

69

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 050006

2004 JUN 15 PM 01:39

MORTGAGE FINANCER
LAKE COUNTY

DECLARATION OF CONDOMINIUM

OF

TEMPE LAKE CONDOMINIUMS

MERRILLVILLE, INDIANA

NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!

STOP FILED
KEY 15-788-1#2
JUN 15 2004
STEPHEN R. STIGLICH
LAKE COUNTY AUDITOR



145-
DG
2039

DECLARATION OF CONDOMINIUM-FINAL FORM
TEMPE LAKE CONDOMINIUMS
Page 1 of 42

2004
Page 42

DECLARATION OF CONDOMINIUM
OF
TEMPE LAKE CONDOMINIUMS

This Declaration is made this day by TRAM DEVELOPMENT GROUP, INC., an Indiana Corporation (hereinafter referred to as "Owner").

WITNESSETH

WHEREAS, the Owner holds fee simple title to certain real estate located in the Town of Merrillville, Lake County, Indiana (the "Town"), and more particularly described on Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the Real Estate will be improved with Buildings, together with other appurtenances and facilities, as hereinafter described; and

WHEREAS, it is intended by this Declaration that the Real Estate shall be subject to the provisions of the Horizontal Property Act of the State of Indiana (I.C. 32-1-6-1 et seq.) as amended from time to time (hereinafter referred to as the "Act"); and

WHEREAS, a condominium is a concept of ownership, which when applied to multi-unit buildings, provides each Unit Owner with a fee simple title to and exclusive ownership and possession of its Unit and an undivided interest in the Common and Limited Common Areas and Facilities; and

WHEREAS, the Owner desires to establish for its own benefit and that of all future Unit Owners and Occupants of the Property (as defined herein), and each part thereof, certain easements and rights in, over, and upon the Property and certain mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, the Owner desires and intends that all Unit Owners, mortgagees and Occupants of the Property shall at all times enjoy the benefits of and hold their interest in the Property subject to the rights, easements, privileges and restrictions hereinafter set forth which are all in furtherance of a plan to promote and protect the cooperative aspects of ownership, the congenial occupation of the Property, the value of the Units, and to facilitate the proper administration of the Property as a first class, safe, healthy, happy, quiet and restful residential community; and

WHEREAS, the Owner is the owner of certain additional real estate in the Town of Merrillville, which is more contiguous to the subject Real Estate, (the "Expansion Real Estate"), which Expansion Real Estate may be subjected in the future to this Declaration at the sole discretion of Owner, but which shall not be required to be made a part of Tempe Lake Condominiums.

NOW THEREFORE, the Owner hereby declares that the Property shall hereafter be subject to the provisions of the Act in accordance with the following:

ARTICLE I - DEFINITIONS: The following terms as used herein or elsewhere in the Condominium Documents, unless otherwise provided, or unless the context clearly requires otherwise, shall mean the following:

- a. **ASSESSMENT:** means that portion of the cost of maintaining, repairing and managing the Property which is to be paid by each Unit Owner in accordance with this Declaration.
- b. **ASSOCIATION:** means Tempe Lake Condominium Association, Inc., an Indiana not for Profit Corporation, and its successors. Copies of the Articles of Incorporation and By-Laws of said corporation are attached hereto, made a part hereof and marked as Exhibits "B" and "C", respectively.
- c. **BUILDINGS:** means the structure(s) located on the Real Estate to be constructed substantially in accordance with site plan attached hereto, made a part hereof and marked as Exhibit "D", consisting of eight (8) eight unit buildings and eight (8) single car detached garage buildings consisting of eight (8) stalls each.
- d. **COMMON AREAS AND FACILITIES:** means and includes:
1. The Real Estate
 2. The foundations, columns, girders, beams, supports, walls and roofs of the Buildings, windows, Unit access doors, and all physical structures not located within the boundaries of a Unit as described herein.
 3. The yards, service drives, pavement, outdoor parking areas, common lights and walks unless otherwise designated herein, or on Exhibit "D" as Limited Common Area(s).
 4. Facilities and installations within the Buildings providing central services such as gas, electricity and other utilities, sanitary and storm sewers, and water and communications lines.
 5. The storm water drainage facilities wherever located on the Real Estate, including the storm water detention/retention areas.

6. A concrete walkway which shall be installed around the perimeter of the storm water retention area shown on the final plat of subdivision and outlined as Outlot A .
7. All other parts of the Property necessary and convenient to its existence, maintenance and safety or normally in common use.
8. Any real estate conveyed to and titled in the name of the Association from time to time.

e. **COMMON EXPENSES:** means and includes the actual or estimated cost of:

1. Maintenance, management, operation, repair and replacement of the Common and Limited Common Areas and Facilities, including but not necessarily limited to those areas defined in Article I, paragraph (d) 1 through 8 inclusive, and those parts of the Units which the Association has the responsibility of maintaining, repairing and replacing, and the expenses incurred by the Association in meeting its obligations as defined herein.
2. Management and administration of the Association, including, but not limited to, compensation paid by the association to a managing Agent, accountants, attorneys and or other employees, if any.
3. The cost of all water, electricity, other utilities or expenses used for and servicing the Common and Limited Common Areas and Facilities.
4. All amounts lawfully assessed against the Unit Owners by the Association as a Common Expense.
5. Any other expense declared to be a Common Expense by other provisions of this Declaration, the Condominium Documents, or required by the Act.

f. **COMMON PROFIT:** means the balance of all income, rents, profits and revenues derived from the Common Areas and Facilities remaining after the deduction of the Common Expenses.

g. **CONDOMINIUM DOCUMENTS:** means this Declaration and the Exhibits attached hereto as the same from time to time may be amended. Said exhibits are as follows:

Exhibit "A"

Final Plat and Site Plan of the Real Estate, together with the legal description of same as prepared by Torrenga Engineering, LLC, and filed for recording with the Recorder of Lake County, Indiana and recorded as Document No. 2003 129259 on the 8th day of December 2003 in Plat Book 94, Page 80.

