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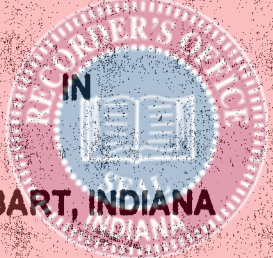
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**DECLARATION OF COVENANTS, CONDITIONS
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STOP
 FOR
BARRINGTON RIDGE CLUBHOUSE AND POOL FACILITIES
 IN
HOBART, INDIANA



Dennis Churn 11a
2842 - 45th St
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Highland, In 46322

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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
BARRINGTON RIDGE CLUBHOUSE AND POOL FACILITIES
HOBART, INDIANA**

This Declaration of Covenants, Conditions And Restrictions is made this day by PEOPLES BANK, FEDERAL SAVINGS BANK, MUNSTER, INDIANA, AS TRUSTEE UNDER A TRUST AGREEMENT DATED THE 19TH DAY OF JANUARY, 1993, AND KNOWN AS TRUST NO. 10084 and HOBART VENTURE I LIMITED PARTNERSHIP, an Indiana limited partnership (hereinafter referred to together as "Declarants").

WITNESSETH:

WHEREAS, Declarants are the owners of the following parcel of real estate (the "Real Estate"):

OUTLOT "C" IN UNIT 4 OF BARRINGTON RIDGE, A PLANNED UNIT DEVELOPMENT, IN THE CITY OF HOBART, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 75 PAGE 64, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

WHEREAS, Declarants intend by this Declaration to impose upon the Real Estate mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Lots (as defined herein) within the Properties (as defined herein) made subject to this Declaration and amendments thereto by the recording of this Declaration. Declarants desire to establish a method for the administration, maintenance, preservation, use and enjoyment of such Real Estate as is now or may hereafter be subjected to this Declaration.

NOW, THEREFORE, Declarants hereby declare that the Real Estate shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability of and which shall run with the land of the Real Estate and which shall be binding on all parties having any right, title or interest in the Real Estate or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner.

**ARTICLE I
DEFINITIONS**

Section 1. "Assessments" shall mean assessments for Common Expenses provided for herein. The Assessment shall be levied against Owners of Lots for such purposes as are authorized by this Declaration or by the Board of Directors from time to time. Assessments shall be General Assessments or Special Assessments as further defined in Article VII.

Section 2. "Association" shall mean and refer to Barrington Ridge Clubhouse Association, Inc., an Indiana nonprofit corporation, and its successors and assigns. The "Board of Directors" shall be the elected body having its normal meaning under Indiana law. The Association shall be organized and governed in accordance with the Articles of Incorporation and By-Laws, attached hereto as Exhibits "A" and "B", respectively.

Section 3. "City" shall mean the City of Hobart, Lake County, Indiana, and its successor municipal corporations.

Section 4. "Clubhouse and Pool Facilities" shall mean the privately owned clubhouse and pool related facilities located on real estate conveyed or to be conveyed to the Association, which are designed to service the Properties.

Section 5. "Common Expenses" shall mean and include the actual and estimated expenses of operating and managing the Association, satisfying the Association's responsibilities under Article III and otherwise under this Declaration; and any reasonable reserve, all as may be found to be necessary and appropriate by the Board of Directors pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 6. "Fees" shall mean and refer to those fees charged for the use of the clubhouse and pool facilities in such amounts as determined by the Board of Directors from time to time.

Section 7. "Lot" shall mean one of the subdivided lots of Barrington Courtyards, Barrington Green, The Islands of Barrington Ridge and Barrington Woods intended for any type of independent ownership, or, a portion thereof, separately conveyed. For purposes of this Declaration, a Lot shall come into existence upon the recording of a subdivision plat for any portion of Barrington Courtyards, Barrington Green, The Islands of Barrington Ridge and Barrington Woods, or upon the recording of this Declaration, whichever is later.

Section 8. "Member" shall mean and refer to a person or entity entitled to Membership in the Association, as provided herein.

Section 9. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 10. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 11. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 12. "Owner" shall mean and refer to one or more persons or entities who hold the record fee simple title to any Lot within Barrington Courtyards, Barrington Green, The Islands of Barrington Ridge and Barrington Woods subdivisions including the Declarants, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.

