condominium Declaration shall be certified by at least two (2) officers of the Corporation as having been duly adopted and shall be effective when recorded in the Office of the Recorder of Lake county, Indiana. Copies of the same shall be sent to each apartment owner and his mortgagee in the manner elsewhere provided for the giving of notices, but the same shall not constitute a condition precedent to the effectiveness of such amendment.

B. Corporation - Articles of Incorporation and By-Laws. The Articles of Incorporation and the By-Laws of the Corporation shall be amended in the manner provided by such documents.

XIV. TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

A. By Agreement. The termination of the Condominium may be effected by the agreement of all apartment owners and first mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyances of land. The termination shall become effective when such agreement has been recorded in the Office of the Recorder of Lake County, Indiana.

B. Destruction. If it is determined in the manner elsewhere provided that all of the buildings on the property shall not be reconstructed after casualty, the Condominium Plan of Ownership will be terminated and the Condominium Documents revoked. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Corporation certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the Office of the Recorder of Lake County, Indiana.

C. Shares of Apartment Owners After Termination. After termination of the Condominium, the apartment or unit owners shall own the property as tenants in common, in undivided shares, and the holders of mortgages and liens against the apartment or apartments formerly owned by such apartment owners shall have mortgages and liens upon the respective undivided shares of the apartment owners. Such undivided shares of the apartment or unit owners shall be set forth in Exhibit "A". All funds held by the Corporation and insurance proceeds, if any, shall be and continue to be held jointly for the apartment owners and their first mortgagees in proportion to the amount of the assessments paid by each apartment owner. The costs incurred by the Corporation in connection with a termination shall be a common expense.

D. Sale After Termination. Following termination, the property may be partitioned and sold upon the application of any apartment owner. If the Corporation, following a termination by not less than three-fourths (3/4ths) vote of the owners, determines to accept an offer for the sale of the property, each apartment or unit owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. Agents of Owners. The members of the Board of Directors acting collectively as agents for all apartment owners shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Corporation itself may be dissolved upon a termination.

XV. COVENANTS RUNNING WITH THE LAND

All provisions of the Condominium Documents shall be construed to be covenants running with the land and with every part thereof and interest therein, including, but not limited to, every apartment and the appurtenances thereto, and every apartment owner and claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the Condominium Documents.

This Document is the property of
the Lake County Recorder!

XVI. LIENS.

A. Protection of Property. All liens against an apartment other than for permitted mortgages, taxes or special assessments will be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and assessments upon a unit shall be paid before becoming delinquent.

B. Notice of Lien. An apartment or unit owner shall give notice to the Corporation of every lien upon his apartment or unit other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

C. Notice of Suit. Apartment or unit owners shall give notice to the Corporation of every suit or other proceeding which will or may affect the title to his apartment or unit, or any other part of the property, such notice to be given within five (5) days after the apartment or unit owner receives notice thereof.

D. Effect. Failure to comply with the Article concerning liens will not affect the validity of any judicial sale.

E. Register of Mortgages. The Corporation may maintain a register of all permitted mortgages.

XVII. JUDICIAL SALES

A. Judicial Sales. No judicial sale of any apartment or unit, nor any interest therein, shall be valid unless the sale is to a purchaser approved by the Board of Directors of the Corporation, which approval shall be in recordable form and shall be delivered to the purchaser and recorded in the Office of the Recorder of Lake County, Indiana.

B. Unauthorized Transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration or for which authorization has not been obtained pursuant to the terms of this Declaration, shall be void unless subsequently approved by the Board of Directors of the Corporation.

