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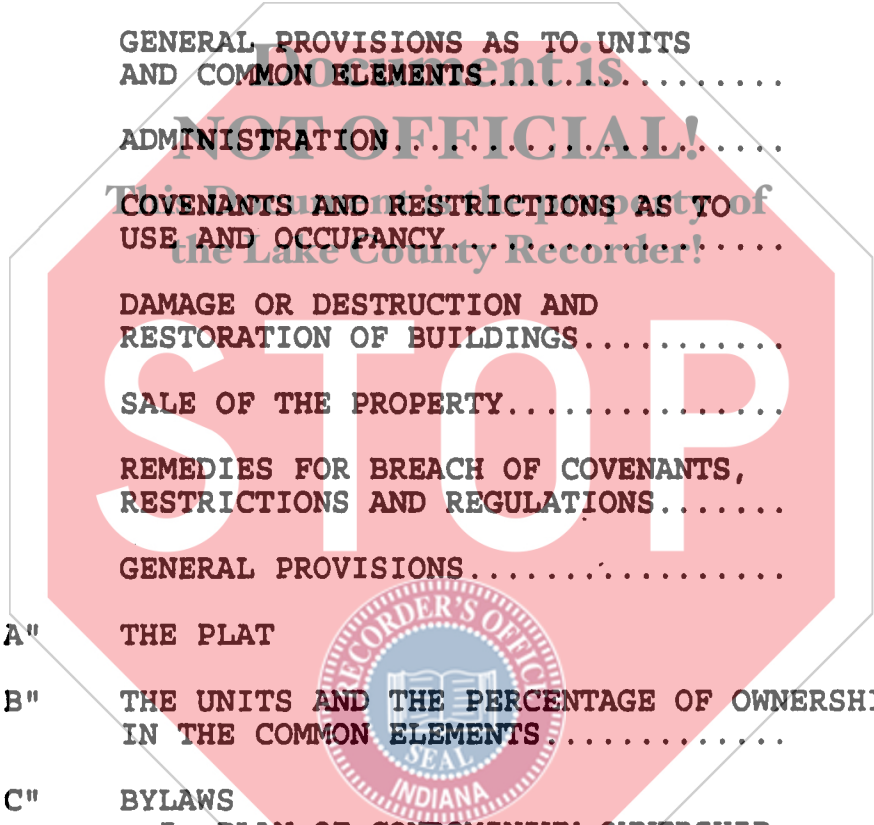
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DECLARATION OF HORIZONTAL PROPERTY REGIME EASEMENTS, RESTRICTIONS, COVENANTS AND BYLAWS FOR HARTWOOD TERRACE CONDOMINIUM

94026226 INDEX

Chicago Title Insurance Company

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Plat# 94026219

APR 7 1 46 PM '94  
RECORDER

STATE OF INDIANA  
LAKE COUNTY  
RECORDER'S OFFICE

FILED

APR 6 1994  
 K# 27-593-108  
 Anne N. Anton  
 AUDITOR LAKE COUNTY  
 UNITS 1A, 1B, 1C, 1D & 2A, 2B, 2C, 2D  
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**DECLARATION OF CONDOMINIUM OWNERSHIP,  
EASEMENTS, RESTRICTIONS AND COVENANTS  
FOR HARTWOOD TERRACE CONDOMINIUM**

This Declaration made and entered into this 24<sup>th</sup> day of March, 1994, by MERCANTILE NATIONAL BANK OF INDIANA, not personally but solely as Trustee (hereinafter called "TRUSTEE") under a Trust Agreement dated May 1, 1993, and known as Trust No. 5682.

WHEREAS, TRUSTEE is the owner of a certain parcel of real estate, located at 2329 Hart Road, Highland, Indiana, legally described as follows:

The West 162.77 feet of the East 437.80 feet of the North 40 acres of the Southeast Quarter of Section 29, Township 36 North, Range 9 West of the 2nd principal Meridian, except the North 430.00 feet thereof, all in the Town of Highland, Lake County, Indiana.

WHEREAS, TRUSTEE intends to and does hereby submit said real estate together with all buildings, structures, improvements, and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging to or in anywise pertaining thereto (herein after called the "PROPERTY") to the provisions of the statute commonly known as the "Horizontal Property Law" of the State of Indiana, as amended from time to time (hereinafter called and sometimes referred to as the "ACT"); and

WHEREAS, TRUSTEE is further desirous of establishing for its own benefit and the mutual benefit of all future owners or occupants of the PROPERTY, or any part thereof, which shall be known as "HARTWOOD TERRACE CONDOMINIUM" certain easements and rights in, over, and upon said premises and certain mutually beneficial restrictions, and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, TRUSTEE desires and intends that the several owners, mortgagees, occupants, and other persons hereafter acquiring any interest in said development shall at all

times enjoy the benefits of and shall hold their interest subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspect of such development and are established for the purposes of enhancing and perfecting the value, desirability and attractiveness of the PROPERTY.

NOW, THEREFORE, Mercantile National Bank of Indiana, not personally but solely as Trustee under a Trust Agreement dated May 1, 1993, known as Trust No. 5682, the holder of legal title to the real estate hereinbefore described, and for the purposes above set forth, declares as follows:

Document is  
ARTICLE I  
NOT OFFICIAL!  
DEFINITIONS

This Document is the property of

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

1. **ACT:** means the Horizontal Property Law of the State of Indiana as amended from time to time.
2. **ASSOCIATION:** means the Association of all the Unit Owners, acting pursuant to Bylaws through its duly elected Board of Managers.
3. **BOARD:** means the Board of Managers of the Association.
4. **BYLAWS:** means the Bylaws of the Association which are set forth in Exhibit "C" attached to this Declaration, as may be amended from time to time.
5. **COMMON ELEMENTS:** shall be the common areas and facilities as defined in the ACT as above set forth, and shall be all the parts of the condominium property not included within the unit boundaries as described in Article II except as provided under the definition of "Limited Common Elements".

6. **COMMON EXPENSES**; shall mean:

- (1) All sums lawfully assessed against the co-owners by the association of co-owners;
- (2) Expenses of administration, maintenance, repair or replacement of the common areas and facilities;
- (3) Expenses agreed upon as common expenses by the association of co-owners; and
- (4) Expenses declared common expenses by provisions of this chapter, or by the Declaration or the Bylaws.

7. **CONDOMINIUM INSTRUMENTS**; means the Declaration, Bylaws and Plats and floor plans of the condominium together with any exhibits or schedules thereto.

8. **CONDOMINIUM UNIT**; means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in a structure of one (1) or more floors or stories regardless of whether it be designed for residence, or office, with either a direct exit to a public street or highway or an exit to a thoroughfare or to a given common space leading to a thoroughfare, together with the undivided interest in the common elements appertaining to that unit of space.

9. **DECLARATION**; means this instrument by which the PROPERTY is submitted to the provisions of the ACT, and all Exhibits attached to this instrument and all amendments to this instrument made from time to time pursuant to the provisions of this instrument.

10. **DEVELOPER**; means J. M. Designs, an Illinois general partnership, whose offices are at 18107 Torrence Avenue, Lansing, Illinois, 60438, including any successor or successors to the entire interest of such party in the PROPERTY other than the purchaser of an individual Unit.

11. **LIMITED COMMON ELEMENTS:** shall mean "Limited common areas and facilities" as defined in the ACT and shall be those which are appurtenant to one or more Units in this condominium, or those which are reserved for the exclusive use of one or more Units, such as assigned garages, assigned parking facilities, balconies, patios, corridors, stairs, entrances and exits. These limited common elements are reserved for the use of the Unit (or Units) appurtenant or assigned thereto, to the exclusion of other Units and there shall pass with a Unit as appurtenant thereto, the exclusive (or joint or limited) right to use the limited common elements so appurtenant. Expenses of maintenance and repair relating to such limited common elements shall be borne by and assessed against the individual Unit Owner (or Owners) holding the rights thereto. The Developer reserves the right, during construction of the condominium development, to enter upon and construct in and upon such appurtenances, so long as the Unit Owner (or Owners) having rights therein, may still have the reasonable use of the same.

12. **OCCUPANT:** means person or persons, other than Owner, in possession.

13. **OWNER:** means a person who owns a condominium unit in fee simple and an undivided interest in the common areas and facilities in the percentage specified and established in the Declaration.

14. **PLAT:** means the Plats of Survey attached to this Declaration as Exhibit "A" together with all authorized amendments thereto made from time to time pursuant to the provisions of this Declaration.

15. **PROPERTY:** means all the land, property, and space comprising the parcel, all improvements and structures erected, constructed, or contained therein or thereon, including the buildings and all easements, rights, and appurtenances belonging thereto, and all fixtures and property intended for the mutual use, benefit, or enjoyment of the Unit Owners.

16. **RESTRICTED USE AREAS:** means a portion of the common elements other than limited common areas designed or intended for such independent and concurrent use by all Owners, as is not integral to the use and enjoyment of the units as independent single family dwellings. By way of illustration (but not in limitation) said term includes all general parking areas. The Board of Managers shall have the authority to designate the restricted use areas.

17. **RESERVES:** means those sums paid by Unit Owners which are separately maintained by the Board for purposes specified by the Board of the Condominium Instruments.

18. **UNIT:** SEE DEFINITION OF CONDOMINIUM UNIT

## ARTICLE II UNITS

1. **DESCRIPTION AND OWNERSHIP:** All units in the buildings located on the parcel are delineated on the surveys attached as Exhibit "A" hereto and made a part of this Declaration. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on Exhibit "A" attached hereto and every such description shall be deemed good and sufficient for all purposes.

It is understood that each Unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof in Exhibit "A". Every deed, lease, mortgage, or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "A", and every such description shall be deemed good and sufficient for all purposes. No Unit Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels smaller than the whole Unit as shown on Exhibit "A".

2. **CERTAIN STRUCTURES NOT CONSTITUTING PART OF A UNIT:** Except as a tenant in common with other Owners, no Owner shall own any pipes, wires, ducts, conduits, public utility lines, or structural components running through his Unit and serving more than his Unit, whether or not such items shall be located in the floors, ceilings, or perimeter or interior walls of the Unit.

## ARTICLE III COMMON ELEMENTS

1. **DESCRIPTION:** Except as otherwise in this Declaration provided, the common elements shall consist of all portions of the PROPERTY, except Units. Without limiting the generality of the foregoing, the common elements shall include (i) the land on which the building

is located; (ii) the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, and entrances and exits of the building; (iii) the yards, gardens, parking areas, storage spaces; (iv) installations of central services such as power, light, gas, hot and cold water, heating and air conditioning; (v) the ducts and in general all apparatus and installations existing for common use; and (vi) all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

2. **OWNERSHIP OF COMMON ELEMENTS:** Each Owner shall own an undivided interest in the common elements as a tenant in common with all the other Owners of the PROPERTY, and, except as otherwise limited in this Declaration, shall have the right to use the common elements for all purposes incident to the use and occupancy of his Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. TRUSTEE has determined each Unit's corresponding percentage of Ownership in the common elements in accordance with the ACT and the same are set forth in Exhibit "B" attached hereto.

**ARTICLE IV**  
**GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS**

1. **SUBMISSION OF PROPERTY TO "HORIZONTAL PROPERTY LAW":** The PROPERTY is hereby submitted to the provisions of the "Horizontal Property Law" of the State of Indiana, as amended from time to time.

2. **NO SEVERANCE OF OWNERSHIP:** No Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the common elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

**3. EASEMENTS:**

**A. ENCROACHMENTS:** In the event that, by reason of the construction, reconstruction, settlement or shifting of the building, or the design or construction of any Unit, any part of the common elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the common elements or any other unit, or, if by reasons of the design or construction of utility systems, any main pipes, ducts, or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment and for the use of such adjoining space shall exist for the benefit of such unit and the common elements, as the case may be, so long as all or any part of the building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment to be created in favor of the Owner of any Unit or in favor of the Owners of the common elements if such encroachment occurred due to the willful conduct of said Owner or Owners.

