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DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR

C and H DeerPath Townhomes Association, Inc. A HORIZONTAL PROPERTY REGIME

Dan Candiano 71132 Lakeview Ct Dyer 46311

Whereas, DAN CANDIANO and DENNIS HALFMAN are the owners of the following described real estate:

Lot 17; DeerPath Townhomes, to the town of Schererville as shown in Plat Book 65, page 48, in Lake County, Ind.

WHEREAS, Dan Candiano and Dennis Halfman desire to submit all of the above described property to the provisions of the Horizontal Property Act of the State of Indiana, being Acts 1963, Chapter 349, Sections 1 through 31, as amended from time to time (hereinafter referred to as the "Act"), for the purpose of developing a condominium project, and;

WHEREAS, a condominium, being a system of separate ownership of individual apartments and common ownership of the common areas of a multi-unit development, demands comprehensive declarations, by-laws and restrictive covenants for maximum benefit and enjoyment, and,

WHEREAS, Declarants intend that the several owners, mortgagors, occupants and other persons hereafter acquiring any interest in the property shall at all times enjoy the benefit of, and shall hold their interests subject to the rights, easements, privileges and restrictions hereinafter set forth;

NOW, THEREFORE, Declarants, as owners of the real estate hereinabove described, and for the purposes set forth, declare as follows:

The Property from and after the date of the recording of this Declaration in the Office of the Recorder of Lake County,



STATE OF INDIANA/S.S. NO. FILED FOR RECORD FEB 25 6 21 AM 1991 PLATED From KEY 13-458-17 DULY ENTERED FOR TAXATION SUBJECT TO FINAL ADJUSTMENT FOR TRANSFER.

FEB 25 1991 NEW KEY 13-523-10A Anna N. Antox AUDITOR LAKE COUNTY UNITS 2325, 2327, 2329, 2331

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F. Common Areas and Facilities: "Common Areas and Facilities" shall mean all portions of the Property, except the Apartments, as defined more particularly in Article III.

G. Common Expenses: "common Expenses" shall mean the actual and estimated costs of:

1. All sums lawfully assessed against the Owners by the Association of apartment owners;
2. Expenses for maintenance, repair or replacement of the Common Areas and Facilities;
3. Expenses agreed upon as common Expenses by the Association of Apartment Owners;
4. Expenses for management and administration, including but not limited to compensation paid by the Association to a managing agent, accountants, attorneys and other employees, if any;
5. Expenses declared Common Expenses by provisions of the Act or this Declaration or the By-Laws.

H. Condominium Documents: "Condominium Documents" shall include the documents listed below and any amendments thereto:

1. This Declaration;
2. Exhibit A, containing pages of site and floor plans;
3. Exhibit B, containing the By-Laws of the homeowner's association;
4. Exhibit C, containing the Rules and Regulations of the homeowner's association created herein.

I. Increment: "Increment" shall mean any one of the developmental phases of construction of this condominium project, more particularly described in Article XIII.

J. Limited Common Areas and Facilities: "Limited common Areas and Facilities" shall mean all portions of the property more particularly described in Article III.

K. Owner: "Owner" shall mean a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns the fee simple title to an apartment.

L. Percentage Interest: "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Common Areas appurtenant to each apartment as specifically expressed in Article XIII of this Declaration.

M. Percentage Vote: "Percentage Vote" means that percentage of the total vote according to all of the apartments which is appurtenant to each particular apartment and accrues to the owner thereof. The Percentage Vote to which each owner shall be entitled on any matter upon which the co-owners are entitled to vote shall be the same percentage as the Percentage Interest appurtenant to each such owner's apartment.

Property and Apartments: Submission to the Act

A. Apartment Ownership: Each Apartment Owner shall be seized of fee simple title to and the exclusive ownership and possession of his Apartment, including the space within, as provided for in the Plans attached hereto, and all the appurtenances thereto, and an undivided interest in the Common and Limited Common Areas and Facilities. An Apartment may be individually conveyed and encumbered, and may be the subject of ownership, possession or sale and of all types of juridic acts inter vivos and causa mortis, as if it were sole and entirely independent of the other Apartments in the building of which it forms a part.

All conveyances and acts of and to the Apartments by the Owner are subject to the Act, this Declaration, the By-Laws and any amendments thereto.

B. Apartment Description: The legal description of each Apartment shall consist of the identifying street address of such Apartment as shown on the Plans. Every deed, lease, mortgage or other instrument may describe an Apartment by its identifying address as shown on the Plans, and every such description shall be deemed good and sufficient for all purposes. The acceptance of a deed, lease or mortgage as to any Apartment by any person or persons or other legal entity shall constitute the acceptance and ratification by same of this Declaration, the Act, the By-Laws and all existing or future rules and regulations of the Board.

Each Apartment shall consist of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof as shown on the Plans, subject to encroachments resulting from minor construction deviations, or settlement or movement of the building after construction. When such encroachment appear, boundary lines of each Apartment shall be deemed to be and treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Owner of each Apartment in and to such space lying outside of the actual boundary line of the Apartment, but within the appropriate wall, floor or ceiling surfaces of the Apartment. Any equipment relating to the air conditioning system of an Apartment which is situated outside the boundaries of the Apartment hereinbefore defined shall be a

part of such Apartment.

Such Apartment shall constitute an entire, separate residential entity, and shall not be partitioned, subdivided or separated into multiple parcels by any deed, plat or other instrument causing such division.

C. Building Components Not Constituting Part of an Apartment: No Owner shall own any pipes, wires, conduits, public utility lines or lines structural components running through his apartment and serving more than his Apartment, whether or not such items shall be located in the floors, ceilings or perimeter or exterior walls of the Apartment, except as a tenant-in-common with all other Owners.

D. Encroachments and Easements for Common Areas and Facilities: Whenever the Common Areas and Facilities encroach upon any Apartment by reason of location, construction settling, or shifting of a Building, an easement shall be deemed to exist and run to the Association for the maintenance, use and enjoyment of such common Areas and Facilities.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Apartments and serving his apartment.

E. Appurtenances: Any instrument of conveyance of an Apartment shall pass all right, title and interest in and to the following appurtenances, whether or not such instrument mentions said appurtenances:

1. Undivided Interest in the Common and Limited Common Areas;
2. Membership in the Association and all rights therein, as set forth in the Declaration and By-Laws;
3. Easements for structural support, ingress and egress, utilities;
4. Special, limited easements for emergency ingress and egress and for maintenance, repair and replacement of the Apartments.

F. Utilities: Each Owner shall pay for his own telephone, electricity, water and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses, unless otherwise determined by the Board.

ARTICLE III
Common Areas, Limited Common Areas and Easements

A. Ownership of Common Areas and Facilities: Each Apartment Owner shall be entitled to and own an undivided interest in the Common Areas and Facilities as a tenant-in-common with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Areas and Facilities for all purposes incident to the use and occupancy of such owner's Apartment as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his apartment. The extent and amount of such ownership shall be expressed by a percentage amount as provided for in article XIII of this Declaration and expressly subject to the limitation set forth therein. The percentage of

ownership of each Owner as set forth in Article XIII shall be the same as the vote to which an Owner shall be entitled on any manner upon which the Owners are entitled to vote.

B. Common Areas and Facilities Described: Common Areas and Facilities shall mean and include:

1. The land on which this Horizontal Property Regime is located;
2. The foundation, columns, girders, beams, supports, main walls, roofs, and structural columns within the boundaries of the Apartment;
3. The yards, streets, entry walls, common lights and walks;
4. Facilities and installation providing electricity, sanitary and storm sewers, water and communication lines, pipes, ducts, wiring and conduits and other utility installations;
5. Tennis courts, swimming pool, and other recreational facilities, if any;
6. All other parts of the property necessary and convenient to its existence, maintenance and safety or normally in common use.

C. No Partition of Common Areas and Facilities: There shall be no partition of the Common Areas and Facilities through judicial proceedings or otherwise until this Declaration is terminated and the Property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership. This provision shall in no way limit developer's right to incremental development of this project.

D. Use of the Common Areas and Facilities: Subject to the provisions of subsection E hereinbelow, each Owner shall have the right to use the Common Areas and Facilities in common with all other Owners, as may be required for the purpose of

ingress and egress to, and use, occupants and enjoyment of, the respective Apartment owned by each Owner. Such rights shall extend to the owner and the members of such Owner's immediate family and guest and other occupants and visitors. The use of the Common Areas and Facilities and the rights of the Owners with respect thereto shall be subject to and governed by the provisions of this Act, this Declaration and the By-Laws attached hereto as Exhibit C, and rules and regulations of the Board.

E. Limited Common Areas and Facilities: Limited Common Areas shall include the following areas:

1. All patios shall be a part of the Common Area and Facilities and not a part of any individual Apartment, however, each Owner shall be entitled to the exclusive use and possession of any patio, direct access to which is provided from his Apartment, and which is located outside of and adjoining his Apartment.
2. Each Owner shall be assigned one or more parking spaces which shall be designated in a list prepared and maintained by Declarant until such time as the Homeowner's Association assumes control of the project, after which time the Homeowner's Association shall prepare and maintain a list of parking space assignments. Each Owner shall be entitled to the exclusive use and possession of all parking spaces assigned to his Apartment.
3. Corridors, stairs and entrances and exists designed to serve several Apartments within a portion of the building shall be Limited Common Areas.

F. Easements for Utilities: All public utilities serving the property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Areas and Facilities for the purpose of providing the Property with utility services, together with the reasonable right to ingress to and egress from the Property for said purpose; provided, however, nothing herein shall permit the

become a lien on the interest of such Owner in the Property pursuant to the terms of the Act. This paragraph is specifically made subject to the terms of Articles XIII and XIV of this Declaration;

3. If, due to the negligent act or omission of an Owner, or of a member of his family or household pet, or of a guest or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Areas and Facilities or to an Apartment or apartments owned by other, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, subject to the rules, regulations and By-Laws;

4. The authorized representatives of the Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Apartments as may be required in connection with maintenance, repairs or replacements of or to the Common Areas and Facilities or any equipment, facilities or fixtures affecting or serving other Apartments or the Common Areas and Facilities, and the use thereof by the individual Owners shall be subject to the rules and regulations of the Board;

5. No alterations of any Common Areas and Facilities or any additions or improvements thereto, to shall be made by any Owner without the prior written approval of the Board.

