

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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RESTRICTIVE COVENANTS
STILLWATER SUBDIVISION
UNIT RECORDER

Stillwater Properties, L.L.C., an Indiana limited liability company (the "Developer") being the owner of the real estate described in Exhibit "A" does hereby establish and execute these Restrictive Covenants which shall hereby establish conditions, covenants, and restrictions to govern the use and occupancy of the lots in Stillwater Subdivision and such conditions, covenants and restrictions shall operate perpetually and run with the land and title to all of the lots on said subdivision, and are as follows.

1. No building, wall fence or other structure shall be erected or placed on any lot or parcel until the building plans, specifications and plot plans showing the location and elevation of such building has been approved in writing as to the conformity and harmony of external design with existing structures in the subdivision and as to the location of the building with respect to topography and finished grade elevation, and as to the sufficiency of the specifications, by the building committee consisting of Stillwater Properties, L.L.C.'s management representative (hereinafter the "Building Committee"). No building permit shall be obtained from the City of Crown Point, Indiana until and unless the plans and specifications for the improvement have been given written approval by the Building Committee. Finish floor and final grade elevations must be included on submitted site plans. Wetlands within Stillwater Subdivision are to be preserved by the developer, contractor and homeowners, as stated in the Declaration of Restrictions on Land Use, filed April 3, 1998, Document #98023475.

All homes constructed within Stillwater must conform to the Indiana Building Code and be conventionally constructed (stick-built). Modular or manufactured housing will not be allowed within Stillwater. In the event of death or resignation of Jack E. Kovich of said Building Committee, the remaining stockholders shall be authorized to select a replacement, the new member or members shall have full authority by unanimous action to perform all of the duties of the full committee. In case of disagreement among the new committee members on any matter officially before the committee, the vote of the majority among such members of the committee shall be controlling.

Neither the Building Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such committee and its designated representative shall cease on and after January 1, 2010. Thereafter, the approval described herein shall not be required unless prior to such date and effective thereof, a majority of the lot owners in said subdivision appoint a representative or representatives who shall thereafter exercise the same powers previously exercised by said building committee.

The Developer or the Building Committee or their employees, agents and representatives shall not be liable for any damage, loss or prejudice suffered or claimed by any owner or contractor who submits such plans on account of (a) any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions; (b) any structural or other defects in any work done according to such plans and specifications; (c) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (d) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, and (e) the development of any property within the Real Estate to the City of Crown Point, Lake County, Indiana.

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PETER BENJAMIN
LAKE COUNTY AUDITOR

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TICOR TITLE INSURANCE
Crown Point, Indiana

Any person submitting plans to the Building Committee shall hold the Developer and the Building Committee harmless from all damage, loss or prejudice suffered or claimed by any third party, including attorneys' fees incurred.

2. The Real Estate may be used for residential purposes only.

3. All residential buildings and/or garages shall be at least thirty (30) feet from the property line which fronts the street. The building Committee shall have the sole power to change the minimum building setback lines, but such changes must be: in conforming with the subdivision ordinance of the City of Crown Point, Indiana, be in writing, recorded and for good cause shown.

4. No structure shall be erected, altered, placed or permitted to remain on any lot in this subdivision other than a single-family dwelling not to exceed two stories in height, unless said structure is expressly approved by the Building Committee. Structure as referred to herein shall mean fence, kennel, patio, playhouse, building, shelter, lean-to, garage, storage shed, whether temporary or permanent, upon the Real Estate or any other building or fixture except the dwelling house which extends above ground level. Each dwelling shall have a private garage for two cars. For purposes of the preceding restriction, a dwelling house containing two full stories plus an attic shall be deemed a two-story house.

5. All residential structures shall comply with the following: (1) All one-story residential structures shall have a minimum exterior dimensioned first floor area of 1,500 square feet; (2) All bi-level, tri-level and quad-level residential structures shall have a minimum exterior dimensioned first and upper floor(s) area of 1,300 square feet, not including the partially below grade levels; (3) All one and one-half story residential structures shall have a minimum exterior dimensioned floor area of 1,700 square feet; (4) All two story residential structures shall have a minimum exterior dimensioned floor area of 1,700 square feet. In computing the minimum square footage required above, the computation of square footage shall exclude porches, breezeways, attached garages or basements. Interior floor space open to second floor will be given credit as one and one-half floor area. All garages erected on the real estate shall be attached to the residence. Minimum garage width will be 20 feet. All residential structures will have no less than 25% masonry on the front side of the house. Minimum roof pitch on each dwelling and garage shall be 5/12. Minimum roof overhang on any side of the houses will be one foot.