Section 13. "Person" means a natural person, a corporation, a limited liability company, a partnership, trustee or other legal entity.

Section 14. "Properties" shall mean and refer to the Barrington Courtyards, Barrington Green, The Islands of Barrington Ridge, and Barrington Woods sections of Barrington Ridge in the City of Hobart, Lake County, Indiana.

Section 15. "Real Estate" shall mean and refer to the real property described on page 1.

Section 16. "Turnover Date" shall mean the date on which the right of Declarants to select and designate all of the members of the Board of Directors is terminated pursuant to Article IX, Section 1. hereof.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The nonprofit corporations, Barrington Courtyards Association, Inc., Barrington Green Homeowner's Association, Inc., The Islands of Barrington Ridge Townhomes Association, Inc. and Barrington Woods Condominium Association, Inc. each shall be deemed to be a Member in the Association.

The first annual meeting of the Association shall not be held until such time as the rights of Declarants to appoint directors and to thereby control the Association shall have expired as provided in Article II, Section 3 of this Declaration or at such earlier time or times as may be determined by Declarants. The next annual meeting shall be set by the Board of Directors so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent annual meetings shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board of Directors. Subject to the foregoing, the Board of Directors of the Association shall be elected in accordance with the provisions of the By-Laws and transact such other business as may properly come before the meeting. Subject to the foregoing, the annual meeting of the Members shall be held at a date and time as set by the Board of Directors.

Section 2. Voting. The Association shall have one (1) class of membership.

Members shall be entitled on all issues to one (1) vote for each Member. The vote for each Member shall be exercised by a person that is duly authorized by the Member to vote on behalf of said Member.

The voting rights of Members shall be subject to Declarants' rights pursuant to Articles VIII and IX hereof.

Section 3. Number, Term, Selection and Composition Of Board Of Directors. The initial Board of Directors shall consist of five (5) directors appointed by Declarants who may, but need not be, Owners or Members of the Association, and who shall serve those terms of office as established by the By-Laws.

Declarants shall have the right to select and designate all of the directors, and accordingly therefore the right to operate and control the Association, until the Turnover Date. Thereafter, directors shall be elected as otherwise required by the Articles of Incorporation and By-Laws of the Association and must be Owners as defined in Article I, Section 12 herein. The composition of the Board of Directors after the Turnover Date shall be as follows:

- (a) Two directors shall be elected from Barrington Courtyards Association, Inc.;
- (b) One director shall be elected from Barrington Green Homeowner's Association, Inc.;
- (c) One director shall be elected from The Islands of Barrington Ridge Townhomes Association, Inc.; and
- (d) One director shall be elected from Barrington Woods Condominium Association, Inc.

At the first annual meeting of the membership after the termination of Declarants right to select all of the directors and at each annual meeting of the membership thereafter, directors shall assume office. All directors shall be elected from the nonprofit corporation

they are representing and which is a Member of the Association. For example, the two directors from Barrington Courtyards Association, Inc. shall be elected by the members of that nonprofit corporation. Each of the four nonprofit corporations that are Members of the Association, namely, Barrington Courtyards Association, Inc., Barrington Green Homeowner's Association, Inc., The Islands of Barrington Ridge Townhomes Association, Inc. and Barrington Woods Condominium Association, Inc., shall hold separate elections to elect the director or directors representing that nonprofit corporation in the Association. Each member of those four nonprofit corporations shall vote upon the election of directors but each member is limited to voting for a director from the nonprofit corporation the director is representing. For example, a member who resides in Barrington Courtyards shall only be entitled to vote for a director representing the Barrington Courtyards Association, Inc. and not any other section of Barrington Ridge. The person receiving the largest number of votes shall be elected the director from each nonprofit corporation, provided, however, the two persons receiving the largest number of votes shall be elected as directors from Barrington Courtyards Association, Inc. since that nonprofit corporation has two Directors to the Association.