**B. BALCONIES AND PATIOS:** A valid exclusive easement is hereby declared and established for the benefit of each Unit and its Owner, consisting of the right to use and occupy the balcony or patios, as the case may be, adjoining the Unit; provided, however, that no Owner shall decorate, landscape or adorn such balcony or patio in any manner contrary to such rules and regulations as may be established as hereinafter provided, unless he shall first obtain the written consent of the Board. In the event any such balcony or patio shall be appurtenant to more than one Unit, then all rights and obligations of the Owners of each such Unit with respect to the use, maintenance, and repair of such balcony or patio shall be joint, common and indivisible, and shall not be subject to partition through judicial proceedings or otherwise.

**C. EASEMENTS FOR CERTAIN UTILITIES:** The Board of Managers, as hereinafter provided, may hereafter grant easements for utility purposes for the benefit of the PROPERTY, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits, and wires over, under, along and on any portion of the common elements; and each Owner hereby grants the Board an irrevocable power of attorney to execute, acknowledge, and record, for and in the name of such Owner, such instruments as may be necessary to effectuate the foregoing.



**D. EASEMENTS THROUGH WALLS WITHIN UNITS:** Easements are hereby declared and granted to install, lay, maintain, repair, and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the Unit boundaries.

**E. EASEMENTS TO RUN WITH LAND:** All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successor and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the PROPERTY or any part or portion thereof. Reference in the deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation to the easements and rights described in this Article or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

**4. USE OF COMMON ELEMENTS:**

**A. REGULATION BY BOARD OF MANAGERS:** No person shall use the common elements 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 adopted by the Board, as provided in the Bylaws. Without in any manner intending to limit the generality of the foregoing, the Board shall have the right but not the obligation, to promulgate rules and regulations limiting the use of the common elements to Owners and their respective families, guests, invitees, and servants, as well as to provide for the exclusive use by an Owner and his guests, for specific occasions, of the recreational areas or other similar facilities. Such use may be conditioned upon, among other things, the payment by the Owner of such assessment as may be established by the Board for the purpose of defraying costs thereof.

**B. MANAGEMENT, MAINTENANCE, REPAIRS, ALTERATIONS, AND IMPROVEMENTS:** Except as otherwise provided herein, management, repair, alteration and improvement of the common elements shall be the responsibility of the Board. The Board may delegate all or any portions of its authority to discharge such responsibility to a manager or managing agent. Such delegation may be evidenced by a management contract (which shall not

exceed one (1) year in duration) which shall provide for reasonable compensation of said manager or managing agent to be paid out of the maintenance fund hereinafter provided.

C. **USE OF COMMON ELEMENTS:** Subject to the rules and regulations from time to time promulgated by the Board, all Owners may use the common elements in such manner as will not restrict, interfere, or impede with the use thereof by the other Owners, except as follows:

(1) **LIMITED COMMON ELEMENTS.** Each Owner is hereby granted an exclusive and irrevocable license to use and enjoy the limited common elements appurtenant to his Unit.

(2) **RESTRICTED USE AREAS.** The use of all space in the restricted use areas shall be under the sole control and management of the Board, which may (without limiting the generality of the foregoing) (a) determine the use of such areas, and change such use from time to time; (b) provide for the furnishings and equipment for such areas; (c) deny access to such areas to Owners who are delinquent in the payment of assessment or who are otherwise in default in their obligations hereunder; (d) exercise such other rights as it may deem necessary to assure that such areas be used, furnished and be maintained in a manner which will contribute to the best interest of all of the Owners.

5. **MAINTENANCE OF UNITS:**

A. **BY THE BOARD:** The Board, at its expense, shall be responsible for the maintenance, repair and replacement of those portions of each Unit which contribute to the support of the building, excluding, however, interior walls, ceiling and floor surfaces. 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 Unit boundaries as specified in Article II, exclusive of any portion of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Owner under any other provision of the Declaration.

B. **BY EACH OWNER:** The responsibility of each Owner shall be as follows:

- (1) to maintain, repair and replace at his expense all portion of his Unit, and all internal installations of such Unit such as appliances, heating, and any portion of any other utility service facilities located within the Unit boundaries as specified in Article II;
- (2) to maintain, repair and replace at his expense such portions of the appurtenances to his Unit and of any exclusive use area licensed, granted or otherwise assigned to such Owner, as the Board shall from time to time determine, until such time as the Board determines to the contrary. Each Owner shall be responsible for the repair, maintenance and appearance of all patios, balconies, windows, doors, vestibules and entryways, and of all associated structures and fixtures therein, which are appurtenances to his Unit. The foregoing includes, without limitation, responsibility for all breakage, damage, malfunctions and ordinary wear and tear of such appurtenances;
- (3) to perform his responsibilities in such manner as not to unreasonably disturb other persons residing within the building;
- (4) not to paint or otherwise decorate or change the appearance of any portion of the building not within the walls of the Unit, unless the written consent of the Board is obtained;
- (5) to promptly report to the Board or its agent any defect or need for repairs, the responsibility for the remedying of which is with the Board; and
- (6) not to make any alterations in the portions of the Unit or the building which are to be maintained by the Board or remove any portion thereof or make any additions thereto or do anything which

would or might jeopardize or impair the safety or soundness of the building without first obtaining the written consent of the Directors of the Board, nor shall any Owner impair any easement without first obtaining the written consents of the Board and of the Owner or Owners for whose benefit such easements exist.

C. **NO CONTRACTUAL LIABILITY OF BOARD:** Nothing herein contained however, shall be construed so as to impose a contractual liability upon the Board for maintenance, repair and replacement, but the Board's liability shall be limited to damages resulting from negligence.

6. **REPAIRS TO COMMON ELEMENTS NECESSITATED BY OWNER'S ACTS:** Each Owner agrees to maintain, repair and replace at his expense all portions of the common elements which may be damaged or destroyed by reason of his own or any occupant's act or neglect, or by the act or neglect of any invitee, licensee or guest of such Owner or occupant.

7. **CONSTRUCTION DEFECT:** The obligation of the Board and of Owners to repair, maintain, and replace the portions of the PROPERTY for which they are respectively responsible under Paragraphs 3, 4, and 5 of this Article IV shall not be limited, discharged or postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction of the PROPERTY.

8. **EFFECT OF INSURANCE OR CONSTRUCTION GUARANTEES:** Notwithstanding the fact that the Board and/or any Owner may be entitled to the benefit of any guarantees of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of construction guarantees or insurance coverage shall not excuse any delay by the Board or any Owner in performing his obligation hereunder.

**ARTICLE V  
ADMINISTRATION**

The provisions relating to administration of HARTWOOD TERRACE CONDOMINIUM are set forth in the Bylaws attached hereto as Exhibit "C" and incorporated herein by reference.

**ARTICLE VI  
COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY**

Additional covenants and restrictions as to use and occupancy for HARTWOOD TERRACE CONDOMINIUM are set forth in the Bylaws attached hereto as Exhibit "C" and incorporated herein by reference. The Units and common elements shall be occupied and used subject to the conditions, restrictions, rules and regulations set forth in the Bylaws.

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the Lake County Recorder!

**ARTICLE VII  
DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDINGS**

1. **SUFFICIENT INSURANCE:** In the event the improvements forming a part of the PROPERTY, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss, or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment thereof; provided, however, that in the event, within thirty (30) days after said damage or destruction, the Unit Owners elect either to sell the PROPERTY as provided in the Horizontal Property Law, or to withdraw the PROPERTY from the provisions of the Horizontal Property Law as therein provided, then such repair, restoration or reconstruction shall not be undertaken.

2. **INSUFFICIENT INSURANCE:** In the event the PROPERTY or the improvements thereon so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the improvements within one hundred eighty (180) days after said

damage, or destruction, then the provisions of the Horizontal Property Law in such event shall apply.

## **ARTICLE VIII SALE OF THE PROPERTY**

The Owners may, by affirmative vote of at least seventy-five (75%) percent of the total vote, at a meeting of Unit Owners duly called for such purpose, elect to sell the PROPERTY. Such action shall be binding upon all Unit Owners, and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner and form as may be necessary to effect such sale, provided, however, that any Unit Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on an appraiser, such Unit Owner and the Board may select an appraiser, and the two so selected shall select a third, and the fair market value, as determined by a majority of the three so selected, shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal.

## **ARTICLE IX REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS, AND REGULATIONS**

1. **ABATEMENT AND ENJOYMENT:** The violation of any restriction or condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to the rights set forth in the next succeeding section (a) to enter upon the property in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and Developer or its successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

2. **INVOLUNTARY SALE:** If any Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate any of the covenants or restriction or provisions of this Declaration or the regulations adopted by the Board and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall occur repeatedly during any thirty (30) day period after written notice or request to cure such violation from the Board, then the Board shall have the power to issue to the defaulting Owner a ten (10) day notice in writing to terminate the rights of the said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the members of the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or occupant, or, in the alternative a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenants and ordering that all the right, title and interest of the Owner in the PROPERTY shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the Court shall establish, except that the Court shall enjoin and restrain the defaulting Owner from re-acquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge Court costs, Court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Owner. Upon the confirmation of such sale the purchaser thereat shall thereupon be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the Court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the PROPERTY sold subject to this Declaration.

#### ARTICLE X

#### GENERAL PROVISIONS

1. **DEVELOPER'S RIGHTS PENDING SALE OF 75% OF UNIT OWNERSHIP:** Until such time as Developer shall have consummated the sale of Unit Ownerships aggregating seventy-five (75%) percent of all Unit Ownership computed as set forth in Exhibit "B", attached hereto, Developer shall exercise the powers, rights, duties, and functions of the Board of Managers.

2. **NOTICE TO MORTGAGEES:** Each mortgagee, upon written request, shall be entitled to:

A. Inspect the books and records of the Association during normal business hours;

B. Receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association;

C. Written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; and

D. Timely written notice in the event of (i) substantial damage to or destruction of any Unit or the common elements or (ii) institution of any condemnation or eminent domain proceeding with respect to any Unit, the common elements or any substantial portion thereof.

3. **SERVICE OF NOTICES ON THE BOARD:** Notices required to be given to the Board may be delivered to any member of the Board, either personally or by mail addressed to such member at his Unit.

4. **LAND TRUSTEE HOLDING TITLE TO UNIT:** In the event title to any Unit should be conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligations, lien or indebtedness and for the performance of all covenants, and undertakings chargeable or created under this Declaration against the Owner of such Unit. No claim shall be made against any such title holding trustee personally for payment of any claim, lien, or obligation or for the performance of any agreement, covenant, or undertaking hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien upon the Unit Ownership notwithstanding any transfers of beneficial interest of any such trust or in the title to such real estate.



5. **COVENANTS TO RUN WITH LAND:** Each grantee or TRUSTEE, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, rules, regulations, reservations, liens, and charges, and the jurisdiction, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

6. **NON-WAIVER OF COVENANTS:** No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

7. **WAIVER OF DAMAGES:** Neither Developer nor its representatives or designees, shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to it by or pursuant to this Declaration or in or its representatives' or designees' capacity as Developer, contractor, Owner, manager or seller of the PROPERTY, whether or not such claim (i) shall be asserted by any Owner, occupant, the Board or by any person or entity claiming through any of them; or (ii) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (iii) shall arise ex contractu or (except in the case of gross negligence) ex delictu. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the PROPERTY or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any Owner, occupant, the Board and their respective agents, employees, guests, and invitees, or by reason of any neighboring property, or personal property located on or about the PROPERTY, or by reason of the failure to function or disrepair of any utility services, (electricity, water, sewage, etc.).

8. **AMENDMENTS TO DECLARATION:**

A. 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.

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meetings considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by (i) not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association; or (ii) not less than 80% of the votes of the entire membership of the Association; or (iii) until the first election of directors, only by all of the directors or by the Developer.