6. All yard areas must be sodded, hydro-seeded or seeded and strawed. A minimum of four, 8' trees must be planted within the front yard area. Wooded lots will be exempt from the tree planting requirement if at least four 8' trees exist within the front yard area. A minimum of ten shrubs are to be planted in the front yard area. Landscaping shall be completed within 120 days after occupancy weather permitting.

7. Any trees with a diameter of 6" or larger and are growing outside the house-garage foundation or driveway, sidewalks, porch or deck area shall not be removed without the prior permission of the Building Committee.

8. All driveways must be constructed of concrete, and construction of a driveway must be completed within ninety (90) days after occupancy of the residential dwelling weather permitting.

9. The construction of any residential structure must commence within three (3) years from the date of closing of sale and shall be completed within six (6) months from the date of commencement of

construction. The Building Committee may extend this time if in their opinion, weather or other conditions prohibit such timely completion. During construction, lot owner is responsible for keeping construction material debris items off the remaining areas of the Stillwater community. Disregard for controlling said materials can result in lot owner payment to clean-up lot owner's debris.

10. No unlawful or immoral uses or activities shall be permitted on the Real Estate in this subdivision.

11. No obnoxious or offensive trade or activity shall be carried on upon the Real Estate in this subdivision, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept only in sanitary containers.

12. No truck (except standard flat-bed pick-up), tractor, motor home, trailer, boat, utility vehicle, camper, inoperative vehicle, etc. shall be permitted to be parked on any lot or anywhere in the subdivision for more than seven (7) days unless in a garage or granted approval in writing by the Building Committee. It is the intent of the Building Committee to restrict parking of the above-mentioned vehicles to the garages upon the lots and to further restrict vehicular parking in the subdivision to the automobiles regularly used by the owners in the subdivision and their guests.

13. No satellite dishes larger than 36" diameter shall be permitted on the Real Estate in this subdivision. Antennas will only be allowed inside the house. Above-ground pools must be located directly behind the house and must not be visible from the street in front.

14. No fuel tanks shall be allowed above or below grade on any lot.

15. No outside clothes line shall be erected or maintained on any lot.

16. Strips of ground shall be reserved as easements for the use of public utilities, for the installation and maintenance of poles, ducts, wires, pipelines, lines and for drainage. No permanent or other structures are to be erected or maintained upon said strips of land. The owners of lots shall take their titles subject to such easements, and such easements are for the benefit of all lot owners in said subdivision. Each lot owner will be responsible for the extension of public sidewalks through said lot owner's right-of-way within six (6) months of construction commencement.

17. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept on any lot, provided that; they are not kept, bred or maintained for any commercial or hobby purpose, that they are kept in pens approved by the Building Committee, they do not create a nuisance and that they are not permitted to roam elsewhere in the subdivision except on a leash.

18. Developer shall install on the Real Estate privacy fencing of a various size and type along desired areas. Said fencing shall be considered a part of the "common areas" noted hereafter and shall be maintained and replaced by the Stillwater Homeowner's Association (see paragraph 22 below) Consequently, no lot owner shall in any way replace, repair, damage, deface, impair the integrity thereof, stain or paint said fencing. Any violation hereof shall be considered a violation of these Restrictive

Covenants and accordingly subject to paragraph 23 below.

Any additional fencing installed by lot owner shall be no greater than six feet (6') in height and constructed around the rear yard (from the back of the house only). All fences shall be approved by the Building Committee. A greater height around swimming pools may be allowed if the same is required by ordinance or statute. Fencing for swimming pools shall be erected so as to encompass the pool area only and shall not intrude on any easements located either adjacent to or on the homeowner's property. Chain link fences will not be permitted under any circumstances. Wood fences may be extended to lot owner's rear yard property corners. Said wood fence design and location is to be approved by the Building Committee prior to its erection.

19. Coachlites are optional although highly recommended. All coachlite fixtures are to be brass, pole color and location of pole are at lot owner's discretion.

20. The Stillwater Homeowners Association, Inc., hereinafter referred to as the "Association" which shall be an Indiana not-for-profit corporation, shall be created by the Developer acting on behalf of the owners and future owners of lots in this subdivision.