C. Foreclosures. In the event proceedings are instituted to foreclose any mortgage on any apartment, the Corporation, on behalf of one or more apartment owners, shall have the right to redeem from the mortgagee for the amount due thereon or to purchase such apartment at the foreclosure sale for the amount set forth to be due to the mortgagee in the foreclosure proceedings, and should the mortgagor fail to redeem from such mortgagee, and in case of such redemption by the Corporation, the Corporation thus redeeming shall take and have absolute fee simple title to the property redeemed, free from any claim or right of any grantee, his heirs or assigns or such mortgagor, and every person claiming by, through or under such mortgagor. Nothing herein contained shall preclude a mortgage institution, banker, savings and loan association, insurance company or any other recognized lending institution from owning a mortgage on any apartment, and such lending institution shall have a unrestricted, absolute right to accept title to the apartment in settlement and satisfaction of said mortgage or to foreclose the mortgage in accordance with the terms thereof, and the laws of the State of Indiana, and to bid upon said apartment at the foreclosure sale, provided said lending institution owning said mortgage shall give to the Corporation, its successors or assigns, written notice by certified mail of the said default mailed at least thirty (30) days prior to the institution of foreclosure proceedings, during which thirty (30) days the Corporation shall have the right to cure such default and following such payment, such mortgagee shall be required to waive such default, and if such default is not cured as aforesaid, and should the Corporation or any member thereof individually or collectively fail to purchase such mortgage, together with any costs incident thereto from such mortgagee, or fail to redeem such mortgage, then, and in that event, the mortgagee taking title on such foreclosure sale or taking title in lieu of foreclosure sale, may acquire such apartment or unit and occupy the same and let, relet, sell and resell the same without complying the restriction limiting the occupation of said property to persons approved by the Corporation. If the Corporation or any members as aforesaid redeems such mortgage or

cures such default, it shall have a lien against the unit for all sums expended in connection therewith, and shall have the same rights to collect such sums as in the case of a past-due assessment.

XVIII. PROVISIONS PERTAINING TO DEVELOPER

For so long as the Developer continues to own any of the apartments, subject to this Declaration, or for so long as any of the real estate, which is subject to the Declaration or may become subject thereto by future expansion as provided in said Declaration, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Developer from any obligations of an apartment owner to pay assessments as to each apartment owned by him, in accordance with the Condominium Documents.

A. Control by Developer. A majority of the Board of Directors of the Corporation shall be elected by the vote of the Developer, and such members, as may be elected by the Developer, need not be residents or owners of Condominium Units, and who shall perform all of the functions of the Corporation.

B. During the time as the Developer is in control pursuant to the above and foregoing provisions, all owners of the Condominium Units acknowledge that they constitute and appoint the same O'Connell and Meyers Development Corp., their agent, attorney, and proxy, with full power of substitution, to vote the vote standing in the name of each Condominium Unit owner, and entitled to vote by virtue of their membership in the Corporation, at all Annual Meetings, and at all Special Meetings called for purposes of Amending this Declaration, the Articles of Incorporation of Morningside Townhome Condominiums Association, Inc., the By-Laws of Morningside Townhome Condominiums Association, Inc., and the Rules and Regulations of the said Morningside Townhome Condominiums Association, Inc., by virtue of their taking title to a Condominium Unit under this Declaration.

C. Absence of Warranty. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium Documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses are deemed accurate, but no warranty or guaranty is made nor intended, nor may one be relied upon.

D. Sales and Management Offices; Model Units. The developer may maintain sales and management offices and model condominium units in the condominium, however, there may be only one management/sales office in each phase, constituting all or a part of one unit until such phase has been completely sold and conveyed, and one model unit of each floor plan offered in such phase until such phase has been completely sold and conveyed. The developer may relocate the sales and management office and model units to other unsold units within each phase as necessary to accommodate the sale of such units. The developer reserves the right to remove any such sales/management office and model units from the subjected real estate.

XIX. EXPANDABLE CONDOMINIUM

A. The Condominium is to be of the expandable type, which shall mean of such type to which real estate may be added. Developer has plans to add to the Condominium, Apartment Units, which units may be constructed on the balance of property described in the above.

B. The schedule or formulas of determining the share of undivided interest in Common Areas and Facilities which will appertain to each Condominium Apartment Unit shall be an equal fractional share per Unit. As each additional Unit is developed and added to the Regime, the equal fractional shares of the previous owners shall be reduced accordingly, but all owners shall retain an equal undivided fractional share, it being anticipated that when all Units are constructed as planned, each owner shall own an undivided 1/74th share.

C. The additional phases indicated herein shall be added to this Regime within ten (10) years from the date of this Declaration. However, if additional phases are not developed within five (5) years from the recording of the declaration, the development of additional phases may not be considered to be a common scheme and development of the entire condominium. Although it is anticipated by the Developer that additional phases and Units will be developed and added to the Condominium, the Developer shall be under no absolute legal obligation to so construct, add and sell the same. Furthermore, Developer reserves the option to not expand the Condominium.