C. No amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless the Unit Owners so affected shall consent. No amendment shall change any Unit nor the share in the common elements appurtenant to it, nor increase the Owner's share of the common expenses, unless the record Owner of the Unit and all record Owners of liens thereon shall join in the execution of the amendment, unless otherwise provided herein.

D. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Recorder's Office of Lake County, Indiana.

E. Notwithstanding the above, until such time as control of the Association is transferred by the Developer, the Developer and the Declarants may amend this Declaration in any manner without complying with the terms and conditions set forth in subparagraphs A through D of this paragraph.

F. SPECIAL AMENDMENT. Notwithstanding any other provision of this Declaration, the TRUSTEE and the Developer and each of them singly reserves and shall have the right at any time and from time to time to record a Special Amendment to this Declaration to (i) conform this Declaration with the requirements of the ACT or the Town of Highland, Indiana Condominium Ordinance or the requirements of any institutional lender issuing a commitment to the TRUSTEE or Developer to make first mortgage loans covering at least six (6) Units, or (ii) correct clerical or typographical errors in this Declaration, or (iii) complete the

data on the Plat after improvements constructed at any time on the parcel are completed by the Developer.

9. **SEVERABILITY:** The invalidity of any covenant, restriction, condition, limitation, or any other provision of this Declaration or of any part of the same, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration.

10. **PERPETUITIES AND RESTRAINTS ON ALIENATION:** If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful or void for violation (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the date of the death of the Developer, Jan Miller. In the event the buildings are not substantially completed on the date of recording this Declaration, or in the event the structural components of the buildings constituting all the unit boundaries are not in place on said date, Developer reserves the right to and shall cause to be recorded at such time as the buildings are substantially completed and the structural components are in place, either an amended survey or a new Declaration and survey showing the actual location and dimensions of all Unit boundaries in the buildings, and containing any other modifications deemed necessary by Developer and not inconsistent with the Indiana Horizontal Property Law.

11. **INTERPRETATION OF THE DECLARATION:** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first class condominium development.

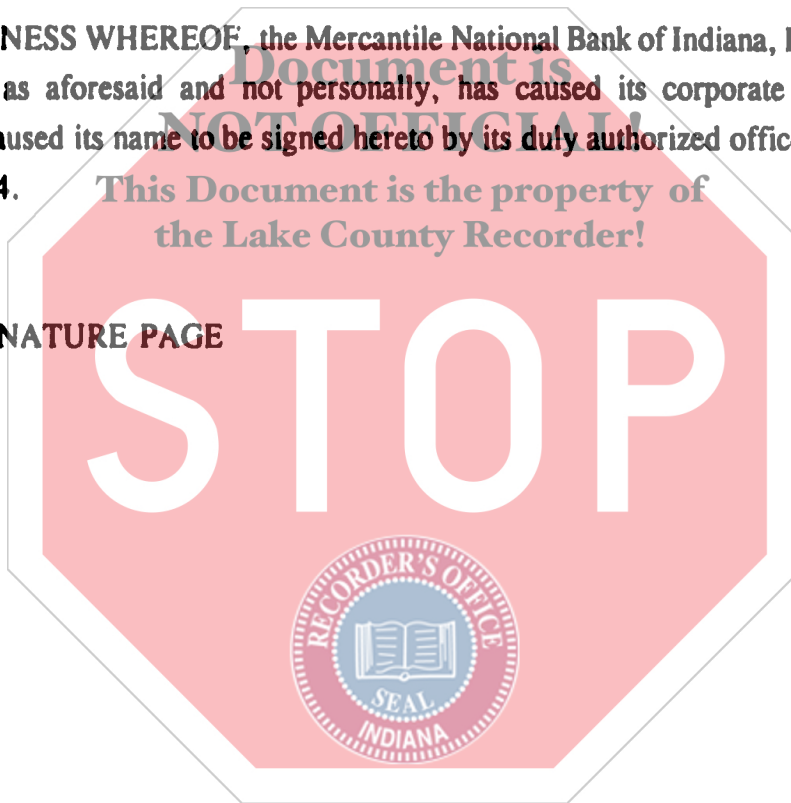
12. **TRUSTEE EXCULPATION:** This Declaration is executed by the Mercantile National Bank of Indiana, Hammond, Indiana, not personally but solely as Trustee aforesaid, in the exercise of power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed by every person, firm, corporation or entity hereafter claiming any interest under this Declaration that said Trustee as aforesaid, and not personally, has executed this Declaration for the sole purpose of subjecting the title-holding interest and the trust estate under said Trust No. 5682 to the terms of this Declaration; that any and all obligations, duties, covenants and agreements of every nature herein set forth by said Trustee, as aforesaid, to be kept or performed, are not intended to be kept, performed and discharged by said Trustee

or any beneficiary under said Trust personally; and further, that no duty shall rest upon Mercantile National Bank of Indiana either personally or as such Trustee, to sequester trust assets, rentals, avails, or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation, express or implied, arising under the terms of this Declaration, except where said TRUSTEE is acting pursuant to direction as provided by the terms of said Trust, and after the TRUSTEE has first been supplied with funds required for the purpose. In event of conflict between the terms of this Paragraph and of the remainder of this Declaration on any question of apparent liability or obligation resting upon said TRUSTEE or beneficiary, the exculpatory provisions of this Paragraph shall be controlling.

IN WITNESS WHEREOF, the Mercantile National Bank of Indiana, Hammond, Indiana, as TRUSTEE as aforesaid and not personally, has caused its corporate seal to be affixed hereunto and caused its name to be signed hereto by its duly authorized officers this 24<sup>th</sup> day of March, 1994.

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the Lake County Recorder!

ATTACH SIGNATURE PAGE



Declaration of Condominium Ownership, Easements, Restrictions  
THIS and Covenants of Hartwood Terrace Condominium, dated March 24, 1994  
is executed by the undersigned Trustee, not personally, but solely as Trustee under the terms  
of that certain agreement dated the 1st day of May 1993, creating Trust 5682;  
and it is expressly understood and agreed by the parties hereto, anything herein to the  
contrary notwithstanding that each and all of the covenants, undertakings, representations,  
agreements, and liabilities, herein made are made and intend, not as personal covenants,  
undertakings, representations, agreements, and liabilities, of the Trustee, individually, or  
for the purpose of binding it personally, but this instrument is executed and delivered by the  
MERCANTILE NATIONAL BANK OF INDIANA, AS TRUSTEE,  
solely in the exercise of the powers conferred upon it as such Trustee under said agreement and  
no personal liability or personal responsibility is assumed by, nor shall at any time be  
asserted or enforced against MERCANTILE NATIONAL BANK OF  
INDIANA, on account hereof, or on account of any covenant, undertaking, representation  
or agreement herein, or on account of any covenant, undertaking, representation or agreement  
herein contained, either expressed or implied, all such personal liability, if any, being  
expressly waived and released by the parties hereto or holder hereof, and by all persons  
claiming by or through or under said parties or holder hereof.

Nothing contained herein shall be construed as creating any liability upon MERCANTILE  
NATIONAL BANK OF INDIANA, personally under the provisions of the  
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the Indiana  
Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal,  
State, or local law, rule or regulation. MERCANTILE NATIONAL BANK OF  
INDIANA, personally is not a "Transferor or Transferee" under the Act and makes  
no representations concerning any possible environmental defects. In making any warranty herein  
the Trustee is relying solely on information furnished to it by the beneficiaries and not of  
its own knowledge and specifically exculpates itself from any liabilities, responsibilities or  
damages as a result of including any warranty in this instrument.

Furthermore, the information contained in this instrument has been furnished the undersigned  
by the beneficiary/beneficiaries under aforesaid Trust and the statements made therein are  
made solely in reliance thereon and no responsibility is assumed by the undersigned in its  
individual capacity for the truth or accuracy of the facts herein stated.

IN WITNESS WHEREOF, said MERCANTILE  
NATIONAL BANK OF INDIANA, has caused its name to be signed to these  
presents by a Vice President and Trust Officer and its corporate seal hereunto  
affixed and attested by its Trust Account Representative the day and year first above  
written.

MERCANTILE NATIONAL BANK OF INDIANA, AS TRUSTEE  
AFORESAID AND NOT PERSONALLY,

BY: David L. Forbes  
David L. Forbes, Vice President and  
Trust Officer

ATTEST:

Christopher W. Yugo  
Christopher W. Yugo, Trust Account  
Representative

STATE OF INDIANA

COUNTY OF LAKE

SS:

I, Arlene Banta, a Notary Public in and for said County in the State  
aforesaid, DO HEREBY CERTIFY, that David L. Forbes and Christopher W. Yugo  
of the Mercantile National Bank of Indiana, a National Banking Association, personally  
known to be the same persons whose names are subscribed to the foregoing instrument as such  
Vice President & Trust Officer and Trust Account Representative respectively, appeared  
before me this day in person and acknowledged that they signed and delivered the said instrument  
as their own free and voluntary acts, and as the free and voluntary act of said National Bank  
Association, as Trustee, for the uses and purposes therein set forth; and the said  
Christopher W. Yugo did also then and there acknowledge that he, as custodian of the  
corporate seal of said National Bank Association, did affix the said corporate seal of said  
National Banking Association to said instrument as his own free and voluntary act, and as the  
free and voluntary act of said National Banking Association, as Trustee, for the uses and  
purposes therein set forth.

Given under my hand and Notarial Seal this 24th day of March, 1994.

Arlene Banta  
Arlene Banta NOTARY PUBLIC

MY COMMISSION EXPIRES: April 16, 1996  
RESIDENT OF Lake COUNTY

**SPARK'S ADDITION  
TO THE TOWN OF HIGHLAND**

**DESCRIPTION:** The West 162.77 feet of the East 437.80 feet of the North 40 acres of the Southeast Quarter of Section 29, Township 34 North, Range 9 West of the 2nd Principal Meridian, except the North 430.00 feet thereof, all in the Town of Highland, Lake County, Indiana.

STATE OF INDIANA  
COUNTY OF LAKE )

**Notes:**

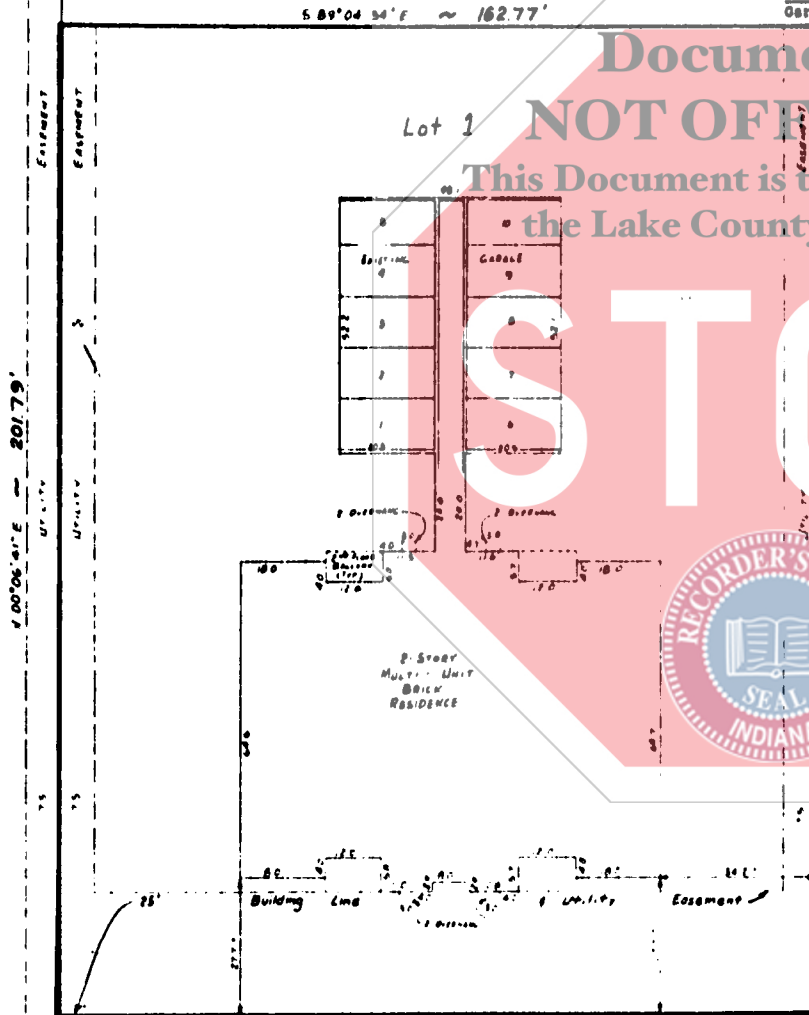
- All of the described real estate and facilities as shown on the Plat Plan are Common Areas, except as otherwise described in the Declaration of Condominium or otherwise designated herein. The Plat Plan is subject to all easements and restrictions of record whether or not shown on the Plat Plan.
- The interior vertical planes shown for all Units are the interior face surfaces of the dry walling of each Unit, or in the case of a wall between two Units, the center line of such wall. Such vertical planes are the vertical boundaries of each Unit.
- The interior horizontal planes shown for all Units are the top surfaces of the finished flooring below and abutting the Unit, and the interior face surface of the drywall ceiling above the dropped ceiling and abutting the Unit. Such horizontal planes are the horizontal boundaries of each Unit.