Each owner of a lot in Stillwater shall be a member of the Association and shall be entitled to cast one (1) vote at all meetings for each lot that is owned. The purpose of the Association is to manage and to support financially all park and common areas including any recreational areas, the provisions of such security services as may be deemed advisable and practical in the sole discretion of the Association or, until such time as the Association is created by the Developer, in the sole discretion of the Developer, and all purposes as the membership deems necessary. After its creation by the Developer, the Association shall conduct a meeting at least once each year to organize itself and to elect its officers. The Association shall adopt bylaws for its government and levy and collect dues. The Association shall impose and collect annual assessments for the maintenance and improvements of park areas and equipment, open spaces and ponds as described as "Outlots". Furthermore, the Association shall make provision for the aforesaid, however that the total of such dues and assessments levied against such lot shall not exceed One Hundred Seventy-five Dollars (\$ 175.00) per lot per annual assessment. The Association Directors may increase the maximum assessment in direct proportion to the increase in the United States Government's consumer price index, urban households. Such assessment shall not accrue until the year 1999. The base year for the index shall be 1999. Those assessments shall be levied equally on each lot in all phases to the recorded Plat of Stillwater Subdivision. Failure to pay said assessments or annual dues shall be a violation of these covenants and restrictions. Any such assessments or annual dues shall be billed by the Association to the owner of each lot during the year on May 1st and shall be due and payable within thirty (30) days. All lots shall, from and after the recording of these restrictions, be subject to said annual dues and assessments except inventory lots not yet sold by the developer. Said dues and assessments shall be a lien in favor of the Association upon the lot against which such dues and assessments are charged until paid, which lien shall be enforced in the same manner as is provided in the mechanic's lien statutes of the State of Indiana. Provided further, that any person purchasing or dealing with said lot may rely upon a certificate signed by the president or secretary of the Association showing the amount of said dues and assessments which are due and unpaid as of the date of such certificate, and the Association shall not be entitled to enforce any lien for such

charge accruing prior to the date shown in said certificate. Any past due annual dues, assessments or other charges assessable hereunder shall bear interest at the rate of eighteen percent (18%) per annum commencing thirty (30) days after the same become due and with attorneys' fees, and shall be due and payable without relief from valuation and appraisal laws. The Association may be formed for, and engage in, such other activities as may be beneficial to the lot owners, to the public at large, or which may qualify the Association as a "not-for-profit corporation or association," as defined in the Internal Revenue Code. Until such time as the Association is created by the Developer, the Developer, acting on behalf of the Association to be formed, shall be entitled to carry out the responsibilities assigned to, and enjoy and exercise the rights and powers granted to, the Association pursuant to these restrictions; provided, however, the total of such dues and assessments levied by the Developer in such capacity against each lot shall not exceed Two Hundred Dollars (\$ 200.00) per lot per year so long as the association has not been created and the Developer is acting in such capacity on behalf of the Association to be formed. The Developer shall not be responsible for such assessment on lots held as inventory prior to sale.

Within sixty (60) days of written notification by Developer to each lot owner that Developer intends to transfer the management responsibilities of the Association to the lot owners, the lot owners shall organize themselves as set forth above and assume the management of the Association. Thereafter it shall be the sole responsibility of the lot owners to conduct the Association in their discretion. Any disagreement that may arise between the Developer and the Association or any Association Member and the Association Board of Directors, shall be settled in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association and judgment upon the award by Arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration may be initiated by contacting the American Arbitration Association, 205 West Wacker, Suite 1100, Chicago, Illinois 60606.

21. The undersigned shall have and hereby reserves the right and power and without consent or approval of any of the owners of lots in the subdivision or mortgagees of said lots to amend or supplement these Restrictive Covenants at any time and from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering the lots of the subdivision and the structures constructed or located thereon, (c) to bring these Restrictive Covenants into compliance with any law or statutory requirement, (d) to correct clerical or typographical errors in these Restrictive Covenants or any Exhibit hereto or any supplement or amendment hereto.

Any other amendments or changes of these restrictions and declarations shall be made as follows:

A. Notice. Notice of the subject matter of the proposed amendment in reasonable detailed form shall be included in a notice of a meeting to be held and shall be given to all owners of lots within the subdivision.

B. Resolution. A resolution adopting a proposed amendment following such meeting must be adopted by not less than seventy-five