B. Limited Common Areas: The Board shall be responsible for the maintenance, repair and management of the Limited Common Areas, with the same powers as mentioned in paragraph A of this Article; subject, however, to the following exception:

Each Owner shall be responsible for cleaning, repair, maintenance and appearance of the patio to which he is hereby extended exclusive use and possession, at his own expense, including (without limitation) responsibility for breakage, damage, malfunction and ordinary wear and tear. An Owner shall not paint or otherwise decorate, adorn, or change the appearance of such Limited Common Areas and Facilities, in any manner without the prior written consent of the Board. In the event the Board determines that it shall repair and maintain such Limited Common Areas and Facilities, the expense of such repair and maintenance shall not be a Common Expense but shall be an expense of the particular Owner and shall constitute a lien against his Apartment. Re-

placement after total destruction of said Limited Common Areas, or substantial destruction which warrants replacement, if not caused by Owner's negligence, shall be paid for as if it were a Common Expense.

C. Apartments: Maintenance, repair and replacement of

Apartments shall be according to the following provisions:

1. The Board, at its expense, shall be responsible for the maintenance, repair and replacement of those portions of each Apartment which contribute to the support of the Buildings, excluding, however, plaster (wall board) on the interior walls and ceilings, and floor surfaces, and including but not limited to outside walls, structural slabs, walls of the building, walls of the Limited Common Areas and Facilities, load bearing walls and that part of the wall between each Apartment excepting plaster. In addition, the Board shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the Apartment boundaries as specified in Article II, paragraph B, exclusive of any portions of the foregoing which may be located at or beyond the wall, ceiling or floor outlets, or which may be the responsibility of an individual Owner under any other provision of this Declaration. The Board may replace and repair any window glass, window frames and doors, in the event any Owner fails to do so as provided in subparagraph 2 of this paragraph, but the expense of same shall be paid by the defaulting Owner;
2. Except as otherwise provided in subparagraph 1 above, each Owner shall furnish, at his own expense, and be responsible for the following:
 - (a) All of the maintenance, repairs and replacements within his own apartment and all of the window glass, window frames and doors appurtenant thereto, and all internal installations of such Apartment such as refrigerators, ranges and other kitchen appliances, lighting fixtures, appliances, and heating, plumbing and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the Apartment boundaries as specified in Article II, paragraph B; provided, however, such maintenance, repairs and replacements as may be required for the bringing of water or electricity to the Apartment, shall be furnished by the Board as part of the Common Expenses. The Board may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Apartments as a Common Expense. No Owner shall make any alterations or additions to his Apartment which affects the structural integrity of any other Apartment or Building;

(b) All of the decorating within his own Apartment from time to time including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Apartment as shown on the Plans, and such Owner shall maintain such portions in good condition and repair at his sole expense; all such maintenance and use shall be subject to the rules and regulations of the Board. The interior and exterior surfaces of window glass in all windows forming part of the perimeter wall of the unit shall be cleaned or washed at the expense of each respective Owner. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to rules and regulations of the Board. Decorating of the Common Areas and Facilities (other than interior surfaces within the Apartments as above provided), and any redecorating of Apartments to the extent made necessary by any damage to existing decorating of such Apartments caused by maintenance, repair or replacement work on the Common Areas and Facilities by the Board as part of the Common Expenses. Nothing herein contained shall be construed to impose a contractual liability upon the Board for maintenance, repair and replacement, but the Board and Owners shall be limited to damages resulting from negligence. The respective obligations of the Board and Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the property.

ARTICLE V

Insurance

A. Purchase: The insurance, other than title insurance and Declarant's "builder risk" coverage, shall be purchased by the Association through an insurance company having authority to do business in the State of Indiana and having been in existence for a minimum of three years. Premiums upon insurance policies purchased

by the Association shall be paid by the Association as a common expense. Proof of payment shall be available to all mortgagees upon reasonable and proper request. In all negotiations, purchase and settlement procedures, the Board shall represent the Association. Said insurance shall provide coverage as listed in paragraph B hereinbelow.

B. Coverage: The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance:

1. Casualty insurance against loss or damage from fire or other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings of a similar nature, including vandalism, malicious mischief, windstorm and water damage.

Said Casualty insurance shall insure all buildings and other improvements upon the land and all personal property as may be owned by the Association. Said insurance shall cover each Apartment, air conditioning units and all bathroom and kitchen fixtures originally installed by Declarant, but not including carpeting, drapes, wall coverings, fixtures, furnishings or other personal property of the Owner.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Apartment Owners or of invalidity arising from any acts of the insured or any Apartment Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten(10) days prior written notice to all of the insureds, including all mortgagees of Apartments.

All policies of physical damage shall provide for the issuance of certificates of insurance mortgage endorsements to the holders of the first mortgage on the Apartments;

2. Public liability insurance in such amounts and with such coverage as shall be required by the Board, including coverage for each member of the Board, the managing agent, the manager and each owner and providing for cross-liability endorsements to cover liabilities of the Apartment Owners as a group to an individual Apartment Owner;
3. Workmen's compensation policy to meet the requirements of law;
4. Such other insurance as the Board may from time to time determine to be desirable.

C. Beneficiary: The beneficiary of said insurance policies shall be the Association individually and as an agent for the Owners without naming them, and shall include the mortgagees of the Apartments as such appear of record. Such policies shall provide that payments for losses thereunder by the insurer shall be paid to the Insurance Trustee. The Secretary of the Association shall hold all policies and endorsements until Insurance Trustee is designated.

D. Insurance Trustee: All insurance policies shall provide that all proceeds covering property losses shall be paid to such bank in Lake County, Indiana with trust powers as may be designated as Insurance Trustee by the Board. The Insurance Trustee shall not be liable for the payment of premiums nor the renewal or sufficiency of policies, nor the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this Declaration and for the benefit of the Owners and their mortgagees. In the event that a mortgage endorsement has been issued for an Apartment, the share of the Owner shall be held in trust for the mortgagee and the Owner as their 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 in the following manner:

1. All expenses of the Insurance Trustee shall be first paid or provisions made therefor;
2. If the damage for which the proceeds are paid is to be repaired or reconstructed according to the provisions of this Declaration, the remaining proceeds

shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to an Association Reserve Fund, or at the option of the Board, divided among the Owners in proportion to their common ownership percentages;

3. If it is determined in the manner elsewhere provided in this Declaration that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners.

F. Apartment Owners: Owners shall carry insurance for their own benefit insuring their carpeting, wall covering, fixtures, furniture, furnishings and other personal property, provided that such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any additional insurance carried by the Owner.

ARTICLE VI

Reconstruction or Repair of Casualty Loss

A. Compulsory Reconstruction and Repair: Whenever portions of the Common Areas and Facilities suffer casualty damage, reconstruction of said damaged areas shall be compulsory unless the damage is equal to or exceeds two thirds (2/3) of all the apartments. However, should the total damage from a single casualty or disaster be limited on one condominium structure and should said damage render seventy-five percent (75%) or more of the Apartments therein untenable, the members of the Association may call a meeting prior to commencement of reconstruction of said condominium provided the following conditions are met:

1. The minutes of said meeting show that the Owners of all Apartments within said condominium structure were present at said meeting and voted on the proposal to not reconstruct the damaged condominium, and;
2. The minutes of said meeting contain proof that all mortgagees having a recorded interest in those Apartments within the damaged condominium were given notice 40 hours prior to said meeting of the Association's intent to vote on the reconstruction of the damaged condominium;
3. All mortgagees names in item 2 hereinabove agree in writing to abide by the outcome of said vote.

B. Optional Reconstruction and Repair: Whenever portions of the Common Areas and Facilities suffer casualty damage which renders two-thirds (2/3) or more of the apartments untenable, reconstruction and repair shall not proceed unless at a meeting which shall be called within one hundred twenty (120) days after the occurrence of the casualty the apartment Owners whose voting percentages total seventy-five percent (75%) or more of the total voting percentages, vote in favor of such reconstruction or repair. In the event that said meeting is not held within one hundred twenty (120) days from the date of damage or destruction, the Property and the provisions herein shall be subject to the specific provisions of the Act. Any result of such vote should be certified, and said certification should be presented to the Insurance Trustee as soon as practicable. The Insurance Trustee may rely upon the certification as to whether or not the damaged property is to be reconstructed.

C. Manner of Reconstruction and Repair: Reconstruction or repair pursuant to the Article shall be substantially in accordance with the Plans and specifications, and of the same quality and in the same style of the original construction. Encroachment upon or in favor of the apartments which may be created as a result of said reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the 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.

D. Procedure for Reconstruction and Repair: Reconstruction and repair after casualty shall be the responsibility of the Association acting through its Board, except where the damage is to portions of only one apartment which the Owner is responsible for maintaining and repairing as provided in Article IV, paragraph C, in which case said owner shall be responsible for reconstruction and repair after casualty. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to replace 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 desires.

E. Assessments for Reconstruction and Repair: If

proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during or upon completion of said reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all apartment owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to each Owner's percentage of ownership of the Common Areas.