I, Gary P. Torrenca, do hereby certify that I am a Professional Engineer licensed in the State of Indiana, being Registration No. 10376, and also a Land Surveyor licensed in the State of Indiana, being Registration No. 80514, and do further certify that this Plat Plan for the Buildings is a true, correct and accurate representation of said Buildings and the same truly, correctly and accurately depicts the layout, Unit numbers and dimensions of the Units in said Buildings as built, and I do hereby further certify that said Plat Plan truly, correctly and accurately depicts the location of said Buildings as built, together with an accurate survey of the real estate subject to the Declaration of Condominium.

Dated this 12th day of January, 1994

TORRENCA ENGINEERING, INC.

*Gary P. Torrenca*  
Gary P. Torrenca - President Registered Professional Engineer  
No. 10376 and Land Surveyor No. 80514



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**STOP**

**STATEMENT OF INTEREST**

Unit (Address)	Interest	Tax Key #
1A (2329-1A)	12.350	
1B (2329-1B)	12.360	
1C (2329-1C)	12.350	
1D (2329-1D)	12.360	
2A (2329-2A)	12.640	
2B (2329-2B)	12.650	
2C (2329-2C)	12.640	
2D (2329-2D)	12.650	
	<b>100.000</b>	

**TORRENCA ENGINEERING, INC.**  
CONSULTING ENGINEERS & LAND SURVEYORS  
907 RIDGE ROAD, MUNSTER, INDIANA 46321

SPARK'S ADDITION

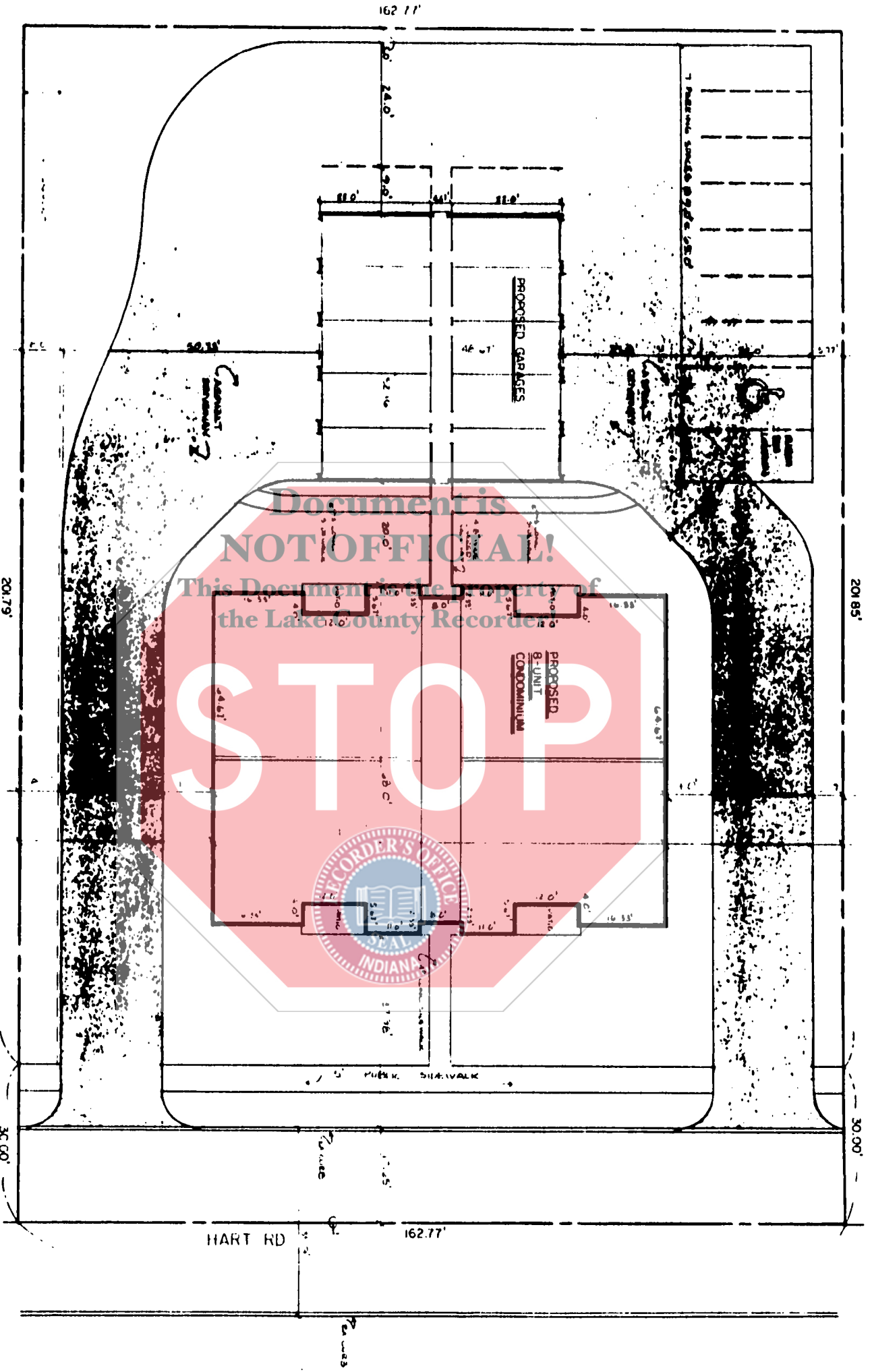


SCALE: 1" = 20'

DATE: 1/22/94  
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REVISIONS

CLIENT: J.P. Dwyer  
JOB NO. 1743 73  
FILE NO.



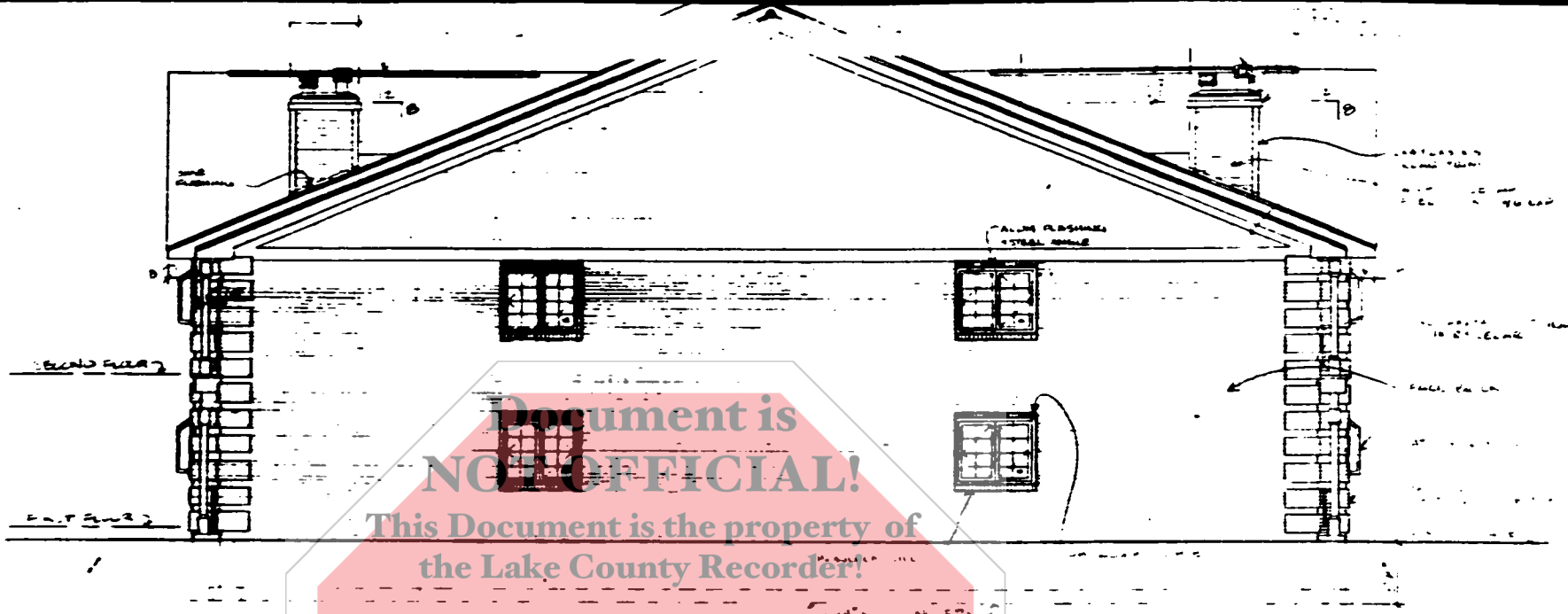


  
 SITE PLAN  
 SCALE: 1" = 10'-0"