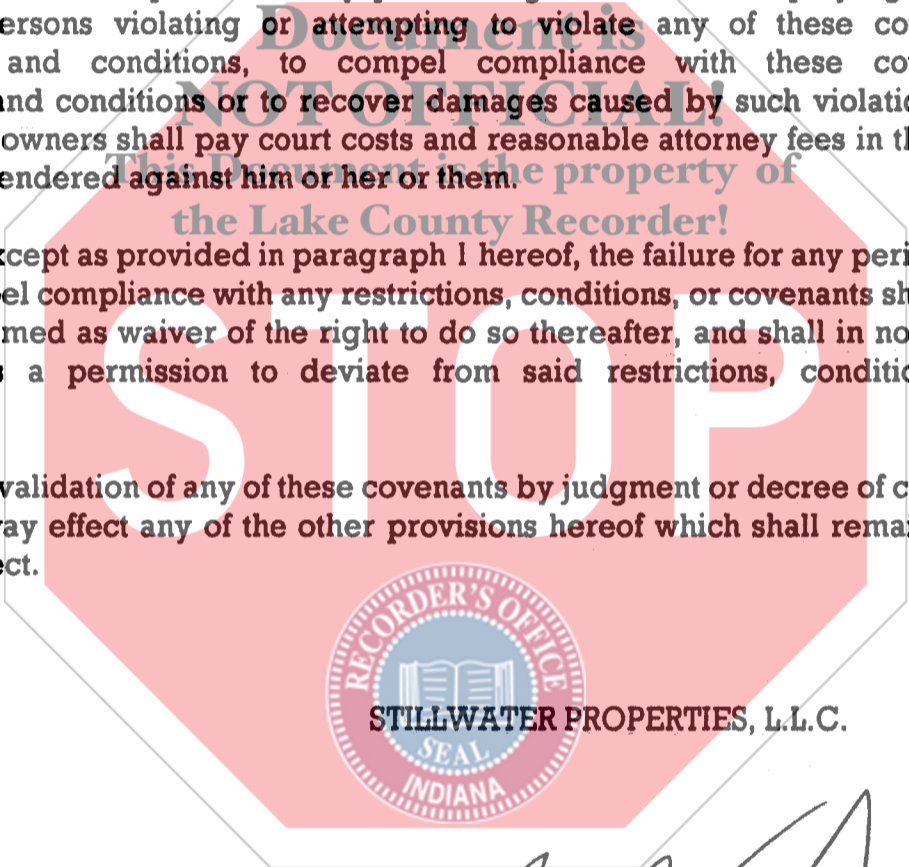
percent (75%) of the total number of lot owners within the subdivision including lots owned by the Developer. Lot owners not present at a meeting considering such amendment may vote by proxy.

C. Recording. Owners may execute power of attorney designating an attorney-in-fact to execute documents indicating the adoption of amendments. Such amendments shall be reduced to writing and executed in such manner either by said attorneys-in-fact or by the respective lot owners in such form as to be recordable in the Office of the Recorder of Lake County, Indiana.


22. The foregoing covenants, restrictions, and conditions shall run with the land and shall be binding upon all the parties claiming or owning any interest in the Real Estate or any lot or parcel therein, until January 1, 2020, at which time said covenants, restrictions, and conditions shall automatically be extended for successive periods of ten (10) years, unless there is a vote of the majority of the owners of the pending sites covered by these covenants, restrictions, and conditions, and if any owner or person in possession shall violate or attempt to violate any of these covenants, restrictions and conditions, it shall be lawful for the undersigned, "the Association", or any person or persons owning any lot in said subdivision, to file and prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of these covenants, restrictions, and conditions, to compel compliance with these covenants, restrictions, and conditions, or to recover damages caused by such violations, and the owner or owners shall pay court costs and reasonable attorney fees in the event judgment is rendered against him or her or them.

23. Except as provided in paragraph 1 hereof, the failure for any period of time to compel compliance with any restrictions, conditions, or covenants shall in no event be deemed as waiver of the right to do so thereafter, and shall in no way be construed as a permission to deviate from said restrictions, conditions and covenants.

24. Invalidation of any of these covenants by judgment or decree of court shall in no way effect any of the other provisions hereof which shall remain in full force and effect.



By:



Jack E. Kovich
Managing Partner

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

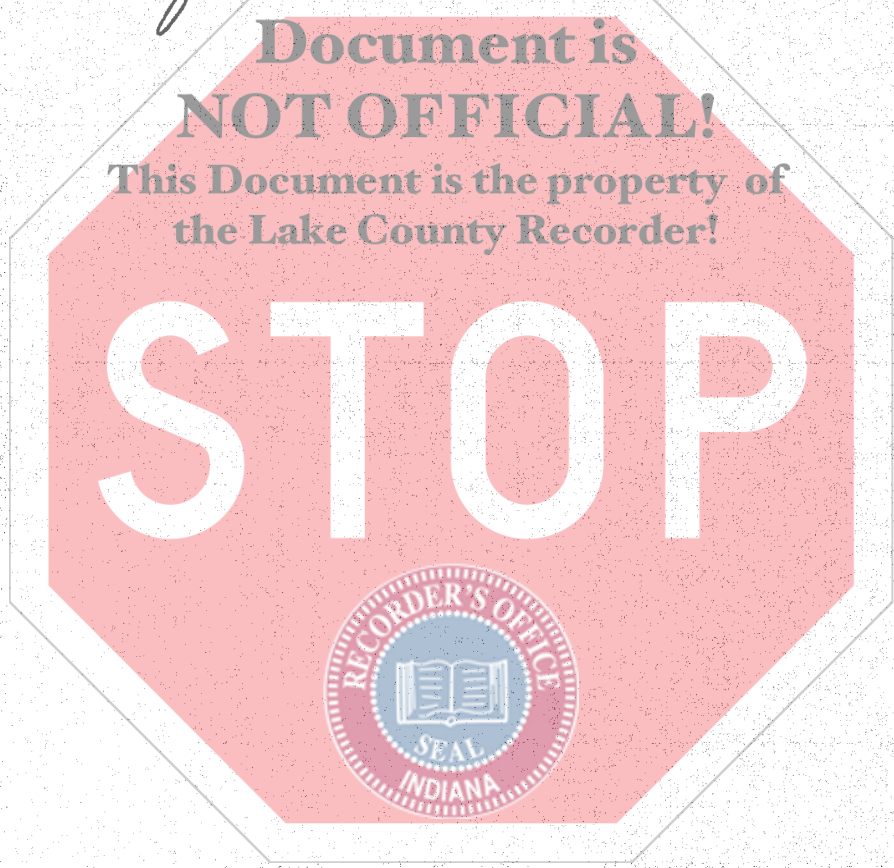
Before me, a Notary Public in and for said County and State, personally appeared Stillwater Properties, L.L.C., by its managing partner, Jack E. Kovich, and acknowledged the execution of the above and foregoing Restrictive Covenants.

Witness my hand and Notarial Seal this 31st day of December 1999.

Lana Guinn Kovich

Notary Public
Printed: LANA GUINN KOVICH
Resident of LAKE County

My Commission Expires: Jun 8, 2008

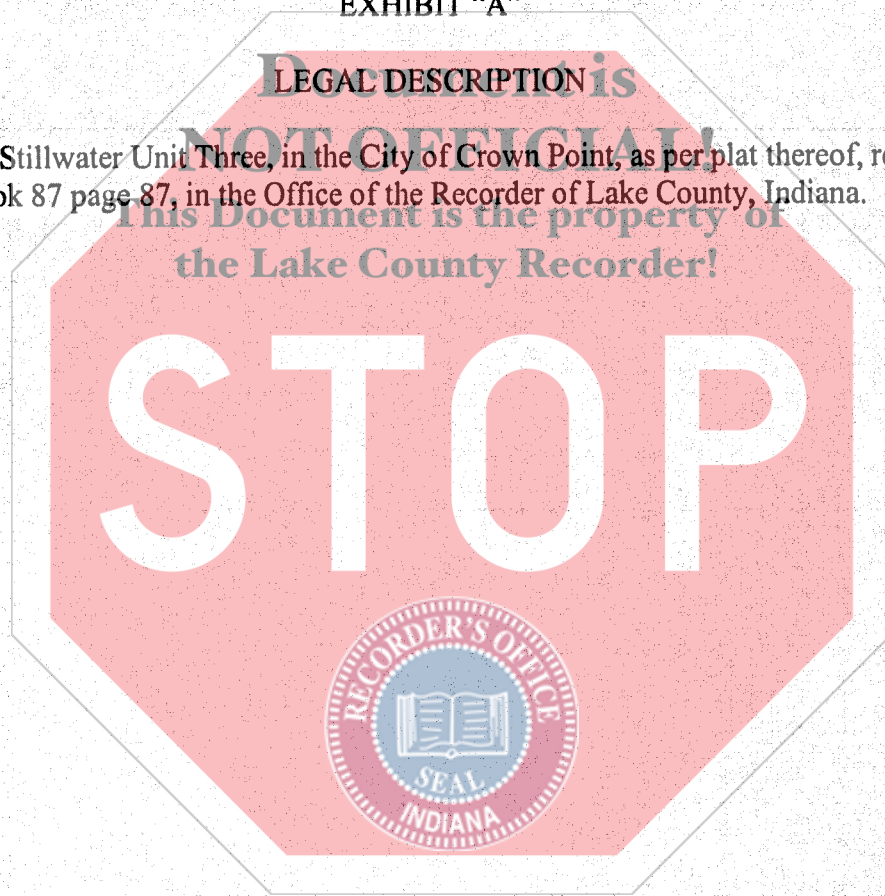


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EXHIBIT "A"

LEGAL DESCRIPTION

All lots in Stillwater Unit Three, in the City of Crown Point, as per plat thereof, recorded in Plat Book 87 page 87, in the Office of the Recorder of Lake County, Indiana.



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