The Articles of Incorporation, or the By-Laws to the contrary, from and after the date of the recording of this Declaration until the Turnover Date, the Association shall be governed by the Board of Directors appointed from time to time by Declarants. Such Board of Directors so appointed shall exclusively hold all rights and powers which a Board of Directors or the Association would have under this Declaration, the Articles of Incorporation, or the By-Laws, except as specifically limited herein. Such Board of Directors may appoint from time to time from among the Owners one or more committees to advise and assist it in the performance of its functions. The rights and powers of such Board of Directors shall be limited as follows:

- a. All Assessments shall be made in accordance with this Declaration.
- b. All fees for use of the clubhouse and pool facilities shall be made in accordance with this Declaration.
- c. Such Board shall have no power to reallocate the voting power among the Members in any manner contrary to this Declaration.
- d. Such Board shall not take any action requiring the vote or consent of any Mortgagee unless the vote or consent of such Mortgagee is obtained.

Declarants shall have the right to waive, on behalf of the Association, the annual meeting and annual accounting provided for in this Declaration, so long as Declarants retain control of the Association. At the time of turnover of control by Declarants, a meeting of the Association will be called, at which time the rights and powers of Declarants appointed Board of Directors shall terminate and the Association shall thereafter be governed in accordance with the other provisions of this Declaration, the Articles of Incorporation and the By-Laws. Each Member shall be deemed to have given to Declarants an irrevocable proxy to vote on any and all matters on which such Member is entitled to vote under this Declaration, or under the Articles of Incorporation or the By-Laws of the Association. The proxy hereby granted to Declarants shall be deemed to be coupled with an interest and irrevocable. Such proxy shall terminate as of the Turnover Date as set forth above.

ARTICLE III
MAINTENANCE, REPAIR AND REPLACEMENT

Section 1. Association's Responsibility. The Association shall have the responsibility, at the cost of the Association, to maintain, repair and replace the clubhouse and pool facilities.

Section 2. Owner's Responsibility. This Declaration only applies to the ownership and maintenance of the clubhouse and pool facilities and the Owners' responsibility with regard to maintenance, repairs and replacement of his or her own property shall be pursuant to any separate development and ownership association covenants and restrictions as may be recorded from time to time.

ARTICLE IV
INSURANCE

Section 1. Insurance. The Board of Directors shall obtain a public liability policy covering the clubhouse and pool facilities, the Association and its Members for all damages or injury caused by the negligence of the Association or any of its Members or agents, in the performance of their respective obligations under or pursuant to this Declaration. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Two Million Dollars (\$2,000,000.00) limit per occurrence, and a Two Hundred Fifty Thousand Dollars (\$250,000.00) minimum property damage limit.

Premiums for all insurance required to be carried by the Association shall be Common Expenses. The policy may contain a reasonable deductible, and the amount thereof shall be added to Assessments attributable to insurance premiums.

Cost of insurance coverage obtained by the Association shall be included in the General Assessment, as defined in Article VII, Section 1.

In addition to the other insurance required by this Section, the Board of Directors shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent necessary, a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, and the insurance referred to in Article VIII, Section 3. The amount of fidelity coverage shall be determined in the Board of Directors' best business judgment, but may not be less than three (3) months' Assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

ARTICLE V
NO PARTITION

There shall be no partition of any of the Real Estate from the provisions of this Declaration.

**ARTICLE VI
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

Section 1. Control And Management Of Clubhouse and Pool Facilities. The Association shall be responsible for the exclusive management and control of the clubhouse and pool facilities. Declarants shall have the right to appoint all Members of the Board of Directors until the Turnover Date pursuant to Article IX, Section 1 hereof.

Section 2. Personal Property For Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property.

Section 3. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Articles of Incorporation or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

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**ARTICLE VII
ASSESSMENTS AND FEES**
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Section 1. Creation Of Assessments. There are hereby created Assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in this Article VII, Section 6. Each Owner, by acceptance of his or her deed or recorded contract of sale, or subsequent consent to this Declaration, and by the ownership association covenants and restrictions as may be of record from time to time affecting said Owners Property, is deemed to covenant and agree to pay these Assessments. All such Assessments, together with interest at the rate of twelve percent (12%) per annum, costs, and reasonable attorneys' fees, shall be a charge on the Owner's Lot and shall be a continuing lien upon the Lot against which each Assessment is made.

Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance to the extent expressly assumed, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to such acquisition of title. Assessment shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of any annual Assessment for delinquents; unless the Board of Directors otherwise provides, the Assessments shall be paid in monthly installments.

Notwithstanding the personal nature of the obligation for payment of Assessments by Owners of Lots, said obligations may be assumed in their entirety by any other incorporated ownership association, that is or may be created by separate declaration, that has as its purpose the administration of a complex or development on a part of the Properties for the benefit of the owners thereof. Any written assumption of such obligations by another such association shall meet the following requirements:

a. It shall state specifically that such association is assuming the responsibility for the payment of Assessments under this Declaration, which may be made and become otherwise due and owing from any Owner of any Lot.

b. It shall state specifically that such assumptions of obligations for the payment of Assessments was duly authorized by the board of directors of such association.

c. It shall state specifically that such assumption of obligations shall continue until such time as written notice is received by the Association by certified mail, return receipt requested, and such association shall have recorded a notice of rescission of such obligations in the Office of the Recorder of Lake County, Indiana, a copy of which showing the recording date and document number shall accompany the above-referenced written notice.

d. It shall be in recordable form and shall be recorded in the Office of the Recorder of Lake County, Indiana, as an encumbrance only upon title to all of that portion of the Properties which such association is authorized to administer pursuant to such separate declaration.

The assumption of such obligations by an association shall in no way release any Owner of a Lot from any liability for Assessments in the event that the same are not paid when due to the Association.

Section 2. Computation Of Assessment. It shall be the duty of the Board of Directors, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget of Common Expenses for the coming fiscal year. Subject to the provisions of Article VII, Section 5, the budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general and capital expenses, if any. The Board of Directors shall cause a copy of this budget, and the amount of the Assessment to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessments shall become effective when adopted by the Board of Directors.

Notwithstanding the foregoing, however, in the event the Board of Directors fails for any reason so to determine the budget for the succeeding fiscal year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current fiscal year shall continue for the succeeding fiscal year.

Section 3. Special Assessments. In addition to the Assessments authorized in Section 1, the Association may levy a Special Assessment or Special Assessments in any year applicable to that year against any Member(s) to reimburse the Association for costs incurred that are unique to those Member(s) situations, or in bringing a Member or an Owner into compliance with the provisions of the Declaration, the Articles of Incorporation and the By-Laws, which Special Assessment may be levied upon the vote of the Board of Directors after notice and an opportunity for a hearing. It is the responsibility of each Member to collect any special assessments from the Owners. For example, Barrington Courtyards Association, Inc. is responsible for collecting the special assessment from the Owners that reside within the Barrington Courtyard section of Barrington Ridge.

Section 4. Fees. In addition to the assessments authorized in Section 1 and special assessments authorized in Section 3, the Association may charge a fee for the use of the clubhouse and/or pool facilities in an amount to be determined by a vote of the Board of Directors from time to time.

Section 5. Lien For Assessments. Any lien for a delinquent assessment shall be established, perfected and enforced against an Owner's property pursuant to the separate development and ownership association covenants and restrictions as may be recorded from time to time.

Section 6. Capital Budget And Contributions. In the event that the Association becomes the owner of any capital assets, or is charged with the duty for the upkeep, maintenance and repair of a capital asset, the Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected replacement cost. The Board of Directors shall set the required capital expenditure, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing, by annual Assessments over the period of the budget. The capital expenditure required shall be fixed by the Board of Directors and included within the budget and Assessment, as provided in Section 2. of this Article. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 7. Date Of Commencement Of Annual Assessments. The annual Assessments provided for herein shall commence as to all Lots and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual Assessment shall be adjusted according to the number of months then remaining that fiscal year.

Section 8. Subordination Of The Lien To First Mortgages. The lien of the Assessments, including interest, late charges subject to the limitations of Indiana law, and costs (including attorneys' fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any Assessment thereafter becoming due. Where the Mortgagee of a first Mortgage of record or other purchaser of a Lot obtains title, his successors and assigns shall not be liable for Assessments by the Association chargeable to such Lot which become due prior to the acquisition of title to such Lot by such acquirer. Such unpaid Assessment shall be deemed to be Common Expenses collectible from all of the Lots, including such acquirer, his successors and assigns.