**8 - UNIT CONDOMINIUMS**  
 2329 HART ROAD  
 HIGHLAND, IN. 46322  
 BY JM DESIGNS (708) 474-1982/474-1364

A-1  
 3/28/22

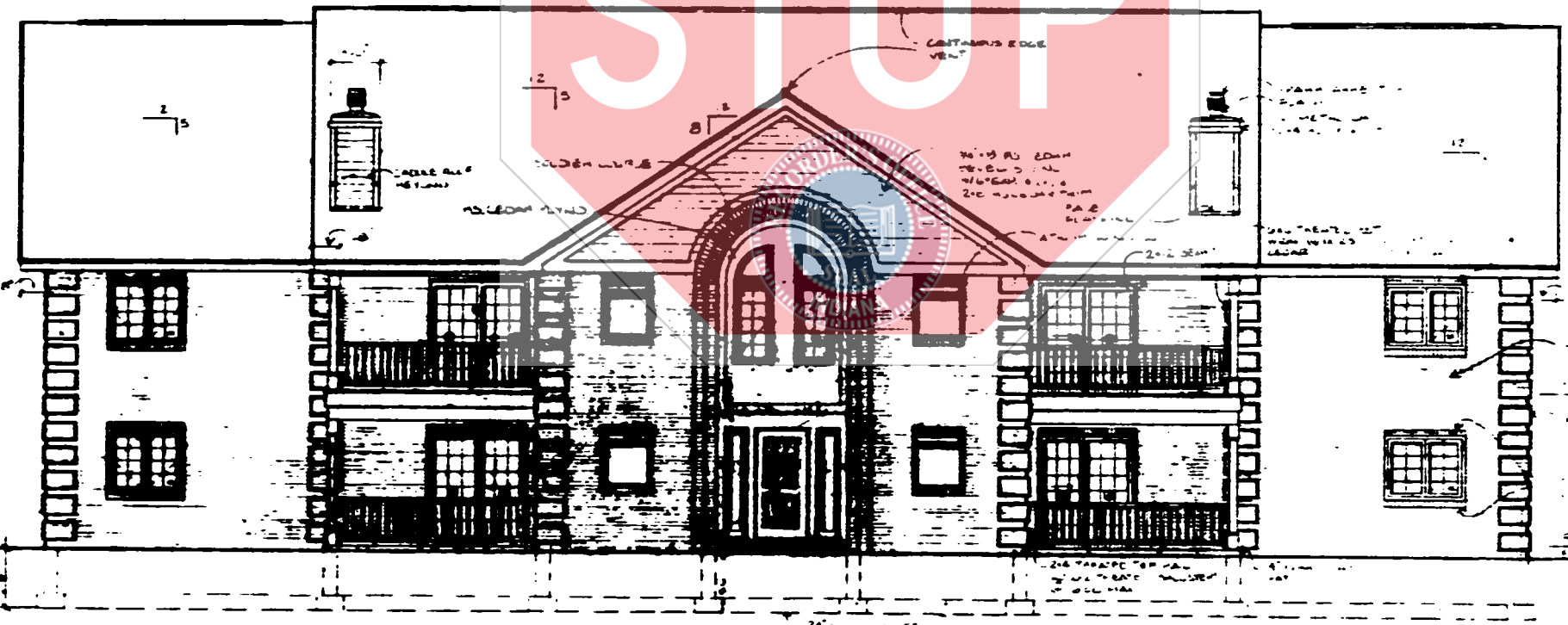


- GENERAL NOTES FOR WINDOW SPECIFICATIONS**
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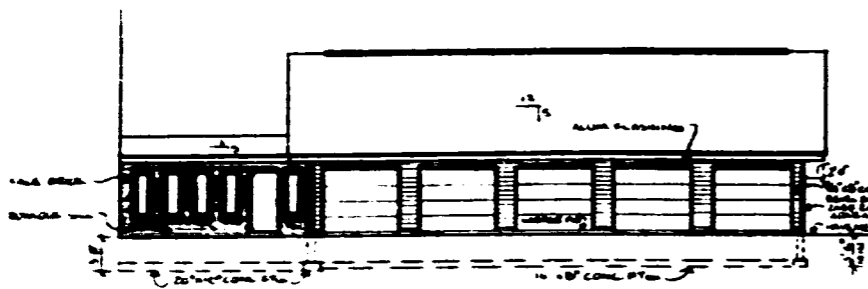
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RIGHT ELEVATION (LEFT ELEVATION SIMILAR)  
 SCALE: 1/4" = 1'-0"

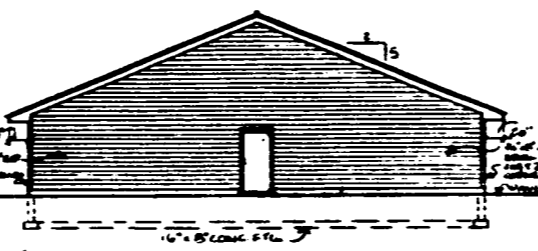


FRONT ELEVATION (REAR ELEVATION SIMILAR)  
 SCALE: 1/4" = 1'-0"

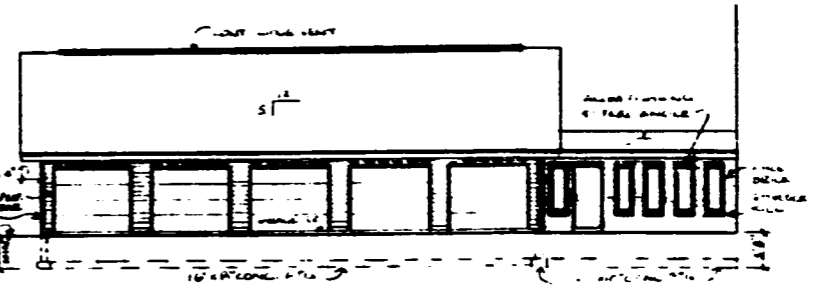
8- UNIT CONDOMINIUMS  
 2329 HART ROAD  
 HIGHLAND, IN. 46322  
 BY J.M. DESIGNS (708) 474-1982/474-1364



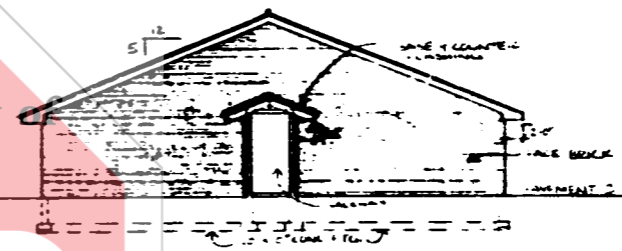
**EAST ELEVATION**  
SCALE: 1/8"=1'-0"



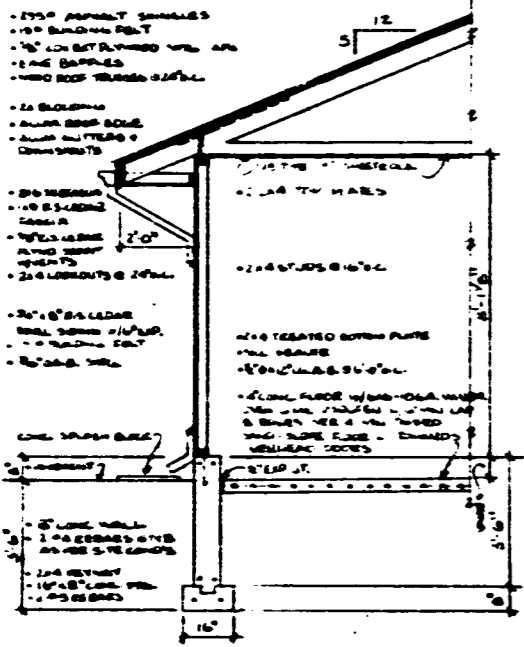
**NORTH ELEVATION**  
SCALE: 1/8"=1'-0"



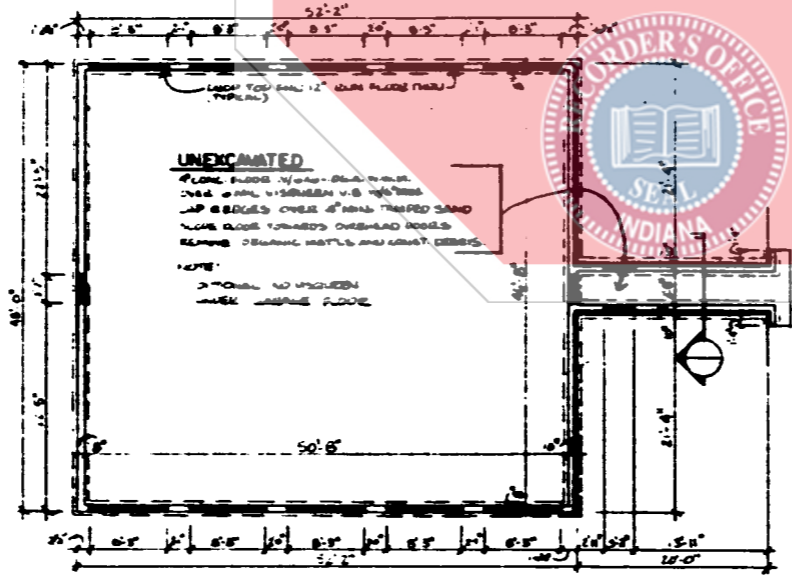
**WEST ELEVATION**  
SCALE: 1/8"=1'-0"



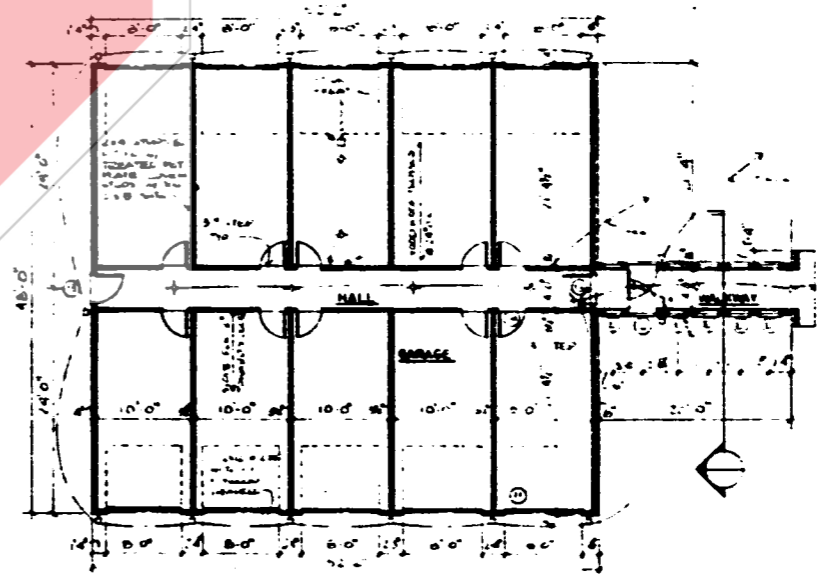
**SOUTH ELEVATION**  
SCALE: 1/8"=1'-0"



**WALL SECTION TYPICAL**  
SCALE: 1/2"=1'-0"



**FOUNDATION PLAN**  
SCALE: 1/8"=1'-0"



**FLOOR PLAN**  
SCALE: 1/8"=1'-0"

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RECORDER'S OFFICE  
SHELBY COUNTY  
INDIANA


**8 - UNIT CONDOMINIUMS**  
2329 HART ROAD  
HIGHLAND, IN. 46322  
BY JM DESIGNS (708)474-1982/474-1364


**EXHIBIT "B"**

**HARTWOOD TERRACE CONDOMINIUM**

**PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS**

At the time of recording of the Declaration for Hartwood Terrace Condominiums there are a total of eight (8) units and ten (10) garages and the owner of each unit will own an undivided interest in the common elements as hereinafter set forth.