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Assessments

A. Determination of Common Expenses and Fixing of

Common Charges: The Board shall from time to time, and at least annually, prepare a budget for the condominium to determine the amount of the common charges payable by the Owners and assess such common charges among the Owners according to their respective common interests. The Assessment shall include, among other things, the cost of all insurance premiums on all policies of insurance required by the Board pursuant to the Declaration. The Assessment may also include such amounts as the Board may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for the working capital of the Condominium, for a general operating reserve; for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Declarant will pay common charges, taxes and other expenses allocable to any Apartments completed and owned according to the provisions of Article XIV herein. The Assessment

may also include such amounts as may be required for the purchase or lease by the Board on behalf of all Owners, of any Apartment whose Owner has elected to sell or lease such Apartment or of any Apartment which is to be sold at a foreclosure or other judicial sale. The Board shall advise all Owners, promptly in writing, of the amount of the Assessment payable by each of them, respectively, as determined by the Board, as aforesaid and shall furnish copies of each budget on which such Assessments are based, to all Owners and to their mortgagees.

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B. Payment of Assessments: All Owners shall be obligated to pay the Assessment by the Board pursuant to the provisions of paragraph A hereinabove. Said Assessments shall be due and payable in equal monthly payments, with the first of such payments due on January 1 of the year for which the Assessments are made.

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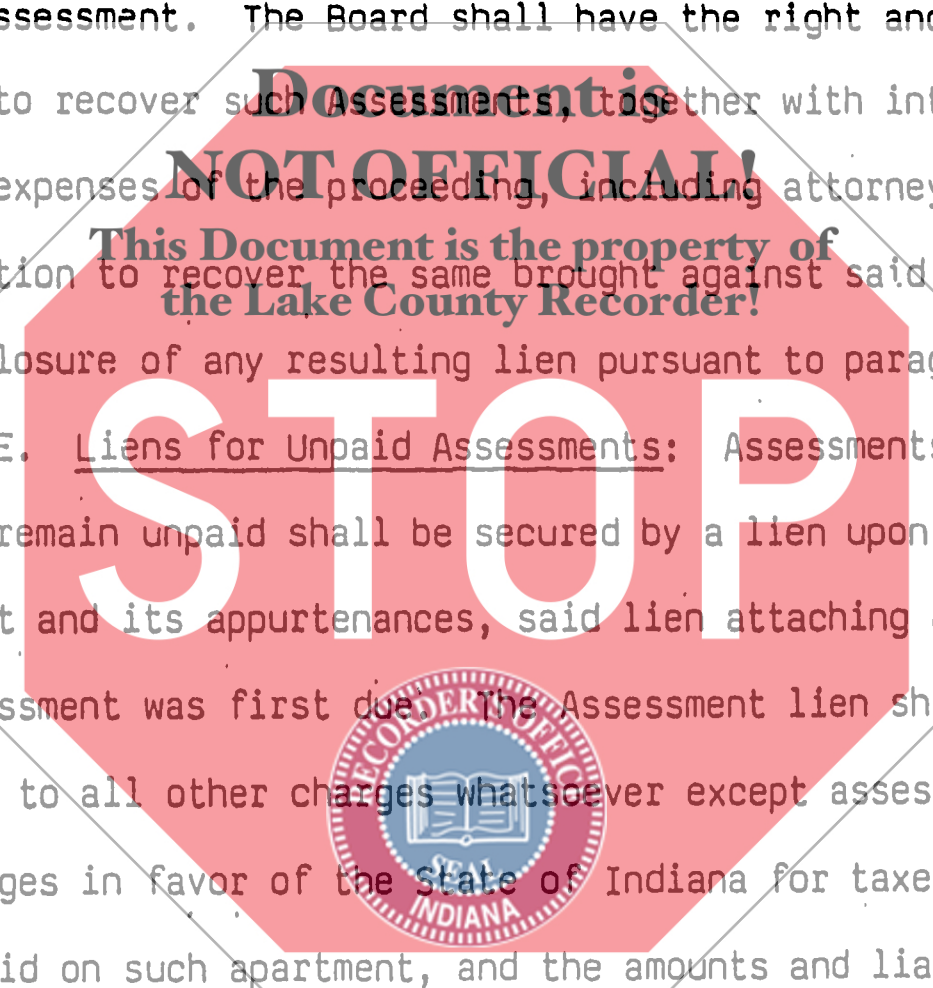
No Owner shall be liable for the payment of any part of the Assessments against his Apartment subsequent to a sale, transfer or other conveyance by him. A purchaser of any Apartment shall be liable for the payment of common charges assessed and unpaid against said Apartment prior to the acquisition by him of said Apartment, except that a mortgagee or other purchaser of an Apartment at a foreclosure sale of said Apartment shall not be liable for, and said Apartment shall not be subject to, a lien for the payment of Assessments prior to the foreclosure sale.

C. Collection of Assessments: The Board shall assess common charges against the Owners from time to time (at least annually) and shall take prompt action to collect any Assessment due from any Owner which remains unpaid for more than thirty (30)

days from the due date for payment thereof.

D. Default in Payment of Assessments: In the event of default by any Owner in paying to the Board the Assessments as determined by the Board, such Owner shall be obligated to pay interest at the legal rate on such Assessment from the date due thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid Assessment. The Board shall have the right and duty to attempt to recover such Assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against said Owner, or by foreclosure of any resulting lien pursuant to paragraph E below.

E. Liens for Unpaid Assessments: Assessments which become due and remain unpaid shall be secured by a lien upon both the Apartment and its appurtenances, said lien attaching at the time the Assessment was first due. The Assessment lien shall be prior in right to all other charges whatsoever except assessments, liens and charges in favor of the State of Indiana for taxes past due and unpaid on such apartment, and the amounts and liabilities secured by mortgage instruments previously duly recorded. Assessment liens shall become perfected by the Board filing notice of the same within sixty (60) days from the date such Assessment was due. Thereafter the Board may foreclose said lien pursuant to the laws of the State of Indiana governing mechanics and materialmen's liens. In any action brought by the Board to foreclose an assessment lien, the Owner shall be required to pay a reasonable rental for the use of his Apartment, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all the Owners, shall have



the power to purchase such Apartment at the foreclosure sale and to acquire, hold, lease and sell the same, provided, the Board may in no way exercise as its own the voting rights belonging to said Apartment. Such foreclosure shall in no way preclude or prohibit a suit to recover a money judgment for unpaid Assessments.

ARTICLE VIII

Taxes and Assessments

Taxes, assessments, and other charges of the State of Indiana, or of 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, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not the building or property as a whole. No forfeiture or sale of the building or property as a whole for delinquent taxes, assessments or charges shall ever divest or in anywise affect the title to an individual Apartment so long as taxes, assessments and charges on said individual Apartment are currently paid.

If the taxes and special assessments are not, for any period of time, assessed against the individual Apartments as hereinabove mentioned, said taxes and assessments shall be a Common Expense and be paid by the Association.

ARTICLE IX

Convenants and Restrictions

The Apartments and Common Areas and Facilities shall be occupied and used as follows:

A. Purpose: No part of the Property shall be used for other than housing and related common purposes for which the Property was designed.

B. Nuisances: No nuisance shall be allowed upon the Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. Nothing shall be done on the Property either willfully or negligently which may be or become, in the judgment of the Board, an annoyance or nuisance to the other Owners or occupants. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Owner shall permit any use of his Apartment or make any use of the common elements which will increase the rate of or will result in the cancellation of insurance upon the Property.

C. Lawful Use: No immoral, improper, offensive or unlawful use shall be made of the Property nor any part of it. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of the governmental bodies which require maintenance, modification or repair of the Property shall be the same as the responsibility for the maintenance and repair of the property concerned.

D. Obstruction of Common Areas and Facilities: There shall be no obstruction of the Common Areas and Facilities, nor shall anything be stored in the common Areas and Facilities without the

prior written consent of the Board, except as herein expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Apartment.

E. Exterior Exposure of Building: Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Buildings, or in the Common Areas and Facilities, including the Limited Common Areas and Facilities, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior written consent of the Board.

F. Animals: No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Apartment or in the Common Areas and Facilities, except that dogs, cats, or other domesticated household pets may be kept in the Apartments, subject to the rules and regulations adopted by the Board, provided that they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property subject to these restrictions upon three (3) days written notice from the Board.

G. Impairment of Structural Integrity of Building: Nothing shall be done in any Apartment or in, on, or to the Common Areas and or which would structurally change the Building except as is otherwise provided herein. No Owner shall overload the electric wiring in a building, or operate any machines, appliances, accessories or equipment in such manner to cause, in the judgment of the Board, an annoyance or nuisance to the other Owners or occupants.

H. Laundry or Rubbish: No clothes, sheets, blankets, laundry of kind, or other articles shall be hung out or exposed on any part of the Common Areas and Facilities, including the Limited Common Areas and Facilities. The Common Areas and Facilities, including the Limited Common Areas and Facilities, shall be kept free and clear of rubbish, debris and other wastes shall be kept only in enclosed sanitary containers (of such type, color, composition and design as may be determined by the Board), and shall be disposed of in a clean, slightly, healthy and sanitary manner, and as may be prescribed from time to time by the rules and regulations of the Board.

I. Prohibited Activities and Signs: No industry, business, trade, occupation or profession of any kind, whether commercial, religious, education or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor, except with the consent of the Board, shall any "For Sale" or "For Rent" signs or other window displays or advertising be maintained or permitted by any Owner on any part of the Property or in any Apartment therein. The right is reserved for the Declarant or its agent to place "For Sale" or "For Rent" signs on any unsold or unoccupied Apartments, and to place such other signs on the Property, for the purpose of facilitating the disposal of Apartments by any Owners, mortgagee or the Board. No boats, campers, trucks or other vehicles, except for automobiles, shall be parked or stored on the Property, except in garages or areas specifically specified for such storage by the Board.

J. Alterations of Common Areas and Facilities: Nothing shall be altered, or constructed in, or removed from the Common Areas and Facilities except upon the written consent of the Board.

K. Display of Model Units: During the period in which the original sale of newly constructed Apartments continues, Declarant, or his successors or assigns, may occupy, or grant permission to any person or entity to occupy, with or without rental, as it determines, one or more Apartments for business or promotional purposes, including clerical activities, sales offices, model Apartments for display and the like.