XX. BRIAR RIDGE COUNTRY CLUB ADDITIONS

A. The property hereinabove described and subject to the horizontal property law is an integral part of Briar Ridge Country Club Additions, a planned unit development, and shall be subject to, and condominium unit owners shall own their condominium unit pursuant to the terms of the Declaration of Covenants, Conditions, and Restrictions of Briar Ridge Country Club Additions, dated July 3, 1981, recorded August 21, 1981, as Document No. 641109 in the office of the Recorder of Lake County, Indiana, and as amended, the Articles of Incorporation, By-Laws, and the Rules and Regulations of Briar Ridge Property Owners Association, Inc.

B. The owners of the condominium units in Morningside will and shall be assessed for the cost and charges of all taxes, insurance, repair, replacement, construction and maintenance of the common area, including any walks, roads, streets, street illumination, garbage removal, snow removal, sprinkler system, landscaping, open spaces, greenbelts, storm water drainage and retention systems, security stations and personnel, fencing, parking areas, and the construction and maintenance of any buildings as may, from time to time, be authorized by the Board of Directors of Briar Ridge Property Owners Association, Inc., and other facilities, activities, and charges required by the

Declaration of Covenants, Conditions and Restrictions of Briar Ridge Country Club Additions, or that the Board of Directors of Briar Ridge Property Owners Association, Inc. shall determine to be necessary or desirable to meet the primary purpose of Briar Ridge Property Owners Association, Inc.

C. The Briar Ridge Country Club Additions will provide a unique living opportunity surrounding a championship golf course providing complete country club facilities. The areas to be devoted to residential areas will consist of single family and multi-family home site areas, all served by open areas that will be maintained as open greenbelts, areas or spaces. Such greenbelts will be owned and managed by the Briar Ridge Property Owners Association, Inc. The streets within the subdivision will be private and maintained by the Briar Ridge Property Owners Association, Inc. Membership in the Briar Ridge Property Owners Association, Inc. will be mandatory for condominium unit owners, and regular assessments will be levied as provided in the immediately preceding paragraph. All lot owners and condominium unit owners within Briar Ridge Country Club Additions should understand that the golf course is not a part of the development, and is not a part of, or appurtenant to, ownership of a lot or condominium unit in Briar Ridge Country Club Additions, and ownership of a lot or condominium unit within said Briar Ridge Country Club Additions shall not entitle such owners to membership in the golf course. Membership in and the dues and fees charged with respect to the golf course will be controlled by Briar Ridge Country Club, Inc., based upon the Briar Ridge Country Club, Inc. Articles of Incorporation, By-Laws, and Rules and Regulations adopted in accordance therewith.

D. In the event of conflict between the provisions of this Declaration of Condominium, the Articles of Incorporation, By-Laws, and Rules and Regulations of Morningside Townhome Condominiums Association, Inc., and the Declaration of Covenants, Conditions, and Restrictions of Briar Ridge Country Club Additions, the Articles of Incorporation, By-Laws and Rules and Regulations of Briar Ridge Property Owners Association, Inc., the covenants, conditions, restrictions and provisions of the latter documents relating to Briar Ridge Country Club Additions and Briar Ridge Property Owners Association, Inc. shall govern and control.

XXI. INVALID OR UNENFORCEABLE PROVISIONS

If any term, covenant, provision, phrase or other element of the Condominium Documents is held to be invalid or unenforceable for any reason, whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner,

whatsoever, any other term, provision, covenant or element of the Condominium Documents.

XXII. CONDOMINIUM UNIT DEEDS

Any transfer of an apartment or unit shall include all appurtenances thereto, whether or not specifically described.

XXIII. CAPTIONS

Captions used in the Condominium Documents are inserted solely as a matter of convenience and shall not be relief upon or used in construing the effect or meaning of any of the text of the Condominium Documents.

XXIV. GENDER, SINGULAR, PLURAL

Whenever the context so permits, the use of the plural shall include the singular, the plural and any gender shall be deemed to include all genders.

XXV. SEVERABILITY

If any provision of this Declaration, or any section, sentence, clause, phrase, or word, or the application thereof, in any circumstances, be judicially held in conflict with the laws of the State of Indiana, then said laws shall be deemed controlling, and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances, shall not be affected thereby.