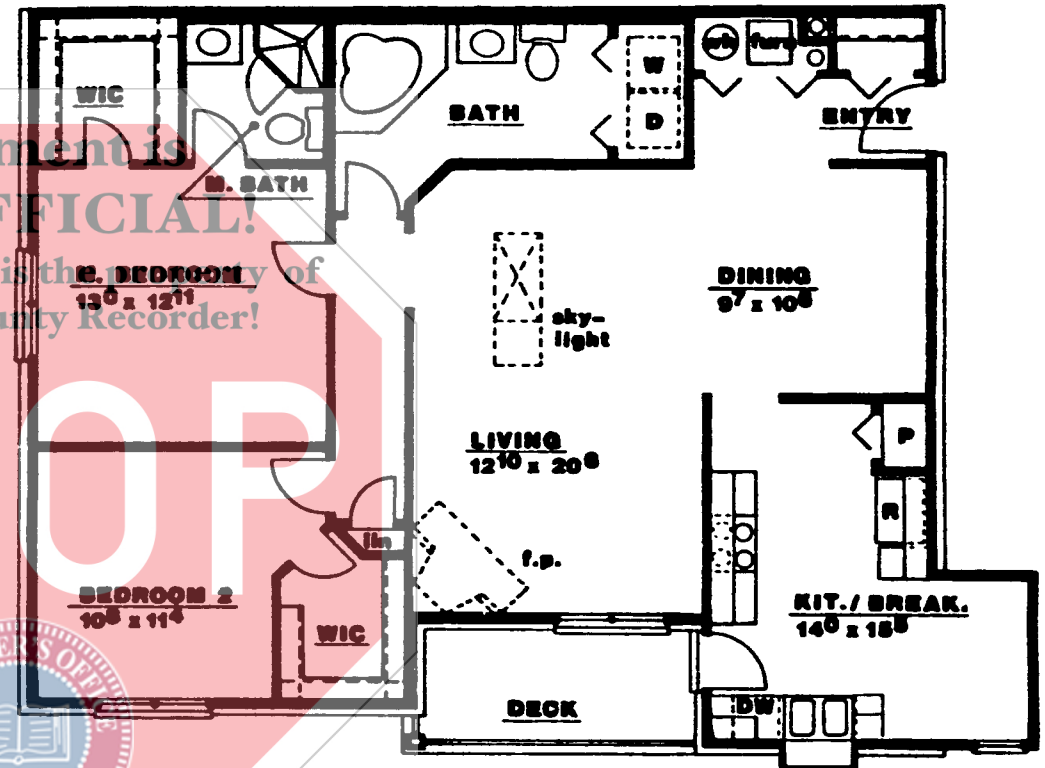
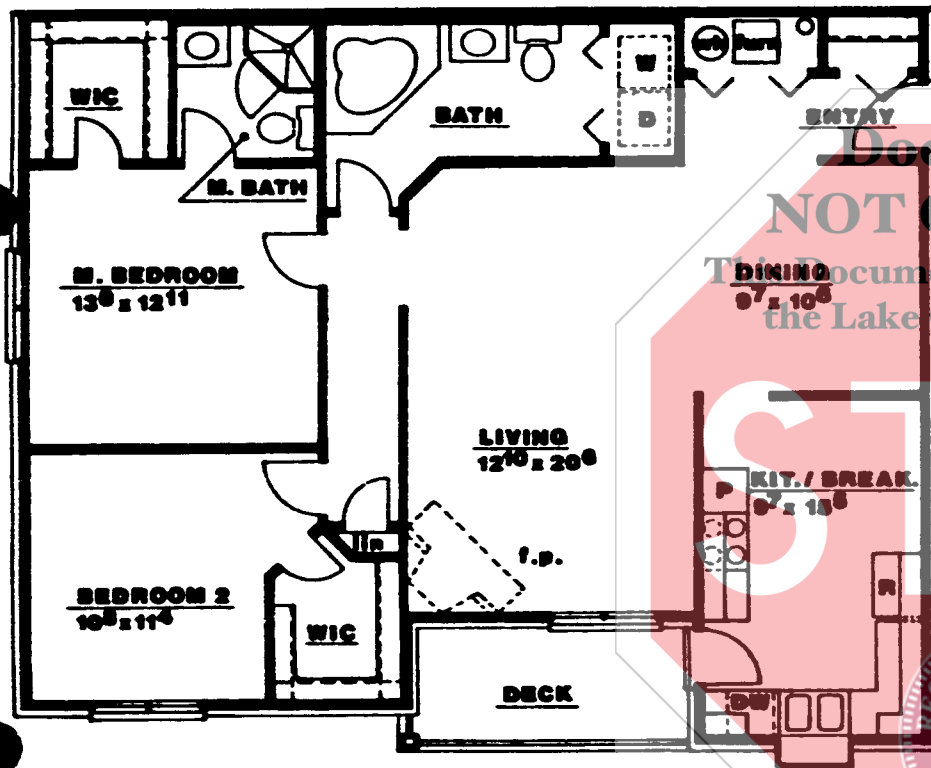
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Unit Number	Percentage Ownership of Common Elements	Estimated Monthly Maintenance Fee
2329-1A & Garage	.12	\$ 95.00
2329-1B & Garage	.12	95.00
2329-1C & Garage	.12	95.00
2329-1D & Garage	.12	95.00
2329-2A & Garage	.12	95.00
2329-2B & Garage	.12	95.00
2329-2C & Garage	.12	95.00
2329-2D & Garage	.12	95.00
Extra Garage	.02	16.00
Extra Garage	<u>.02</u>	<u>16.00</u>
	100.00%	\$ 792.00

# 2329 HART ROAD

1296 sq. ft.

1328 sq. ft.



Typical 1st Floor Unit

Typical 2nd Floor Unit

## HARTWOOD TERRACE CONDOMINIUM

Highland, Indiana

# TYPICAL UNIT PLAN

OFFERED BY:

J.M. DESIGNS

18107 Torrence Avenue

Lansing, Illinois 60438

708-474-1982

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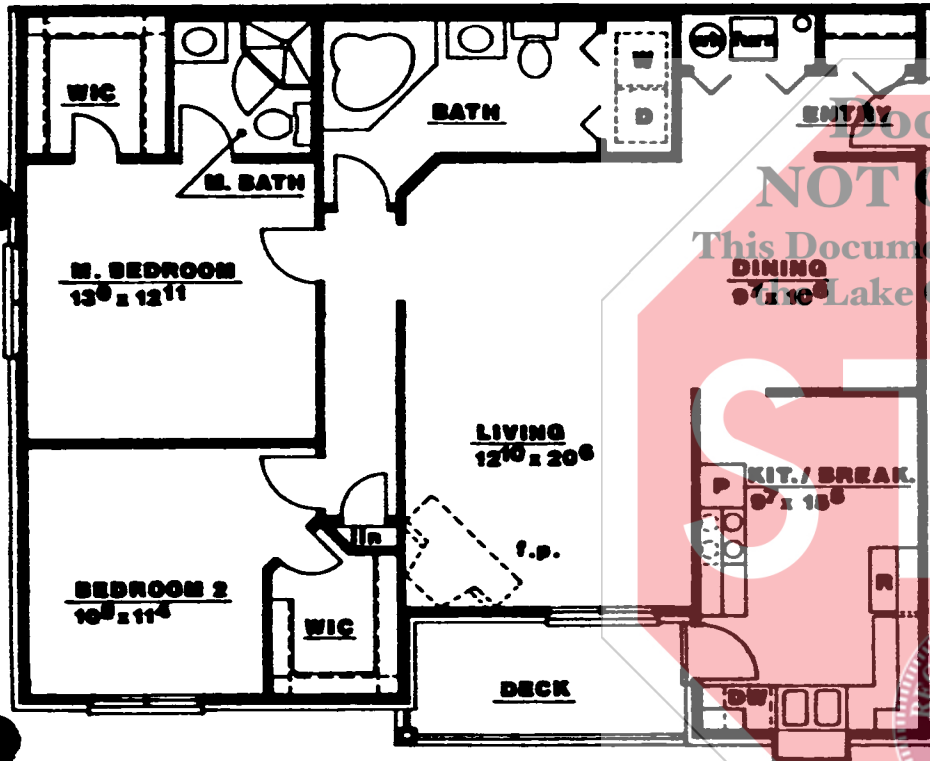


EXHIBIT B-1

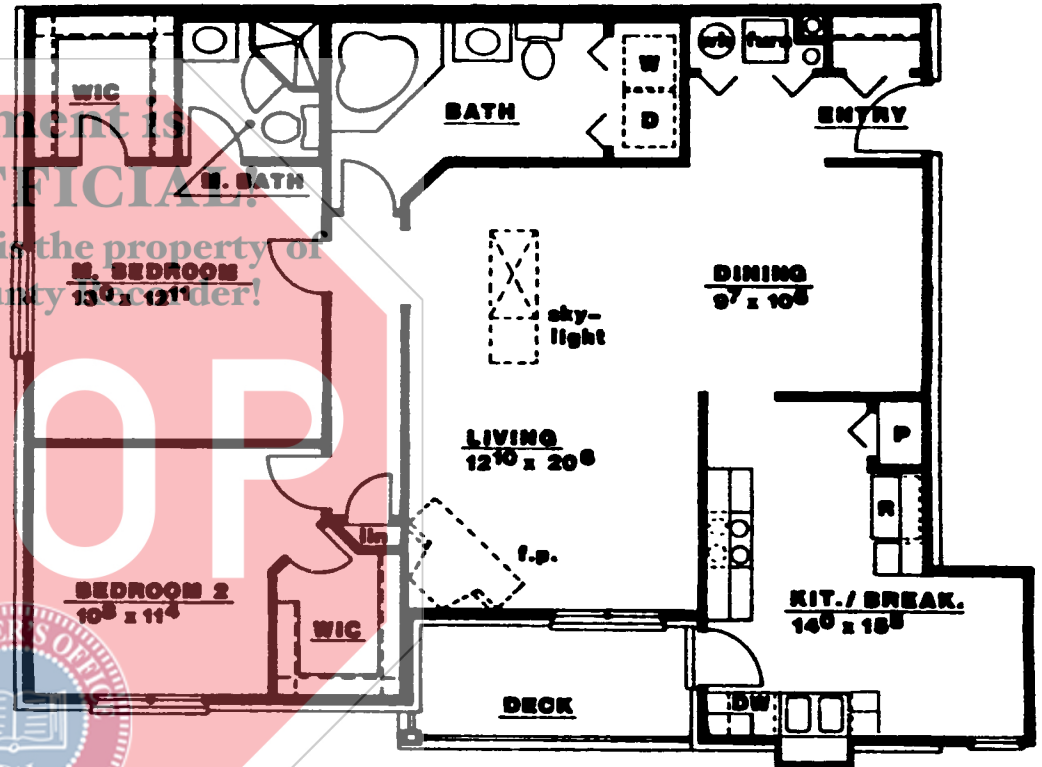
# 2329 HART ROAD

1296 sq. ft.

1328 sq. ft.



Typical 1st Floor Unit



Typical 2nd Floor Unit

## HARTWOOD TERRACE CONDOMINIUM

Highland, Indiana

## TYPICAL UNIT PLAN

OFFERED BY:

J.M. DESIGNS

18107 Torrence Avenue

Lansing, Illinois 60438

708-474-1982

EXHIBIT B-1

**EXHIBIT "C"**

**HARTWOOD TERRACE CONDOMINIUM**

**BYLAWS**

**ARTICLE I**

**PLAN OF CONDOMINIUM OWNERSHIP**

**SECTION 1. CONDOMINIUM OWNERSHIP:** The project located at 2329 Hart Road, Village of Highland, State of Indiana, known as "Hartwood Terrace Condominium" is submitted to the provisions of the Horizontal Property Law of the State of Indiana (hereinafter the "ACT").

**SECTION 2. BYLAWS' APPLICABILITY:** The provisions of these Bylaws are applicable to the property. (The term "PROPERTY" as used herein shall include the land.)

**SECTION 3. PERSONAL APPLICATION:** All present or future ownership, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws.

The provisions of the ACT, the Declaration, Bylaws, other condominium instruments, and rules and regulations that relate to the use of the individual units or the common elements shall be applicable to any persons leasing a unit and shall be deemed to be incorporated in any lease executed or renewed on or after the effective date of these Bylaws. The unit owner leasing the unit shall deliver a copy of the signed lease to the Board or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first. In addition to any other remedies, by filing an action jointly against the tenant and the unit owner, the Association may seek to enjoin a tenant from occupying a unit or seek to evict a tenant under the provisions of the Code of Civil Procedure of the State of Indiana (hereinafter the "CODE") for failure of the lessor-owner to comply with the leasing requirements prescribed by this Section or by the Declaration, Bylaws, and rules and regulations. The Board of Managers may proceed directly against a tenant, at law or in equity,

or under the provisions of the CODE, for any breach by tenant of any covenants, rules, regulations or bylaws.

**ARTICLE II**  
**VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES**

**SECTION 1. VOTING RIGHTS:** There shall be one class of membership. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such persons shall be known, and hereinafter referred to, as a "VOTING MEMBER". Such VOTING MEMBER may be the Owner or one of the group composed of all the Owners of a Unit Ownership. Where there is more than one owner of a unit, any or all of such owners may be present at any meeting of the VOTING MEMBERS and if only one of the multiple owners is present at a meeting of the Association, he is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be considered only in accordance with the agreement of a majority in interest of the multiple owners and it will be considered there is a majority agreement if any one of the multiple owners cast the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

The total number of votes of all VOTING MEMBERS shall be one hundred (100), and each Owner or group of Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit "B" attached to the Declaration.

In all elections for members of the Board of Managers, each voting member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the offices to be filled shall be deemed to be elected.

**SECTION 2. QUORUM/MAJORITY VOTE:** The presence in person or by proxy at any meeting of the VOTING MEMBERS having twenty (20%) percent of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the VOTING MEMBERS at which a quorum is present upon the affirmative vote of the VOTING MEMBERS having a majority of the total votes present at such meeting.