**ARTICLE VIII
GENERAL PROVISIONS**

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Real Estate, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by seventy-five percent (75%) of the Members, has been recorded within the year preceding and the beginning of each successive period of ten (10) years, agreeing to terminate the same.

Section 2. Amendment. This Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing seventy-five percent (75%) of the total votes of the Association, including the Declarants. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Office of the Recorder of Lake County, Indiana. No amendment may remove, revoke or modify any right or privilege of either Declarant or the Declarants without the written consent of the subject Declarant or of Declarants, as the case may be, or the assignee of such right or privilege.

Notwithstanding any other provision of the Declaration, and in addition to any other right to amend elsewhere set forth herein, the Declarants alone may amend this Declaration, the Articles of Incorporation, or By-Laws, without the consent of the Owners, the Association, the Board of Directors or any Mortgagee, or any other Person, (1) to correct scrivener's errors, minor defects or omissions, or (2) to comply with the requirements of Indiana law, or (3) to comply with the requirements of any governmental agency, public authority, or title insurance company, or (4) to comply with the 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, the Federal Housing Administration, the Veterans Administration 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 each such entity, or (5) to induce any such agencies or entities to make, purchase, sell, insure or guarantee first mortgages on Lots. This paragraph shall constitute an irrevocable special power of attorney to Declarants on behalf of all Owners, Mortgagees, and any and all other Persons having an interest of any kind in the Properties for so long as Declarants own any Lot or until the expiration of five (5) years from the date on which this Declaration is recorded, whichever occurs first. The amendment shall be signed by the Declarants and it shall be come effective upon the recording of a copy thereof in the Office of the Recorder of Lake County, Indiana.

The Articles of Incorporation and By-Laws of the Association shall be amended in the manner provided by such documents or by law.

Section 3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, or any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association, or arising out of their status as directors of officers, unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include an indemnification against all costs and expenses (including, but not limited to, attorneys' fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director or officer may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or comprised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board of Directors, there is not reasonable grounds for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

ARTICLE IX DECLARANTS' RIGHTS

Section 1. Control By Declarants. Notwithstanding any of the other provisions of this Declaration or the By-Laws to the contrary, and in addition to any other right or privilege given or granted or reserved to Declarants under this Declaration, the first and all subsequent Board of Directors shall consist solely of five (5) individuals designated by Declarants, which individuals may, but need not be, Owners or Members until the first to occur of any of the following (the "Turnover Date"):

a. The expiration of two (2) years from the date of the recording of this Declaration; or

b. The date on which Declarants elect to terminate its sole control by the delivery of written notice of such election to the Members.

Section 2. Right To Amend Declaration. The Declarants shall have the right to amend the Declaration, the Articles of Incorporation, and the By-Laws, in accordance with Article VIII, Section 2. hereof.

Section 3. Transfer Of Rights. Any or all of the special rights and obligations of either Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the subject Declarant and duly recorded in the official records of Lake County, Indiana.

ARTICLE X CITY'S ENFORCEMENT RIGHTS

The City is hereby declared to be a third party beneficiary of the terms and provisions of this Declaration, and shall have the right to enforce the provisions of this Declaration by specific performance and/or by any other means available at law or in equity, and the Declarants, on behalf of themselves and their successors in interest do hereby waive any and all defenses to such enforcement rights. In addition to the foregoing, Declarants hereby submit the Real Estate to the jurisdiction of the City, and the City may, in addition to the foregoing, adopt such ordinances, regulations and resolutions as deemed by it to be appropriate to facilitate the enforcement of those provisions of this Declaration which provide for the private maintenance, repair and replacement of the clubhouse and pool facilities.

**ARTICLE XI
CAPTIONS**

Captions used in this Declaration, the Articles of Incorporation and the By-Laws are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of this Declaration, the Articles of Incorporation and the By-Laws.