EXHIBIT 1

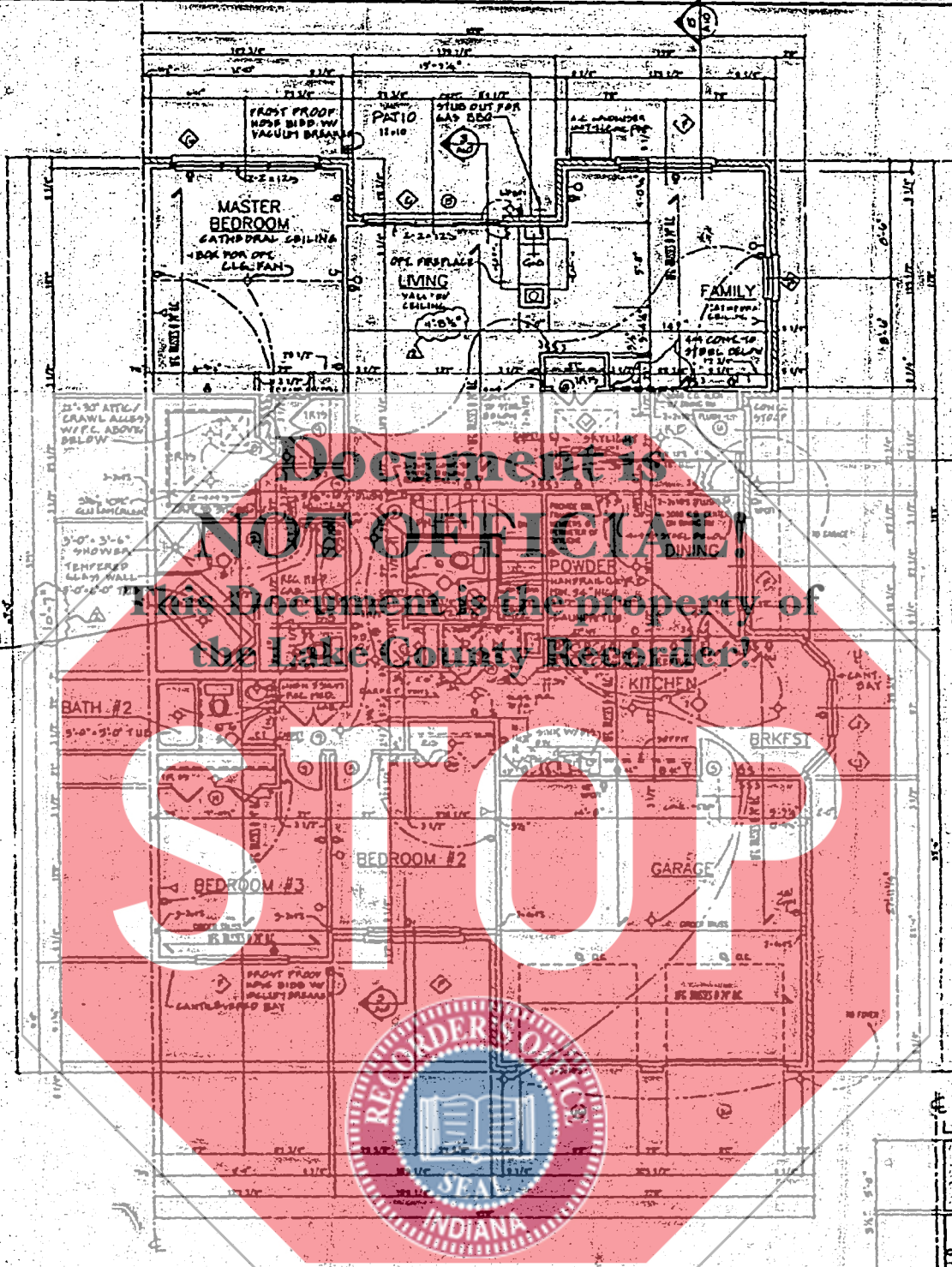
13-470-1

DESCRIPTION: Commencing at the Southwest corner of Lot 33 in the Replat of Block One of Unit 8, Briar Ridge Country Club Addition, A Planned Unit Development in Schererville, Lake county, Indiana, as per plat thereof, recorded in Plat Book 63, page 39 in the Office of the Recorder of Lake County, Indiana, which Southwest corner is also the intersection of the Northerly right of way line of Muirfield Court and the Easterly right of way line of St. Andrews Drive East, thence Northeasterly along a curve concave to the Southeast and having a radius of 570.00 feet (the chord of which bears North 49° 45' 43" East a distance of 112.22 feet) an arc distance of 112.40 feet to a point of reverse curve, thence Northeasterly along a curve concave to the Northwest and having a radius of 630.00 feet (the chord of which bears North 54° 59' 12" East a distance of 9.34 feet) an arc distance of 9.34 feet, thence South 48° 54' 15" East a distance of 184.12 feet, thence South 57° 24' 18" East a distance of 135.00 feet, thence South 73° 35' 06" East a distance of 120.33 feet, thence South 88° 51' 23" East a distance of 675.00 