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ARTICLE X

Compliance and Default

Each Owner shall be governed by and shall comply with the terms of the Declaration, and the By-Laws and the regulations adopted pursuant to those documents, and all of such documents and regulations as they may be amended from time to time. Failure of an Owner to comply with such shall entitle the Association or other Owners to the following relief in addition to the remedies provided by the Act:

A. Negligence: An owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

B. Costs and Attorneys' Fees: In any proceeding arising because of an alleged failure of an Owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws, or the Regulations adopted pursuant to them, and such documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

C. Enforcement of the Covenants and Restrictions: Enforcement of the covenants and restrictions herein shall be by and any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, and against the apartment to enforce any lien created by these covenants.

D. No Waiver of Rights: The failure of the Association or any Owner to enforce any covenant, restriction or other provision of the Act, this declaration, the By-Laws of the association or the regulations shall not constitute a waiver of the right to do so thereafter.

ARTICLE XI

Owner's Association

In order to provide for the maintenance, repair, replacement, administration and operation of the Property, there shall be created an incorporated homeowner's association, which shall fulfill its functions according to the following provisions:

A. Powers: The Association shall have all of the powers and duties set forth in the Act, except as limited by this Declaration and the By-Laws, and all of the powers and duties reasonably

necessary to operate the condominium as set forth in this Declaration and the By-Laws as they may be amended from time to time.

B. Members:

1. Qualification: The members of the Association shall consist of all the record Owners of Apartments;
2. Change of Membership: After receiving the approval of the Association elsewhere required, change of membership shall be established by recording in the public records of Lake County, Indiana, a deed or other instrument establishing a record title to an Apartment in the condominium and delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a member of the Association. The membership of the prior Owner shall be thereby terminated;
3. Designation of Voting Representative: If an Apartment is owned by one person his right to vote shall be established by the record title to his Apartment. If an Apartment is owned by more than one person, or is under lease, the person entitled to cast the vote for the Apartment shall be designated by a certificate signed by all of the record Owners of the said Apartment and filed with the secretary of the Association. A certificate designating the person entitled to cast the vote of an Apartment may be revoked by any Owner thereof;
4. Approval or Disapproval of Matters: Whenever the decision of an Owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such Owner if in an Association meeting, unless the joinder of record Owners is specifically required by this Declaration;
5. Restraint Upon Assignment of Shares in Assets: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Apartment.

C. Board of Directors: The affairs of the Association shall be conducted by a board of directors who shall be designated in the manner provided in the By-Laws.

D. Indemnification: Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association. The foregoing rights on indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

E. Limitation Upon Liability of Association: Notwithstanding the duty of the Association to maintain and repair parts of the condominium Property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or by the elements or other Owners or persons.

F. The By-Laws of the Association: The By-Laws of the Association shall be in the form attached hereto as Exhibit C.

G. Property in Trust: All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium and the By-Laws.

ARTICLE XII

Amendment

A. Amendments of the Declaration: Amendments of the Declaration shall be proposed and adopted by the members in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which proposed amendment is considered;
2. An amendment shall be approved by a vote of the Owners whose interests in the Common Areas total, in the aggregate, not less than seventy-five percent (75%). Owners not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting;
3. No amendment shall make any changes in the qualifications for membership nor the voting rights and percentage of ownership of members without approval in writing by all Owners and the joinder of all record owners of mortgages upon the Apartments or the Property. No amendment shall be made that is in conflict with the Act;
4. Every amendment to this Declaration, once approved and signed by two (2) officers, shall be recorded in the Recorder's Office in Lake County, Indiana;
5. Nothing herein shall affect, limit, prohibit or restrain the Amendment of this Declaration pursuant to Article XIII provisions.

B. Amendments of the By-Laws: Amendments of the By-Laws shall be according to the provisions of those documents.

ARTICLE XIII

Development and Ownership Percentages

To allow the most economical and logistically feasible development of the Condominium Project, and to prevent undue assessments for insurance, maintenance and upkeep of the Apartments, their successor and assigns, realize, understand and agree, that Declarant plans to develop this project in one increment. Pursuant to this understanding, each Owner, for himself, his successors and assigns, consents to the following provisions:

A. Increment: The entire increment of the Condominium shall be comprised of all that land described in Exhibit H to this Declaration. Deeds of conveyance and purchase agreements for any Apartment in said entire Condominium increment shall pass right, title and interest in and to only those Common Areas and Facilities lying within said entire increment of the Condominium. Owners of apartments in said entire increment shall be subject to the provisions of Article XIV which shall govern transition from Declarant's control to Owner's control.

B. Ownership Percentages: It is contemplated that Declarant shall construct and sell four (4) Apartments within the Condominium development. If all Apartments are in fact constructed and sold, the Owner of each Apartment shall be entitled to receive and own an undivided one-fourth (1/4) interest in the Common Areas and Facilities in and upon the Condominium property. However, Declarant is under no legal obligation to so construct and sell the same. If through circumstances beyond the control of Declarant, Declarant is either unable to construct, or if

constructed, unable to sell, any one or more of said Apartments, each Owner shall only be entitled to receive an interest in the Common Areas and Facilities in the ratio that his Apartment bears to the total number of Apartments within the Condominium that shall be constructed and shall be sold.

The Declarant shall retain or acquire title to each Apartment not sold in the same manner as any other Apartment Owner. Any Apartment(s) to be retained by Declarant shall constitute a sale for purposes of this Declaration; and any Apartment(s) retained shall result in the percentage of interest to Declarant in the ratio thereof to the whole.

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ARTICLE XIV

Transition from Declarant to Owner Control

Transition from Declarant's control during the development stages to the operational stage, shall be pursuant to the following provisions:

A. Transition of Management and Control:

1. Control and Management: Control and Management of the condominium project shall be vested in the Declarant until such time as Declarant is no longer seized of title to any Apartment, finished or under construction, Declarant's option to add additional Apartments to the condominium project has expired by passage of time, or Declarant has, at its option and discretion, advised the Owners by written notice that Declarant intends to divest itself of control and management and transfer this responsibility to the Association.

Until the first meeting of the Association, Declarant's management and control shall be subject to the same terms, provisions and limitations as the Board would be subject to.

The first meeting of the Association shall be on the first Tuesday of the first month after the occurrence of any of the above preconditions to transfer of control

and management. The calling to order of the first meeting shall terminate Declarant's control and management, except as provided for in subparagraph 3 hereinbelow.

2. Assessments During Transition: Owners shall pay such monthly Assessments during the period of Declarant's control as the Declarant shall deem as reasonable and necessary to provide for maintenance, management and repair, provided, however, that such Assessment shall not exceed \$100.00 per month. After the first meeting of the Association, the Common Expenses shall be assessed among the Owners in amounts proportionate to each Owner's percentage of undivided interest.
3. Declarant's Rights in Unsold Apartments: Declarant shall have all rights and duties of an Owner in and to all Apartments prior to sale and conveyance of said Apartments. These rights and duties shall include, but not be limited to Declarant's rights to exercise the voting rights for each Apartment not conveyed and to be liable for payment of the Assessment for each Apartment. Nothing herein shall be construed as a limitation of Declarant's rights in the promotion, advertising, lease or sale of Apartments as set forth in paragraph L of Article IX.

ARTICLE XV

Sale and Lease of Apartment

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Apartments, the transfer of Apartments by any Owner shall be subject to the following provisions so long as the condominium exists, but no longer than twenty-one (21) years after the death of the survivor of the first fifteen (15) babies born in St. Anthony's Hospital in Crown Point, Lake County, Indiana in December, 1979.

A. Transfers Subject to Approval: No Owner may dispose of an Apartment or any interest therein by sale or lease without approval of the Association, unless such sale or lease is to another Owner. If any Owner shall acquire his title by gift,

devise or inheritance, or by any other manner not mentioned herein, the continuance of his ownership of his Apartment shall be subject to the approval of the Association.

B. Approval by Association: The approval of the Association that is required for the transfer of ownership of apartments shall be obtained in the following manner:

Notice to Board: An Owner intending to make a bona fide sale or lease of his Apartment or any interest therein shall give the Board notice of such intention, together with the name and address of the intended purchaser or lessee and such other information concerning the intended purchaser as the Board may reasonably require.

Any Owner who has attained his title by gift, devise or inheritance or any other manner not herein mentioned shall give the Board notice of acquiring of his title together with such information concerning the Owner as the Board may reasonably require.

Upon failure to provide notice to the Board as required hereinabove, the Board at its election and without notice, may approve or disapprove the transaction or ownership. If the Board disapproves the transaction or ownership, the Board shall proceed as if it had received the required notice on the date of such disapproval.

C. Certificate of Approval: Within fifteen (15) days of such notice and information, the Board must either approve or disapprove of the proposed transaction or continuance of ownership. If approved, then approval shall be stated in a certificate of approval signed by the president and secretary of the Association and recorded in the Recorder's Office in Lake County, Indiana.

D. Disapprovals: In the event the Board does not approve a lease, the Owner shall be advised of the disapproval in writing and the lease shall not be made.

In the event the Board disapproves and deems it advisable to exercise the right to purchase the Apartment, then it shall, within fifteen (15) days following the receipt of such notice from the

Owner wishing to sell, call a meeting of all Owners for the purpose of voting upon the proposed purchase. If the recommendation of the Board to purchase such Apartment is approved by no less than seventy-five percent (75%) in the aggregate of the total votes, then the Board shall proceed to purchase the Apartment from the Owner upon the same terms and conditions contained in the offer or, in the case of an Owner who took by gift, devise or heirship, for the fair market value on reasonable terms. The purchase price for the Apartment shall be considered to be a Common Expense for the Apartment and borne by the Owners; provided, however, that the Owner of the Apartment shall not be assessed for or required to pay his pro-rata share of the expense incurred in the purchase of his Apartment.