In the event of a resale of a condominium unit the purchaser of a unit from a seller other than the developer pursuant to an installment contract for purchase shall during such times as he or she resides in the unit be counted toward a quorum for purposes of election of members of the Board of Managers at any meeting of the unit owners called for purposes of electing members of the Board and shall have the right to vote for the election of members of the Board of Managers and to be elected to and serve on the Board of Managers unless the seller expressly retains in writing any or all of such rights In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contact shall be made available to the Association or its agents.

**SECTION 3. PROXIES:** Votes may be cast in person or by proxy. A unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact. The proxy shall be invalid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy, and every proxy must bear the date of execution. Any proxy distributed for board elections must give unit owners the opportunity to designate any person as the proxy holder and gives the unit owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

**ARTICLE III  
UNIT OWNERS**

**SECTION 1. PLACE OF MEETINGS:** Meetings of the Association shall be held at the principal office of the project or such other suitable place convenient to the Owners as may be designated by the Board of Managers.

**SECTION 2. ANNUAL MEETINGS:** The initial meeting of the VOTING MEMBERS shall be held upon twenty-one (21) days written notice given by Developer when the sale of at least seventy-five (75%) percent of the units have been consummated, but in no event later than three (3) years after the recording of the Declaration. Thereafter there shall be an annual meeting of the VOTING MEMBERS on the first Tuesday of October of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the VOTING MEMBERS not less than ten (10) days prior to the date fixed for said meeting. At



such meetings there shall be elected by ballot of the Owners a Board of Managers in accordance with the requirements of Section 2 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

**SECTION 3. SPECIAL MEETINGS:** Special meetings of the VOTING MEMBERS may be called at any time for the purpose of considering matters which by the terms of the Declaration or these Bylaws require the approval of all or some of the VOTING MEMBERS or for any other reasonable purpose. Said meetings may be called by the President, Board of Managers or by twenty (20%) percent of the Unit Owners.

**SECTION 4. NOTICE OF MEETINGS:** Written notice of any membership meeting shall be mailed or delivered, giving members no less than ten (10) and no more than thirty (30) days notice of the time, place and purpose of said meeting.

**SECTION 5. ADJOURNED MEETINGS:** If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

**SECTION 6. ORDER OF BUSINESS:** The order of business at all meetings of the Owners of units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Old business
- (g) New business

**SECTION 7. AFFIRMATIVE VOTE REQUIRED:** The following matters are subject to an affirmative vote of not less than two-thirds (2/3) of the votes of the Unit Owners at a meeting duly called for that purpose:

- (a) Merger or consolidation of the Association.
- (b) Sale, lease, exchange, or other disposition (including the mortgage or pledge) of all, or substantially all of the property and assets of the Association.
- (c) The purchase or sale of land or of units on behalf of all Unit Owners.

**ARTICLE IV  
BOARD OF MANAGERS**

**SECTION 1. NUMBER OF QUALIFICATIONS:** The direction and administration of the Property shall be vested in a Board of Managers, (hereinafter sometimes called the "BOARD") consisting of three (3) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the Owners or a spouse of an Owner; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as member of the Board.

Notwithstanding anything to the contrary set forth in these Bylaws, during the period commencing on the date of this Declaration and ending upon the qualification of the managers elected at the initial meeting of the VOTING MEMBERS, the Board shall consist of three (3) persons who shall be designated and appointed by Developer. Said appointee need not be an Unit Owner.

**SECTION 2. ELECTION, TERM OF OFFICE:**

A. The VOTING MEMBERS at their initial meeting shall elect the three (3) members of the Board of Managers. The person receiving the highest number of votes shall be elected to the Board for a term of two (2) years following the date of the first annual meeting of the VOTING MEMBERS, and the person receiving the next highest number of votes shall be elected to the Board for a term of one (1) year following the date of the first annual meeting of the VOTING MEMBERS and one (1) person shall be elected to the Board for a term expiring at the date of the next annual meeting of the VOTING MEMBERS. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors

shall be elected for a term of three (3) years each. The VOTING MEMBERS having at least two-thirds (2/3) of the total votes may from time to time increase or decrease such number of persons on the Board, providing that such number shall not be less than three (3). The terms of a least one-third (1/3) of the persons on the Board shall expire annually.

B. The Board of Managers may disseminate to Unit Owners biographical and background information about candidates for election to the board if: (1) no preference is expressed in favor of any candidate; and (2) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated.

C. A candidate for election to the Board of Managers or such candidate's representative shall have the right to be present at the counting of ballots at such election.

**SECTION 3. REMOVALS:** Any board member may be removed from office by affirmative vote of the VOTING MEMBERS having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose.

**SECTION 4. VACANCIES:** Vacancies on the Board or among the officers may be filled by a two-thirds (2/3) vote of the remaining members of the Board until the next annual meeting of Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty (20%) percent of the votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term, and that a meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty (20%) percent of the votes of the Association requesting such a meeting.

**SECTION 5. ORGANIZATION MEETING:** The organization meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Board 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.

**SECTION 6. REGULAR MEETINGS:** 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 Board. The Board shall meet at least four (4) times annually.

**SECTION 7. SPECIAL MEETINGS:** Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of twenty-five (25%) percent of the members of the Board. 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.

**SECTION 8. WAIVER OF NOTICE:** Any member of the Board may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

**SECTION 9. QUORUM, MAJORITY VOTE:** A quorum at meetings of the Board shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except when approval by a greater number is required.

**SECTION 10. MINUTES/OPEN MEETING:**

- A. The Board shall keep minutes of its proceedings.
- B. Meetings of the Board of Managers shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board of Managers finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of common expenses; any vote on these matters shall be taken at a meeting or portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings at meetings or portions thereof required to be open by the Act by tape, film or other means; the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

Notice of meetings shall be mailed or delivered at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice pursuant to the Declaration, Bylaws, or other condominium instrument, or provision of law other than this subsection before the meeting is convened, and copies of notices of meetings of the Board of Managers shall be posted in entranceways, elevators, or other conspicuous places in the condominium at least forty-eight (48) hours prior to the meeting of the Board of Managers.

**SECTION 11. COMPENSATION OF BOARD:** Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the VOTING MEMBERS having two-thirds (2/3) of the total votes.

**SECTION 12. LIABILITY OF THE BOARD:** The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgement, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the condominium unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board or by the managing agent or the manager on behalf of the condominium shall provide that the members of the Board, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements.

**SECTION 13. POWERS, DUTIES AND LIMITATIONS:** The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the

Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

**A. POWERS: The Board of Managers shall have power to:**

1. The Board, at the direction of the **VOTING MEMBERS** having two-thirds (2/3) of the total votes, may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety, and general welfare of the Owners and Occupants of the Property. Written notice of such rules and regulations shall be given to all Owners and Occupants and the entire property shall at all times be maintained subject to such rules and regulations. The rules and regulations in effect at the time of recording of these Bylaws are attached hereto as **Exhibit "C-1"** and incorporated herein by reference.

2. Suspend the voting rights and right to the use of the common elements of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

3. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Owners by other provisions of these Bylaws, or the Declaration.

4. The Board for the benefit of the Owners shall acquire, and shall pay for out of the maintenance fund provided for in the Declaration, the following:

(a) **SERVICES.** Waste removal, snow removal, electricity and other necessary utility service for the common elements.

(b) **PROPERTY INSURANCE.** A policy or policies of insurance insuring the common elements and the Units against loss or damage by the perils of fires, lightning and those contained in the extended coverage, vandalism and malicious mischief endorsements, for the full insurable replacement value of the common elements and the Units

written in the name of, and the proceeds thereof shall be payable to, the Members of the Board, as trustees for each of the Owners in the percentages established in Exhibit "B". Said policy or policies shall provide for separate protection for each Unit and its attached, built-in or installed fixtures and equipment to the full insurable replacement value thereof, and a separate loss payable endorsement in favor of the mortgagee or mortgagees of each Unit, if any. Prior to obtaining any such policy or policies of insurance or any renewal thereof, the Board shall obtain appraisals from a qualified appraiser for the purpose of determining the full replacement value of the common elements and the Units for the amount of insurance to be effected pursuant hereto. The cost of any and all such appraisals shall be common expenses.

(c) **LIABILITY INSURANCE.** Comprehensive public liability and property damage insurance in such limits as the Board shall deem desirable insuring the members of the Board, the managing agent, if any, their agents and employees and the Owners including the Developer from any liability in connection with the common elements or the streets and sidewalks adjoining the property. Such insurance coverage shall also cover cross liability claims of one insured against another.

(d) **WORKMEN'S COMPENSATION INSURANCE.** Workmen's compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board in its judgement shall elect to effect.

(e) **EMPLOYEES.** The services of any person or firm employed by the Board. The Board shall have the authority to designate and remove personnel necessary for the maintenance, repair and replacement of the common elements.

(f) **MAINTENANCE OF COMMON ELEMENTS.** Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the common elements, and such furnishings and equipment for the common elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common elements.

(g) **MAINTENANCE OF PROPERTY.** Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure or pay for pursuant to the terms of the Declaration or by

law or which in its opinion shall be necessary or proper for the maintenance and operation of the property as a first class condominium building or for the enforcement of these restrictions.

(h) **MECHANIC'S LIENS.** Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire property or any part thereof which may in the opinion of the Board constitute a lien against the property or against the common elements, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owners.

(i) **MAINTENANCE OF INDIVIDUAL UNITS.** Maintenance and repair of any Unit if maintenance or repair is necessary, in the discretion of the Board, to protect the common elements or any other portion of the building, and an Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner, provided that the Board shall levy a special assessment against such Owner for the cost of said maintenance or repair.

(j) **MANAGING AGENT.** The Board shall have the authority to engage a managing agent to maintain, repair, replace, administer and operate the property, or any part thereof, to the extent deemed advisable by the Board. Any management agreement shall have a term of one (1) year and shall include a provision for termination with cause by the Board on thirty (30) days or less written notice without payment of a termination fee and a provision for termination without cause by the Board on ninety (90) days or less written notice without payment of a termination fee.

(k) **RIGHT OF INSPECTION.** The Board or its agents may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund.



**B. DUTIES:** In addition to duties imposed by the Declaration, these Bylaws, or by resolutions of the Association, the Board of Managers shall be responsible for the following:

1. Care, upkeep and surveillance of the project and the common areas and facilities and the restricted common areas and facilities.
2. Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the restricted common areas and facilities.
3. Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Owners at the annual meeting of the Owners, or at any special meeting when such statement is requested in writing by one-fourth ( $\frac{1}{4}$ ) of the Owners who are entitled to vote.
4. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
5. Establish the annual assessment period and fix the amount of the annual assessment against each member for each condominium unit owned and against the Grantor, if any, at least thirty (30) days in advance of each annual assessment.
6. Send written notice of each assessment to every condominium Unit Owner and, where appropriate, to the Grantor and Grantee, at least thirty (30) days in advance of each annual assessment period, and levy all such assessments as liens.
7. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
8. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a

certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

9. Procure and maintain liability, fire and other hazard insurance on property owned by the Association.

10. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

**C. LIMITATIONS:**

1. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions to, or capital improvements of the common elements (other than for purposes of replacing or restoring portions of the common elements, subject to all the provisions of the Declaration) requiring an expenditure in excess of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) without in each case the prior approval of the VOTING MEMBERS holding two-thirds (2/3) of the total votes.

2. EXECUTION OF CONTRACTS. All agreements, contracts, deeds, leases and vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board.

3. The Board of Managers may not enter into a contract with a current Board member or with a corporation or partnership in which a board member has twenty-five (25%) percent or more interest, unless notice of intent to enter the contract is given to unit owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty (20%) percent of the Unit Owners for an election to approve or disapprove the contract; such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition.

4. All vouchers for the maintenance, repair and replacement of the common elements shall be approved by the Board of Managers.

## ARTICLE V OFFICERS

**SECTION 1. ELECTION:** The Board of Managers shall elect at its organization meeting each year from among its members a President, a Vice-President, a Secretary, a Treasurer, and such additional officers as the Board shall see fit to elect.