feet, thence North 45° 54' 57" East a distance of 168.48 feet to the Westerly line of Troon Court, thence South 44° 05' 03" East along said Westerly line a distance of 76.00 feet; thence Southerly along a curve concave to the Northwest and having a radius of 129.29 feet (the chord of which bears South 23° 31' 47" West a distance of 239.10 feet) an arc distance of 305.15 feet, thence North 88° 51' 23" West, along the Northerly line of Muirfield Court, a distance of 705.84 feet to a point of curve, thence Northwesterly along a curve concave to the Northeast and having a radius of 520.29 feet (the chord of which bears North 68° 52' 49" West a distance of 355.49 feet) an arc distance of 362.80 feet, thence North 48° 54' 15" West a distance of 50.00 feet, thence North 41° 05' 45" East a distance of 17.50 feet, thence North 48° 54' 15" West a distance of 200.43 feet to the point of beginning, containing 4.970 Acres, more or less, all in Schererville, Lake County, Indiana.



Ex A

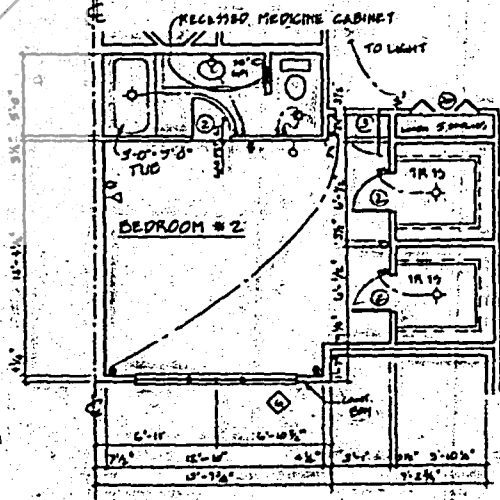
MASTER BATH



NOTE: ALL HEADINGS OVER DOORS & DOORS
 TO BE DOUBLE 2-NO. UNLESS NOTED
 & W/ 1 1/2" MAY BE SUBSTITUTED
 IN L.V. BY 3/8" x 1 1/2" GLASS