Legal title to the Apartment shall be conveyed to the Association as an entity or to those persons then serving as Board, as trustees for the benefit of the Owners, whichever the Board, in their sole discretion, deems appropriate.

In the event that the proposed purchase is not approved by the required percentage of the Owners as set out above, then the Board, through the President or Secretary, shall promptly deliver a certificate in recordable form to the Owner who may proceed to sell his Apartment under the same terms and conditions as if the Board had not elected to recommend the exercise of the right of the Association to purchase.

If, for any reason, either the Board or the Owners shall fail to act on the right or refusal within the time periods herein provided, then the right of first refusal shall be deemed to have been waived.

E. Purchase by the Board: If the Board shall purchase an Apartment in accordance with this Article, the Board shall have the authority at any time thereafter to sell or lease the Apartment upon the terms and conditions as the Board shall, in their sole discretion, deem desirable, without application to or approval of the Owners in the same percentage as they had contributed to the purchase. In the event the Board elects to lease such Apartment, then the lease rental payments shall be applied against the Common Expense.

F. Failure to Comply: Any sale or attempted sale by an Owner of his Apartment, except in accordance with the provisions of this Article, shall be void; provided, however, that any certificate waiving the right to purchase executed by the Board and delivered to an Owner as provided by this Article may be relied upon by any purchaser or mortgagee and shall, with respect to such purchaser or mortgagee, be absolutely binding upon the Board and the Owners unless such purchaser or mortgagee has actual knowledge that the certificate was procured fraudulently or by reason of a misrepresentation of a material fact.

G. Applicability to Mortgagees: With respect to a mortgagee that is a bank, life insurance company, savings and loan association or other recognized institutional lender, the provisions of this Article shall be limited to such mortgagee as follows:

1. The provisions shall not apply to any conveyance of an Apartment to such mortgagee as a result of a foreclosure of its mortgage or a conveyance in lieu thereof or to the conveyance of an Apartment to any person at a public sale in the manner provided by law.

2. These provisions shall apply to any subsequent sale of those persons or mortgagees who acquire title through one of the conveyances named in subparagraph 1 hereinabove.

ARTICLE XVI

Voluntary Sale of Property

All of the Owners may remove the Property from the provisions of the Act by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the Apartments consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the Owner in the Property. Upon removal of the Property from the provisions of the Act, the Property shall be owned in common by the Owners. The undivided interest in the Property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas and Facilities developed at time of removal.

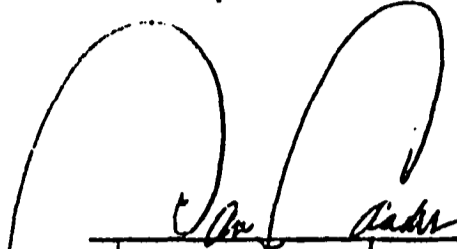


ARTICLE XVII

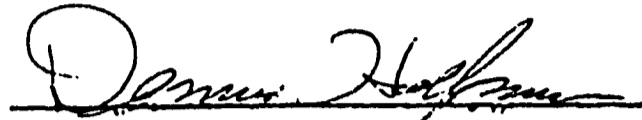
Construction of Declaration

The provisions of this Declaration shall be severable or no provisions shall be affected by the invalidity of any other provision to the extent that such invalidity does not also render such other provision invalid. In the event of the invalidity of any provision, this Declaration shall be interpreted and enforced as if all invalid provisions were not contained therein.

IT WITNESS WHEREOF, Declarants have caused this Declaration
to be executed this _____ day of _____, 19__



Dan Candiano



Dennis Halfman

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This instrument prepared by Jerry L. Colglazier, Attorney at Law,
Law Offices of James K. Whitaker & Associates, P.C., 5231 Hohman
Avenue, Suite 620, Hammond, Indiana 46320.

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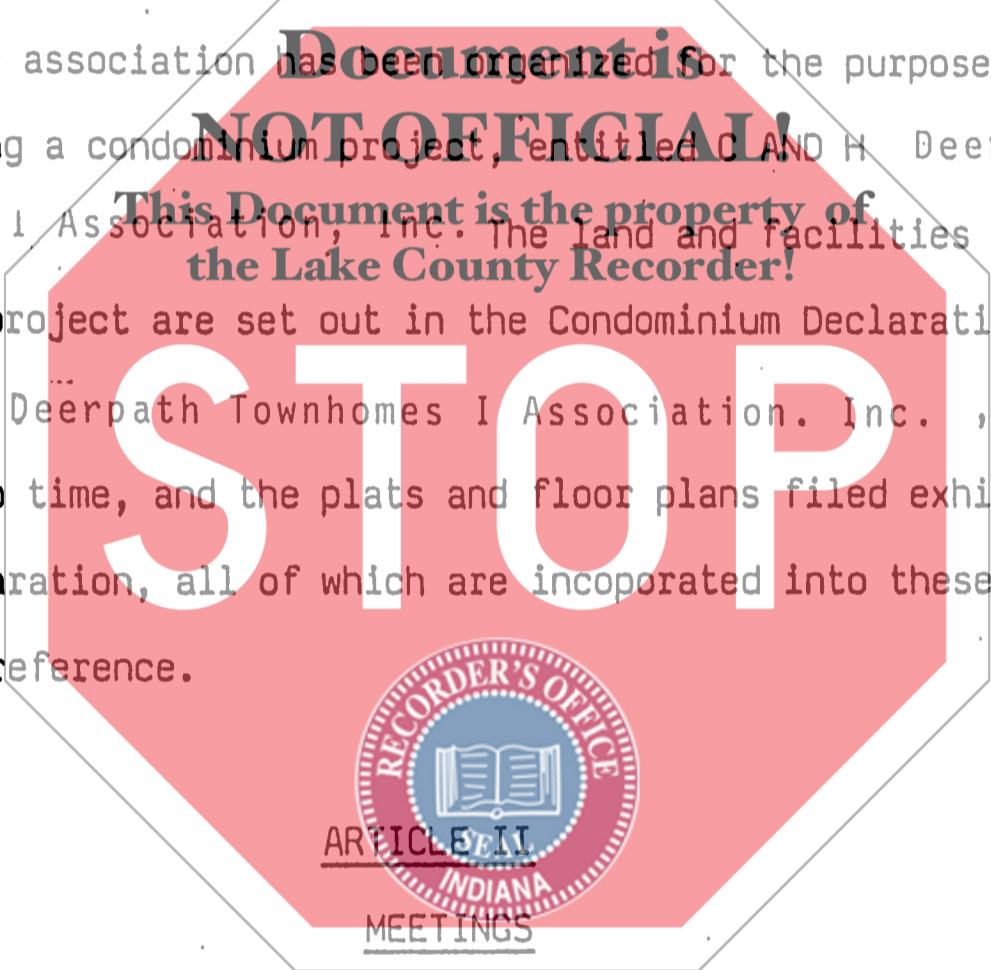
BY-LAWS

OF

C and H DeerPath Townhomes I Association, Inc.

ARTICLE I

These are the By-Laws of the C AND H ^{DEERPATH} ~~LILAC CT PLUM CREEK II~~ TOWNHOMES ASSOCIATION, INC., an incorporated association of condominium owners. The association has been organized for the purpose of administering a condominium project, entitled C AND H Deerpath Townhomes I Association, Inc. The land and facilities included within the project are set out in the Condominium Declaration of C AND H Deerpath Townhomes I Association, Inc., as amended from time to time, and the plats and floor plans filed exhibits to the Declaration, all of which are incorporated into these By-Laws by reference.



A. The first meeting of the Association shall be on the first Tuesday of the month following the transition of management and control of the condominium project from the Declarants to the Association, as set out in the Article XIV of the transition of management and control by written notice prior to the meeting and shall announce the place and time of the first meeting.

B. After the first meeting of the Association, meetings of the Association shall be held at the discretion of the Board, but at least one meeting annually shall be held. Notice of each meeting shall be given by the Secretary of the Association in writing to each member at his address as it appears on the books of the Association and shall be mailed, not less than ten (10) days no more than sixty (60) days prior to the date of the meeting. Proof of mailing may be given by affidavit of the Secretary. Notice may be waived before or after meetings.

C. A quorum at Association meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The vote of the Owners of a unit owned by more than one person shall be cast by the person named in a certificate signed by all of the Owners of the unit and filed with the Secretary of the Association. Such certificate may be revoked by a later certificate. If such a certificate is not on file the vote of such owners shall not be considered in determining the existence of a quorum or for any other purpose.