**SECTION 2. PRESIDENT:** The President shall be the chief executive officer. He shall preside over the meetings of the Board and of the Unit Owners. In general, he shall have all the powers and duties incident to the office of President, including but not limited to the power to appoint committees from among the Unit Owners any committee which he decides is appropriate to assist in the direction and administration of the property. The President is designated as the officer to mail and receive all notices and execute amendments to condominium instruments as provided for in the ACTS and in the condominium instruments.

**SECTION 3. VICE-PRESIDENT:** 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 perform such other duties as shall from time to time be imposed upon him by the Board or by the President.

**SECTION 4. SECRETARY:** The Secretary shall keep the minutes of all meetings of the Board and of the Unit Owners. In general, he shall perform all the duties incident to the office of Secretary.

**SECTION 5. TREASURER:** The Treasurer shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board, or the managing agent, in such depositories as may from time to time be designated by the Board. In general, he shall perform all the duties incident to the office of Treasurer.

**SECTION 6. REMOVAL OF OFFICERS:** Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

**SECTION 7. COMPENSATION OF OFFICERS:** Officers shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the VOTING MEMBERS having two-thirds (2/3) of the total votes.

## ARTICLE VI

### DETERMINATION AND PAYMENT OF ASSESSMENTS

**SECTION 1. OBLIGATION OF OWNERS TO PAY ASSESSMENTS:** It shall be the duty of every Unit Owner to pay his proportionate share of the expenses of administration, maintenance and repair of the common elements and of the other expenses provided for herein. Such proportionate share will be, except as otherwise provided for herein or in the Declaration, in the same ratio as his percentage of ownership in the common elements as set forth in Exhibit "B" attached to the Declaration. Payment thereof shall be in such amounts and at such times as may be determined by the Board, as hereinafter provided.

**SECTION 2. PREPARATION OF ESTIMATED BUDGET:** Each year on or before November first, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services, and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall at least thirty (30) days prior to the adoption of the ensuing year's budget, notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the common elements as set forth in Exhibit "B" attached to the Declaration. On or before January 1 of the ensuing year, and the first of each and every month of said year, each Owner shall be obligated to pay to the Board, or as it may direct one-twelfth (1/12) of the assessment made pursuant to this paragraph. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions

were for reserved capital expenditures or repairs, or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net amount over or short of the actual expenditures plus reserves.

**SECTION 3.** Each Unit Owner shall receive notice, in the same manner as is provided in this ACT for membership meetings, of any meeting of the Board of Managers concerning the adoption of the proposed annual budget or any increase, or establishment of an assessment. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen (115%) percent of the assessments for the preceding year, the Board of Managers, upon written petition by Unit Owners with twenty (20%) percent of the votes of the Association filed within fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Unit Owners are cast at the meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed one hundred fifteen (115%) percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

**SECTION 4. RESERVE FOR CONTINGENCIES AND REPLACEMENTS:** The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment which shall be assessed to the Owners according to each Owner's percentage of ownership in the common elements. The Board shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly account.

**SECTION 5. BUDGET FOR FIRST YEAR:** When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement", as hereinabove defined, for the

period commencing thirty (30) days after said election occurs. Assessments shall be levied against the Owners during said period as provided in Paragraph 2 of this Article.

**SECTION 6. FAILURE TO PREPARE ANNUAL BUDGET:** The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

**SECTION 7. BOOKS AND RECORDS OF ASSOCIATION:** The Board shall keep full and correct books of account and the same shall be open for inspection by any Owner or any representatives of an Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner.

**SECTION 8. STATUS OF FUNDS COLLECTED BY BOARD:** All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit, and account of all of the Owners in the proportions set forth in Exhibit "B" attached hereto.

**SECTION 9. REMEDIES FOR FAILURE TO PAY ASSESSMENTS:** If any Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board of Managers may bring suit to enforce collection thereof or to foreclose the lien therefore as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorney's fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, cost and fees as above provided shall be and become a lien or charge against the Unit Ownership of the Owner involved when payable, and may be foreclosed by an action brought by the members of the Board as in the case of foreclosure of liens against real estate. The Board shall have the

power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease mortgage and convey the same. Said lien shall take effect and be in force when and as provided in the "Horizontal Property Law" of the State of Indiana; provided, however, that encumbrances owned or held by any bank, insurance company or savings and loan association shall be subject to priority, after written notice to said encumbrancer of unpaid common expenses, only to the lien of all common expenses on the encumbered property only from the date the encumbrancer either takes possession of the Unit, accepts a conveyance of any interest therein, or has a Receiver appointed in a suit to foreclose its lien. Any encumbrancer may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit covered by his encumbrance and unless the request shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid common expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance.

**SECTION 10. OWNERS LIABILITY:** Upon ten (10) days notice to the Board of Managers and payment of reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common elements or abandonment of his or her Unit. The Association shall have no authority to forebear the payment of assessments by any Unit Owner.

## ARTICLE VII

### AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

**SECTION 1. BYLAWS:** These Bylaws may be amended by the Association in a duly constituted meeting for such purpose, provided, however, no amendment shall take effect unless approved by Owners representing at least two-thirds (2/3) of the total votes of all units in the project as shown in the Declaration.

**ARTICLE VIII  
COMPLIANCE**

These Bylaws are set forth to comply with the requirements of the Horizontal Property Law of the State of Indiana.

In case any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.





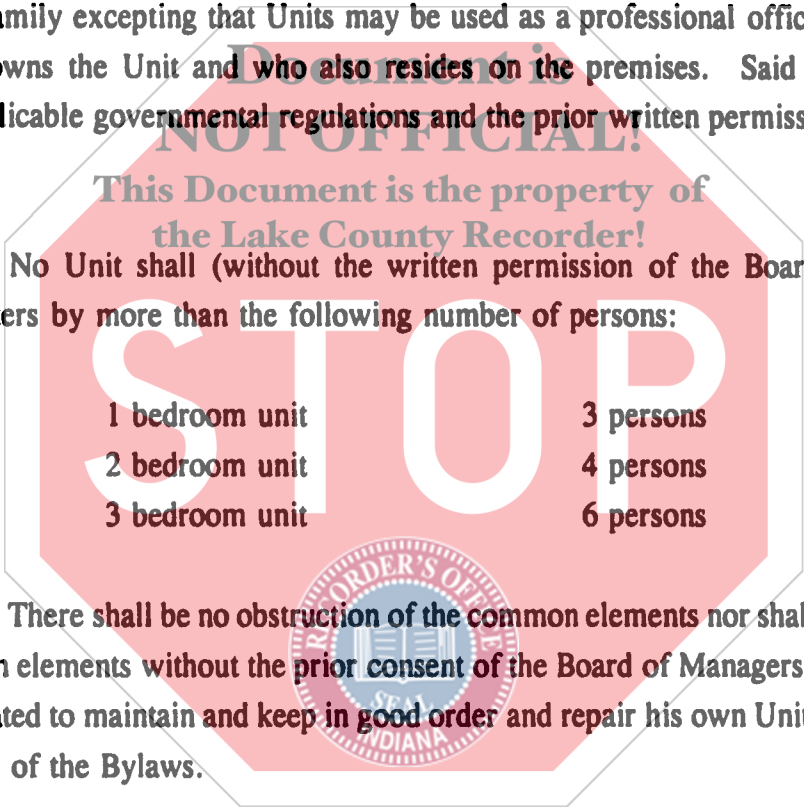
**EXHIBIT "C-1"**

**HARTWOOD TERRACE CONDOMINIUM**

**BYLAWS**

**RULES AND REGULATIONS**

1. No part of the property shall be used for other than housing and the common element purposes for which the property was designed. Each Unit shall be used as a residence for a single family excepting that Units may be used as a professional office by a physician or dentist who owns the Unit and who also resides on the premises. Said professional use is subject to applicable governmental regulations and the prior written permission of the Board of Managers.



No Unit shall (without the written permission of the Board) be occupied for sleeping quarters by more than the following number of persons:

1 bedroom unit	3 persons
2 bedroom unit	4 persons
3 bedroom unit	6 persons

2. There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board of Managers. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the Bylaws.

3. Nothing shall be done or kept in any Unit or in the common elements which will increase the rate of insurance of any of the buildings, or contents thereof, applicable for residential use (or permitted professional purposes), without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done, or kept in his Unit, or in the common elements which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common elements.

4. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a building and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window without the prior consent of the Board of Managers.

5. No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the common elements, except upon approval of the Board of Directors and subject to the rules and regulations adopted by the Board of Managers; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers. In no event shall any dog be permitted in any portion of the common areas unless carried or on a leash, or in any grass or garden plot under any circumstances.

6. No noxious or offensive activity shall be carried on in any Unit, or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the buildings by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated a phonograph, television set or radio in the premises between the hours of eleven o'clock P.M. and the following eight o'clock A.M. if the same shall disturb or annoy other occupants of the buildings. No Unit Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give nor permit to be given vocal or instrumental instruction at any time for more than two hours in any day and in no event between the hours of nine o'clock P.M. and the following eleven o'clock A.M.

7. Nothing shall be done in any Unit or in, on or to the common elements which will impair the structural integrity of any building or which would structurally change any of the buildings.

8. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out of a Unit or exposed on any part of the common elements. The common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

9. Except in areas designated as such by the Board of Managers there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys vehicles, benches or chairs, on any part of the common elements except that terraces and patios may be used for their intended purposes. Storage by Owners in areas designated by the Board of Managers shall be at the Owner's risk.

10. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the property, nor shall any Unit be used or rented for transient, hotel or motel purposes. "For Sale," "For Rent" or "For Lease" signs may not be placed in any Unit by the Owner thereof except upon permission from Board of Managers.

11. Nothing shall be altered or constructed in or removed from the common elements, except upon the written consent of the Board of Managers.

12. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, terraces, balconies or patios thereof, any dirt or other substance.

13. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the Public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

14. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or Unit in the buildings at any reasonable hour of the day for the purpose of inspecting such

15. 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 of Managers.

16. No garbage cans shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, terraces, balconies, or patios or placed upon the window sills. Nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, balconies, patios or terraces.

17. No washing of automobiles shall take place on any of the property, nor shall the parking area be used for any purpose other than to park automobiles excluding specifically, trucks, commercial vehicles or trailers.

18. No terrace, balcony or patio shall be decorated, enclosed or covered by any awning or otherwise without the consent in writing of the Board of Managers.

19. There will be no barbecuing on balconies, patios, terraces or any other common areas except areas specially designated for barbecuing by the Board of Managers.

20. Unit Owners shall not cause or permit any unusual or objectionable odors to be produced upon or to emanate from their Units.

21. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time, bring into or keep in his Unit any flammable, combustible or explosive fluid, material, chemical or substance.

22. **DISPLAY OF MODEL UNITS BY DEVELOPER.** During the period in which sales of Units by Developer are in process, but in no event for any period extending beyond thirty (30) months from the recording of the Declaration, Developer may occupy or grant permission to any person or entity to occupy, with or without rental, as determined by Developer, one or more Units for business or promotional purposes, including clerical activities, sales office, model Units for display and the like; provided that the activities in the Units so occupied do not interfere with the quiet enjoyment of any other Owner or occupant.

23. TRANSFERS.

A. Subject to subparagraph (B) below a Unit Owner may, without restriction under this Declaration, sell, give, devise, lease or otherwise transfer his entire Unit. Notice of any such transfer shall be given to the Board, in the manner provided in this Declaration for the giving of notices, within five (5) days following consummation of such transfer.

B. Limits on Leases. No Unit shall be leased by a Unit Owner for hotel or transient purposes or for a term less than six (6) months and no portion of a Unit which is less than the entire Unit shall be leased.

C. Association's Right to Purchase at an Involuntary or Voluntary Sale. The Board shall have the power and authority to bid and purchase or lease, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for common expenses under the ACT, or an order or direction of a court, or at any other involuntary sale or voluntary sale, upon the consent or approval of the Unit Owners owning not less than two-thirds (2/3) of the total ownership of the common elements. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit.