**ARTICLE XII
BINDING EFFECT**

This Declaration shall be binding upon and inure to the benefit of each Owner, its successors, grantees, assigns and the legal representative thereof.

**ARTICLE XIII
LIMITATION OF DECLARANTS' LIABILITY**

Notwithstanding anything to the contrary herein, it is expressly agreed, and each Owner, by accepting title to a Lot and becoming an Owner acknowledges and agrees, that the Declarants nor any partner, director, officer, member or shareholder of Declarants (or any partner, officer, director, member or shareholder in any such assignee) shall have any personal liability to any Owner or other person, arising under, in connection with, or resulting from (including without limitation resulting from action or failure to act with respect to) this Declaration; and, in the event of a judgment no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon such other assets of the judgment debtor.

**ARTICLE XIV
TRUSTEE'S CAPACITY**

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made are made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally, but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Peoples Bank, Trustee, on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived or released.

Nothing contained herein shall be construed as creating any liability on Peoples Bank, Trustee, 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. Peoples Bank, personally, is not a "Transferor" under the Act and makes no representation 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.

Executed and declared this 23rd day of December, 1999.

DECLARANTS:

PEOPLES BANK, a Federal Savings Bank,
Munster, Indiana, as Trustee under a Trust
Agreement dated the 19th day of January,
1993, and known as Trust No. 10084

By: Frank J. Bochnowski
Frank J. Bochnowski, Vice President

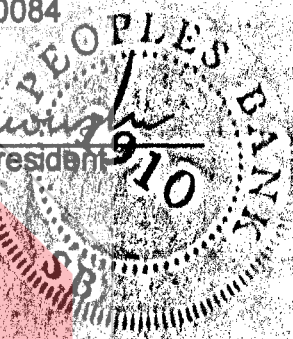
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the Lake County Recorder!

ATTEST:

By: Janine Mahala
Janine Mahala - Administrative Secretary

HOBART VENTURE I LIMITED PARTNERSHIP,
an Indiana limited partnership

By: Charles R. Greiner
CHARLES R. GREINER, General Partner



STATE OF INDIANA }
COUNTY OF LAKE } SS:

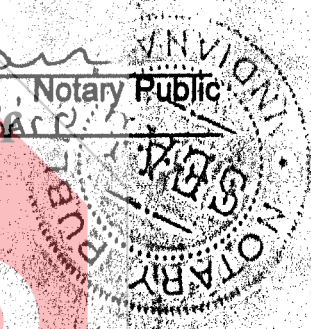
Before me, the undersigned, a Notary Public in and for said County and State, this 23rd day of December, 1999, personally appeared PEOPLES BANK, a Federal Savings Bank, Munster, Indiana, as Trustee under a Trust Agreement dated the 19th day of January, 1993, and known as Trust No. 10084, by FRANK J. BOCHNOWSKI and Jasine Mahala, its Vice President and Secretary, and acknowledged the execution of the foregoing instrument as their free and voluntary act on behalf of Peoples Bank, a Federal Savings Bank, as Trustee, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

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Joyce M. Bair
Notary Public

My Commission Expires: 3-18-08
County of Residence: LAKE



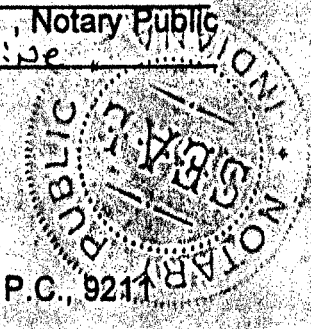
STATE OF INDIANA }
COUNTY OF LAKE } SS:

Before me, the undersigned Notary Public in and for said County and State, this 23rd day of December, 1999, personally appeared CHARLES R. GREINER, a General Partner of Hobart Venture I Limited Partnership, an Indiana limited partnership, and acknowledged the execution of the foregoing instrument as his free and voluntary act on behalf of Hobart Venture I Limited partnership, an Indiana limited partnership, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

Kelly Lavine
Notary Public

My Commission Expires: 4-7-08
County of Residence: LAKE



This Instrument prepared by Rhett L. Tauber, Esq., Anderson & Tauber, P.C., 9211 Broadway, Merrillville, Indiana 46410