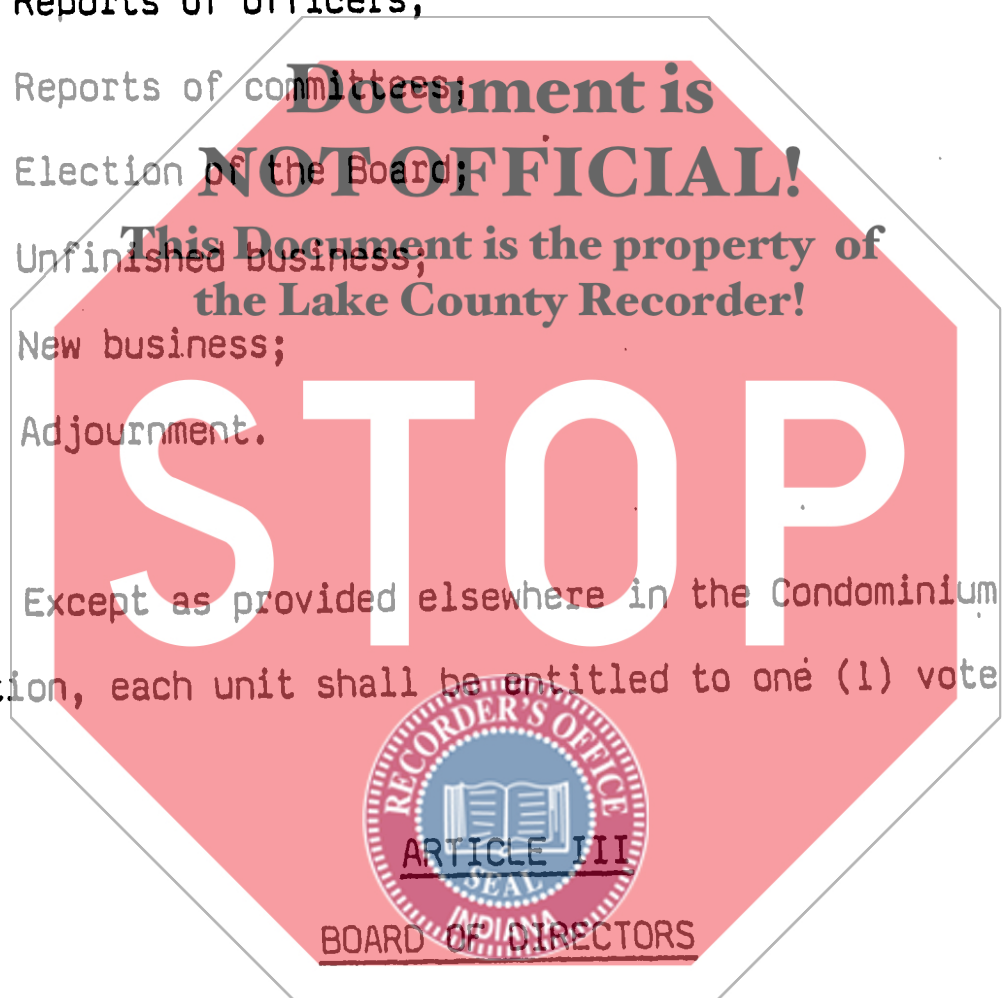
D. Votes may be cast by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

E. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

F. The order of business at the first Association meeting, and as far as applicable at all other meetings, shall be:

1. Election of chairman of the meeting;
2. Calling of the roll and certifying of proxies;
3. Proof of notice of meeting;
4. Reading and approval of minutes;
5. Reports of officers;
6. Reports of committees;
7. Election of the Board;
8. Unfinished business;
9. New business;
10. Adjournment.

H. Except as provided elsewhere in the Condominium Declaration, each unit shall be entitled to one (1) vote.



A. The affairs of the Condominium shall be administered by the Board of Directors of the Association. The Board shall consist of three (3) persons. Each member shall be a Unit Owner.

B. Election of the directors shall be conducted in the following manner:

1. Election of the directors shall be at the first meeting of the members of the Association, and at each annual meeting thereafter;

2. Nominations for a directorship shall be made during the meeting at which the vote is to be taken, and shall be made from the floor;

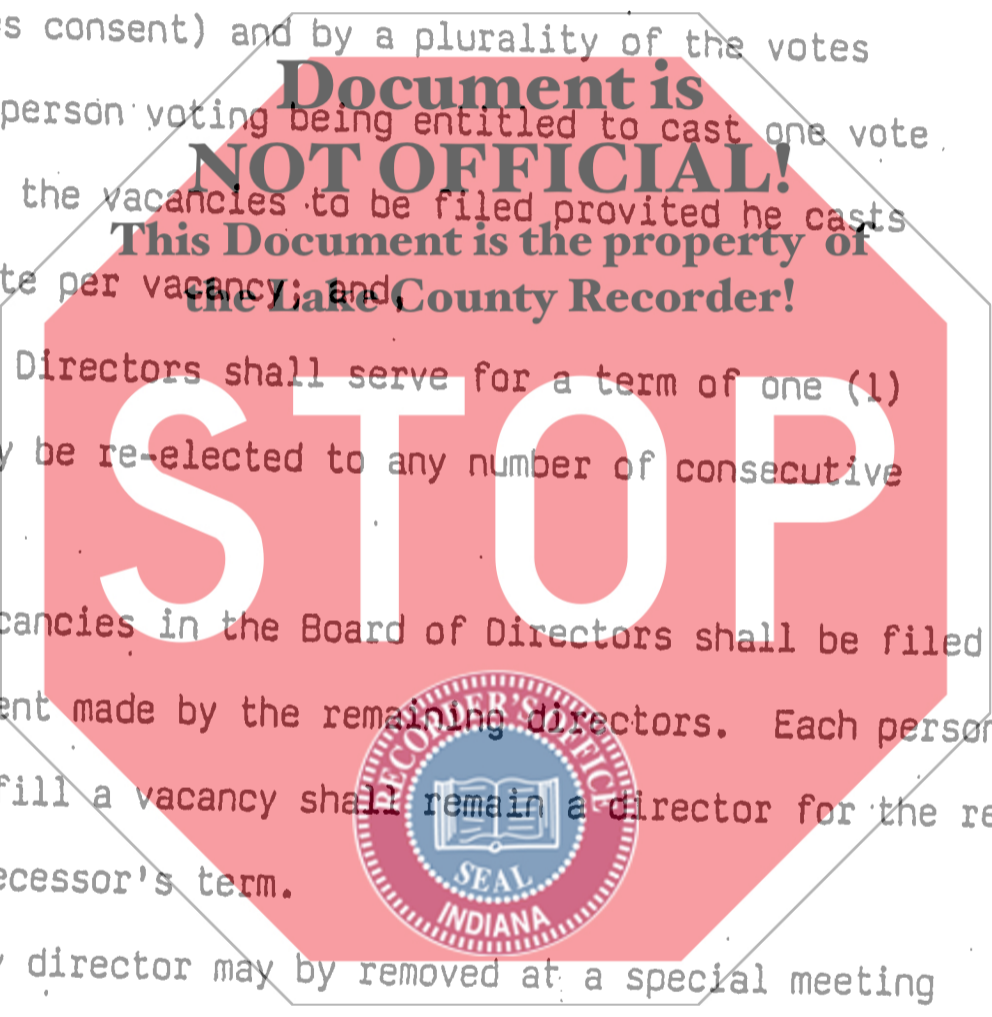
3. The election shall be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast one vote for each of the vacancies to be filled provided he casts only one vote per vacancy; and

4. All Directors shall serve for a term of one (1) year and may be re-elected to any number of consecutive terms.

C. Vacancies in the Board of Directors shall be filled by appointment made by the remaining directors. Each person so elected to fill a vacancy shall remain a director for the remainder of his predecessor's term.

D. Any director may be removed at a special meeting of the members of the Association called for that purpose by a concurrence of three-fourths (3/4) of the members of the Association.

E. The organization meeting of a newly-elected Board shall be held within ten (10) days of their election at such time as shall be fixed by the directors at the meeting at which they



were elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.

F. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph at least three days prior to the day name for such meeting unless such notice is waived.

G. Special meetings of the directors may be called by the President and may be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three days' notice of the meeting shall be given personally or by mail, telephone or telegraph which notice shall state the time, place and purpose of the meeting.

H. Any director may wave notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

I. A quorum at director's meeting shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by the majority of votes present at a meeting which a quorum is present shall constitute the acts of the Board of Directors except specifically otherwise provided in the Declaration of Condominium.

J. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present

adjourn the meeting from time to time until a quorum is present.

K. The presiding officer of the directors' meetings shall be the President. In the absence of the presiding officer, the Vice-President shall preside.

L. Director's fees, if any, shall be determined by the members of the Association.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes, and the documents establishing the Condominium. Such powers and duties of the Board shall be exercised in accordance with the provision of the Declaration of Condominium which governs the use of the land, and shall include but shall not be limited to the following:

A. To make and collect assessments against members to defray the costs of the condominium.

B. To use the proceeds of the assessments in the exercise of its powers and duties, and in the payment of those costs and liabilities of the Condominium not assessed to an individual Owner.

C. The maintenance, repair, replacement and operation of the Condominium property.

D. The purchase of insurance upon the Condominium property and insurance for the protection of the Association and its members.

E. The reconstruction of improvements after casualty and the further improvements of the property.

F. To make and amend reasonable regulations respecting the use of the property in the Condominium.

G. To approve or disapprove proposed purchasers and lessees of units according to the provisions of the Declaration of Condominium.

H. To enforce by legal means the provisions of the Declaration of Condominium, the Articles of Incorporation, the By-Laws of the Association, and the regulations for the use of the property in the Condominium.

I. To contract for management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the condominium documents to have approval of the Board of Directors or the membership of the Association.

ARTICLE V

OFFICERS

A. The executive officers of the Association shall be a President, who shall be a director, a Vice-President, who shall be a director, a Treasurer, and a Secretary, all of whom shall be elected annually by the board of Directors and who may be peremptorily removed by vote of the directors at any meeting.

Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

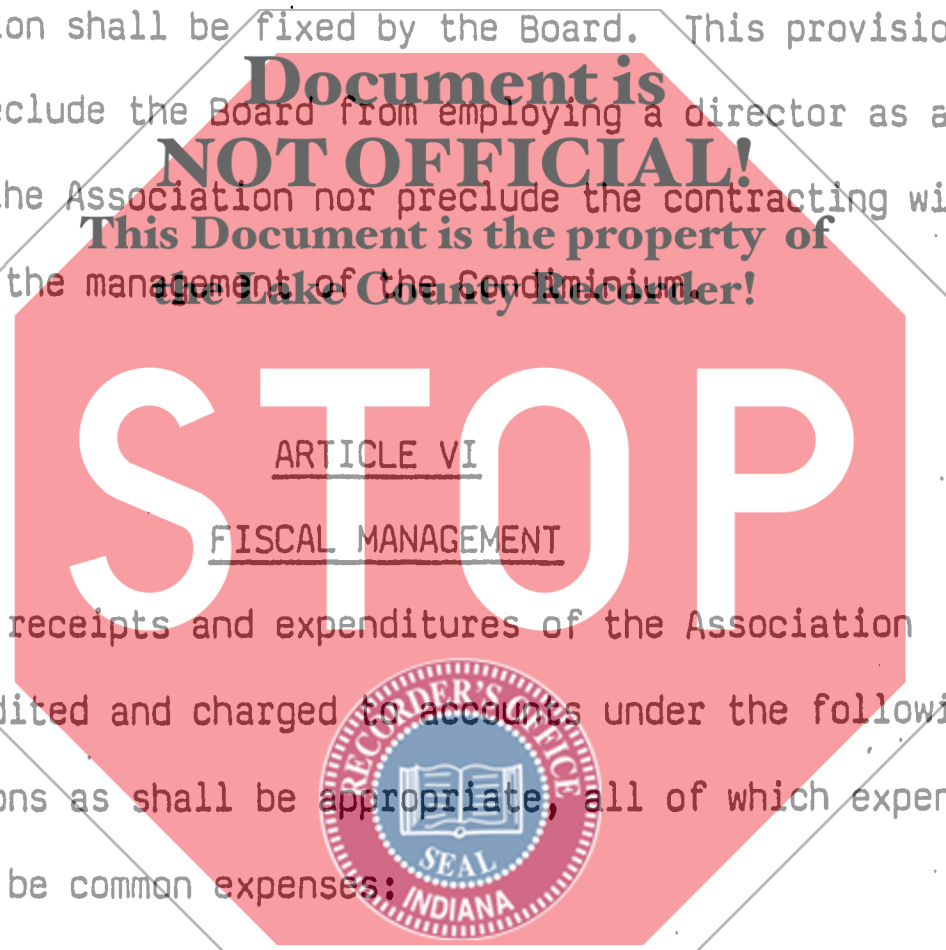
B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association.

C. The Vice-President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other and perform such other duties as shall be prescribed by the directors.

D. The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the directors or the President.,

E. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. The compensation to all officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Condominium.



A. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

1. Current Expenses, which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves on to additional improvements. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses of the succeeding year;

2. Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually;

3. Reserve for replacement, which shall include funds for the repair or replacement required because of damage, depreciation or obsolescence;

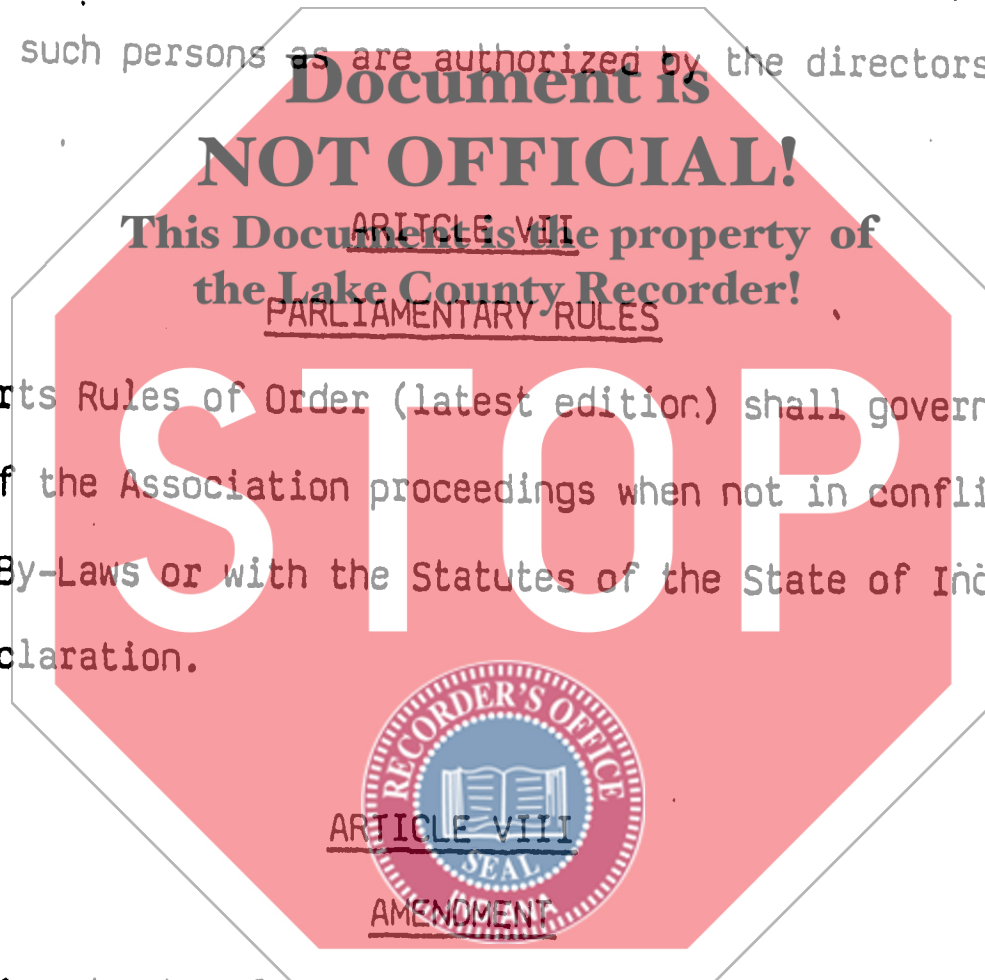
4. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

B. The Board shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for those four accounts listed in Paragraph "A" hereinabove. Copies of the proposed budget shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned.

C. Assessments against the Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. If the annual assessment is not made as required, it shall be presumed that the assessment for the succeeding year is in the same amount as the preceding year, each Owners's share being the same. In the event the annual

assessments proves to be insufficient or is not made prior to December 20 of the preceding year, the budget and assessment shall be subject to the approval of the membership of the Association as provided in these By-Laws.

D. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.



Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the By-Laws or with the Statutes of the State of Indiana, or the Declaration.

A. Amendments of the By-Laws shall be proposed and adopted by the members in the following manner:

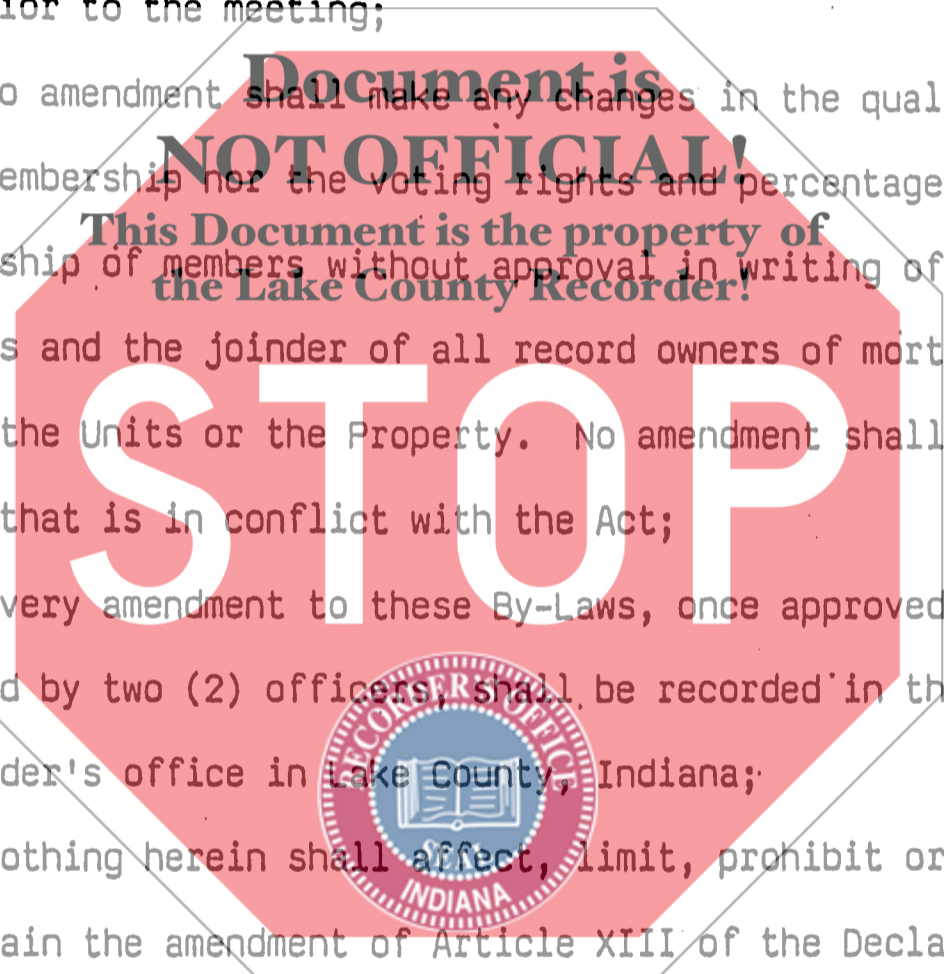
1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered;

2. An amendment shall be approved by a vote of the Owners whose interests in the Common Areas total, in the aggregate, not less than seventy five percent (75%). Owners not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting;

3. No amendment shall make any changes in the qualifications for membership nor the voting rights and percentage of ownership of members without approval in writing of all Owners and the joinder of all record owners of mortgages upon the Units or the Property. No amendment shall be make that is in conflict with the Act;

4. Every amendment to these By-Laws, once approved and signed by two (2) officers, shall be recorded in the Recorder's office in Lake County, Indiana;

5. Nothing herein shall affect, limit, prohibit or restrain the amendment of Article XIII of the Declaration of Condominium.



RULES AND REGULATIONS

FOR

C and H DeerPath Townhomes II ASSOCIATION, INC.