FIRST FLOOR PLAN

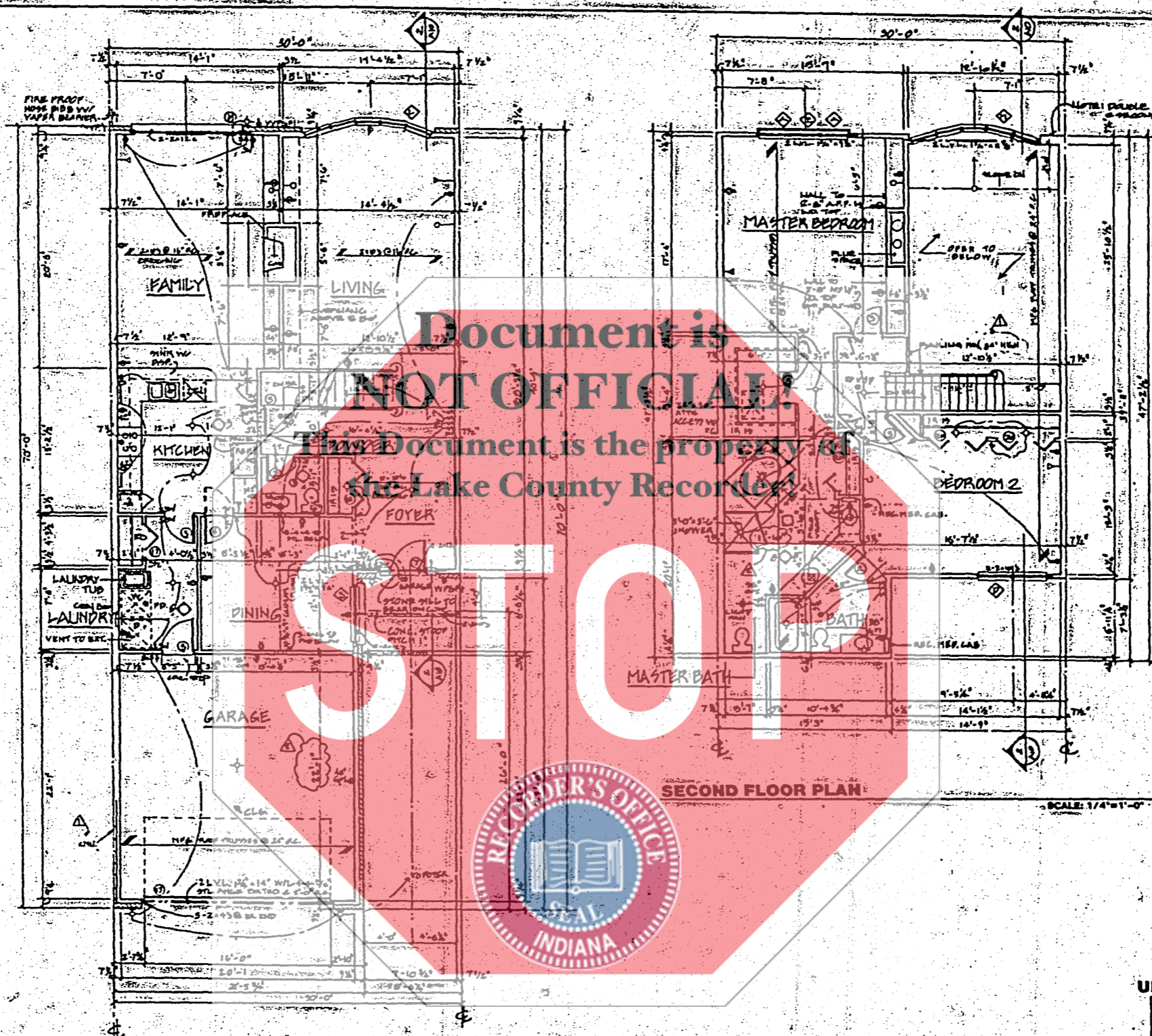
Each unit owner has a 1/25th share



2-BEDROOM OPTION SCALE: 1/4" = 1'-0"

UNIT A - RANCH	
DATE	NOV 1989
BY	OTIS
REVISIONS	
Δ DIMENSIONAL REV'S	10/10/89
Δ GENERAL REVISIONS	7/28/89
APPROVED	
REVISIONS	
BRIAR RIDGE SCHERERVILLE, INDIANA	
Otis Associates architects 400 South Boulevard New Haven, Conn. 06511	
FLOOR PLAN UNIT A-1 UNIT A-2 UNIT A-3 UNIT A-4 UNIT A-5 UNIT A-6 UNIT A-7 UNIT A-8 UNIT A-9 UNIT A-10 UNIT A-11 UNIT A-12 UNIT A-13 UNIT A-14 UNIT A-15 UNIT A-16 UNIT A-17 UNIT A-18 UNIT A-19 UNIT A-20 UNIT A-21 UNIT A-22 UNIT A-23 UNIT A-24 UNIT A-25	
A3	

Ex. A.



FIRST FLOOR PLAN

SECOND FLOOR PLAN

SCALE: 1/4"=1'-0"

SCALE: 1/4"=1'-0"

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 the Lake County Recorder

STOP



Each unit owner has a 1/25th share.

UNIT B - TWO STORY

DATE	DESCRIPTION
10/1/87	GENERAL REVISIONS
7/28/88	GENERAL REVISIONS

BRIAR RIDGE
 SCHERERVILLE, INDIANA

Otis Associates
 architects

FLOOR PLANS	DATE
UNIT B - TWO STORY	7/14/87
UNIT B - TWO STORY	7/14/87