1. The sidewalks, entrances, passages, public halls, corridors and stairways of the buildings shall not be obstructed or used for any other purpose than ingress to and egress from the apartments in the building.
2. No articles shall be placed in any of the halls or on any of the staircases, nor shall any exit or fire exit be obstructed in any manner. Nothing shall be hung or shaken from the windows, doors or terrace or placed upon the window sills of the buildings. No garbage can, ice, milk bottles, mats or other articles shall be placed in the halls or on the staircase landings, nor shall anything be stored in the halls or on the staircase landings.
3. Children shall be allowed to play in designated play areas and private patios. They should not be allowed to play in public halls, stairways, corridors, entranceways or on greens in front of the buildings. Parents shall be held responsible for the actions of their children.
4. No public halls, stairways or corridors of any building shall be decorated or furnished by any Apartment Owner in any manner.
5. Each Owner shall keep his Apartment and any patio to which he has direct access in a good state of preservation and cleanliness and shall not sweep or throw, or permit to be swept or thrown therefrom, any dirt or other substance.
6. No shades, venetian blinds, awnings, or window guards shall be used in or about any Apartment except as such shall have been approved in writing by the Board, which approval may be granted or refused in the sole discretion of the Board.
7. No awning or radio or television aerial shall be attached to or hung from the exterior of any building or patio, and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building, except such as shall have been approved in writing by the Board, which approval may be granted or refused in the sole discretion of the Board; nor shall anything be projected from any window of any building without similar approval.
8. No air-conditioning unit or ventilated device shall be installed in any Apartment without the prior written approval of the Board;

9. No velocipedes, bicycles, scooters, or baby carriages shall be allowed to stand in the public halls, passageways, courts or other public areas of any building.
10. No animals or reptiles of any kind shall be raised, bred or kept in any Apartment or Common or Limited Common Area except that dogs, cats, or other household pets owned by an Owner at the time of purchase of their Apartments, may be kept in the Owner's Apartment without approval of the Board. Any acquisition of household pets after purchase of an Apartment by an Owner shall be subject to the written approval of the Board. Any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three days written notice from the Board. In no event shall any dog be permitted in any portion of the Common or Limited Common Areas unless on a leash. The Board may from time to time limit the areas of the Property in which leashed dogs are permitted.
11. No Owner shall make or permit any disturbing noises in the building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Owners. No Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such Owner's Apartment between the hours of twelve midnight and the following seven A.M., if the same shall disturb or annoy other occupants of the building, and in no event shall practice or suffer to be practiced either vocal or instrumental music for more than two hours in any day or between the hours of six P.M. and the following nine A.M.
12. Water-closets and other water apparatus in any Apartment building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in an Apartment, shall be repaired and paid for by the Owner of such Apartment.
13. The Board may retain a pass-key to each Apartment. The Owner shall not alter any lock or install a new lock on any door leading to his Apartment without the written consent of the Board. If such consent is given, the Board shall be provided with a key.
14. No vehicle belonging to an Owner or to a member of the family or guest, tenant or employee of an Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the building by another vehicle.

15. No Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Apartment any inflammable, combustible or explosive fluid, material, chemical or substance except for normal household use.
16. complaints regarding the service of the building shall be made in writing to the Board.
17. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board.



ARTICLES OF INCORPORATION

OF

C and H DeerPath Townhomes II Association, Inc.

The undersigned incorporator or incorporators, desiring to form a corporation, (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971, as amended, (hereinafter referred to as the "Act") executed the following Articles of Incorporation.

ARTICLE I

**Document is
Name
NOT OFFICIAL!**

The name of the corporation is C AND H Deerpath Townhomes II Association, Inc.

**This Document is the property of
the Lake County Recorder!**

ARTICLE II

The purpose for which the Corporation is formed, together with, and in addition to, those powers conferred by the law of the State of Indiana, upon corporations organized under and by virtue of the laws of Indiana, are as follows:

(A) To provide a functional entity for the administration of a condominium known as Cand H Lilac Court Plum Creek II Townhomes Association, INC., which has been developed upon certain real estate as follows:

Lot 17 DeerPath Townhomes, to the town of Schereville as shown in Plat Book 65 page 40 in Lake County, Indiana.

(B) The Association shall have those powers which are necessary and proper for the successful administration of the condominium, including but not limited to the following:

- (1) To make and collect assessments against members to defray the costs of the Condominium.
- (2) To use the proceeds of assessments in the exercise of its powers and duties, and in the payment of those costs and liabilities of the Condominium not assessed to an individual owner.
- (3) The maintenance, repair, replacement and operation of the condominium property.
- (4) The purchase of insurance upon the condominium property and insurance for the protection of the Association and its members.
- (5) The reconstruction of improvements after casualty and the replacement of the property.
- (6) To make and enforce reasonable regulations respecting the use of the property in the condominium.
- (7) To approve or disapprove proposed purchasers and lessees of apartments according to the Declaration of Condominium.
- (8) To enforce by legal means the provisions of the Declaration of Condominium, the Articles of Incorporation, the By-Laws of the Association, and the regulation for the use of the property in the condominium.
- (9) To contract for management of the Condominium and to delegate to such contractor all powers and duties of the Association, except such as are specifically required by the Condominium documents to have approval of the Board of Directors or the membership of the Association.
- (10) The Association shall have all of the powers and duties set forth in the Condominium Act subject to the terms and provisions of the Declaration of Condominium and By-Laws and the powers granted there in along with all the Common Law and Statutory Powers of a Corporation not for profit.

(C) The Association shall derive no profits for its members, the directors, officers or incorporators.

(D) To provide any and all other services for a non profit corporation as provided by the Statutes of the State of Indiana.

ARTICLE III

Period of Existence

The period during which the Corporation shall continue is Perpetual.

ARTICLE IV

Resident Agent and Principal Office

Section 1. Resident Agent. The name and address of the Resident Agent in charge of the Corporation's principal office is Dan Canisano, 1723 87th place, St John, Indiana 46373.

ARTICLE V

Membership

Section 1. Rights, Preferences, Limitations, and Restrictions of Classes. The Board of Directors of the Corporation may, by resolution, determine and state the number and classes of members and the relative rights, preferences, limitations and restrictions of any class or classes of members, in accordance to the following provisions.

Section 2. Classes. Ownership of an apartment in the Condominium confers immediate membership in the Association for every owner, and no one other than an owner shall be a member of said Association. The Association shall recognize ownership on the Warranty Deeds or other instruments of conveyance which have been duly recorded in the Recorder's Office of Lake County, Indiana.

Section 3. Voting Rights of Classes. Each owner or owners shall be entitled to one vote except on matters of amending the Articles, By-Laws, and Declaration of Condominium,

and in any vote for reconstruction of the Condominium after major destruction; on these matters each owner shall have a vote proportioned his percentage of ownership in the Condominium as defined in the Declaration of Condominium. In the event the apartments are owned by two or more natural persons, the total vote of the apartment shall divided equally among said owners and unchanged.

ARTICLE VI
Directors

Section 1. Number of Directors. The initial Board of Directors is composed of three (3) members. If the exact number of Directors is not stated, the minimum number shall be three (3), and the maximum number shall be nine (9). Previded, however, that the exact number of Directors shall be prescribed from time to time in the By-Laws of the Corporation; AND PROVIDED FUTHER THAT UNDER NO CIRCUMSTANCES SHALL THE MINIMUM NUMBER BE LESS THAN THREE (3).

Section 2. Names and Post Office Addresses Of the Directors. The names and post office addresses of the initial Board of Directors are:

<u>Name</u>	<u>Number and Street</u>	<u>City</u>	<u>Sate-zip</u>
Dan Candiano	1132 Lahinch Ct.	Dyer	Indiana, 46371
Dennis Halfman	9201 Olcott	St. John	Indiana, 46373
Wendy Candiano	1132 Lahinch Ct.	Dyer	Indiana, 46371

Section 3. Directors. Unless otherwise provided in the By-Laws, the directors shall be chosen from the members of the Corporation.

ARTICLE VII

Incorporator

Section 1. Name and Post Office Address. The name and post office address of the incorporator of the corporation is as follows:

<u>Name</u>	<u>Number & Street</u>	<u>City-State-Zip</u>
Dan Candiano	1132 Lahinch Ct.	Dyer, Indiana 46371

ARTICLE VIII

Statement of Property

A statement of the property and an estimate of the value thereof, to be taken over by this Corporation at or upon its incorporation are as follows:

N O N E

ARTICLE IX

Provisions for regulation and conduct

of the Affairs of Corporation

Other provisions, consistent with the laws of this state, for the regulation and conduct of the affairs of this corporation, and creating, defining, limiting or regulating the powers of this Corporation of the Directors or of the members or any class or classes of members are as follows:

Section 1. By-Laws, Regulation of business and conduct of affairs of the Corporation shall be governed by the By-Laws of the Corporation.

Section 2. Meetings of Members : Meetings of the members of the Corporation shall be held at such place, within or without the State of Indiana, as may be specified in the respective notices or waivers of notice thereof.

Section 3. Liability of Officers and Directors. The Directors and Officers shall not be liable to the members of the Association for any mistake of judgement, negligence or otherwise, except for their own individual willful misconduct or bad faith. The members shall indemnify and hold harmless each Director and Officer against all contractual liability to other arising out of contracts made by the Board of Directors on behalf of the Condominiums unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration of Condominium or By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominium. Directors and Officers shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by such person in connection with any proceeding to which he may be a party by reason of his position as Director or Officer.

IN WITNESS WHEREOF, I, the undersigned, being the incorporator as designated in Article VII, create these Articles of Incorporation and certify to the truth of the facts herein stated, this 21st day of Feb, 1991.

[Signature]
Dan Candiano

DAN CANDIANO
(Printed Signature)

NOTARY ACKNOWLEDGEMENT


Illinois
State of ~~Indiana~~
Cook
County of ~~Lake~~

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

Before me, Susy D. Gordon, a Notary Public in and for said County and State, personally appeared

Dan Candiano

and severally acknowledged the execution of the foregoing Articles of Incorporation.

Susy D. Gordon
(Notary Public)


My Commission Expires:
2/29/92

WITNESS my hand and Notarial Seal this 21st day of Feb, 1991.

"OFFICIAL SEAL"
Susy D. Gordon
Notary Public, State of Illinois
Commission Expires 2-29-92