- Exhibit "B" Articles of Incorporation of the Association.
- Exhibit "C" By-Laws of the Association
- Exhibit "D" Site plan of the Real Estate as prepared by Torrenge Engineering, LLC, including eight (8) eight unit buildings and eight (8) single car detached garage buildings consisting of eight (8) stalls each
- Exhibit "E" Rules and Regulations of Association

h. DECLARATION OR DECLARATION OF CONDOMINIUM: means this Instrument by which the Property is submitted to the provisions of the Act, together with any amendments to such Declaration.

i. DEVELOPER: means TRAM Development Group, Inc..

j. LIMITED COMMON AREAS AND FACILITIES: means and includes:

1. Those Common Areas and Facilities designated in this Declaration or on the Plans as reserved for use of a certain Unit or Units to the exclusion of the Other Units, including patios and balconies and or garage stalls.
2. Such other areas designated and reserved for the use of Owners of a particular Unit or Units as set forth herein and on any Exhibit attached hereto and made a part hereof.
3. The garage parking and storage areas designated on the Plans and/or hereafter designated or re-designated by the Owner from time to time as reserved for the use of a certain Unit to the exclusion of other Units by amendment to the Declaration as provided for herein.

k. MAJORITY OF UNIT OWNERS: means the Unit Owners with fifty one per cent (51%) or more of the shares as set forth on the Statement of Interest contained herein.

l. OCCUPANT: means any Person residing in a Unit, including the Unit Owner, tenants under leases approved by the Association, and those living with Unit Owners and such tenants.

m. OWNER: means TRAM Development Group, Inc..

n. PLANS: means the Plans as shown on the Exhibits attached hereto and made a part hereof.

o. **PERSON:** means a natural person, limited liability company, corporation, partnership, firm, unincorporated association, trustee or other legal entity capable of holding title to real property.

p. **PROPERTY:** means and includes the Real Estate, the Buildings, the Units, all other improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

q. **SHARE:** means the percentage interest attributed to each Unit as set forth in the Statement of Interest as outlined herein.

r. **TOWN:** The Town of Merrillville, Lake County, Indiana

s. **UNIT:** means an enclosed space consisting of one or more rooms occupying a part of a floor in a Building of two or more stories designed for residential use and separately described and designated on the Plans. A Unit shall exist for all purposes under this Declaration, only upon issuance of an occupancy permit issued by the Town for that Unit.

t. **UNIT OWNER:** means a Person who owns (or more than one person who jointly own) in fee simple, a Unit within a Building and an undivided interest in the Common and Limited Common Areas and Facilities in the percentage interest specified in this Declaration.

ARTICLE II - COMMON AND LIMITED COMMON AREAS AND FACILITIES:

The Common and Limited Common Areas and Facilities shall be used in accordance with and subject to the following provisions:

a. **COVENANT AGAINST PARTITION:** In order to effectuate the intent hereof and to preserve the condominium and the condominium concept of ownership, the Property shall remain undivided and no Person, irrespective of the nature of his Interest in the Property, shall bring any action or proceeding for partition or division of the Property or any part thereof until the termination of the Declaration in accordance with the provisions herein contained or as required by Law.

b. **RULES AND REGULATIONS PROMULGATED BY ASSOCIATION:** No Person shall use the Common or Limited Common Areas or Facilities or any part thereof in any manner contrary to the Rules and Regulations pertaining thereto as from time to time may be amended and outlined by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right but not the obligation, to promulgate Rules and Regulations limiting the use of the Common Areas and Facilities. Said Rules and Regulations shall be subject to change, amendment or

rescission by action of the Board of Directors and shall be enforced in accordance with the provisions of this Declaration.

c. COLLECTION OF EXPENSES: Expenses incurred or to be incurred for the maintenance, repair, replacement, alteration, management and operation of the Common and Limited Common Areas and Facilities shall be collected from Unit Owners in such amounts as may be assessed in accordance with the provisions contained herein. Expenses incurred or to be incurred for the maintenance, repair, replacement, alteration, management, operation or furnishing of services for the Limited Common Areas may be assessed to those Unit Owners using such Limited Common Areas or receiving such services as determined by the Board of Directors.

d. USE OF COMMON AND LIMITED COMMON AREAS AND FACILITIES: Subject to the Rules and Regulations from time to time pertaining thereto, all Unit Owners may use the Common Areas and Facilities in such manner as will not restrict, interfere with or impede the use thereof by other Unit Owners. All Unit Owners having an interest in the Limited Common Areas and Facilities may use such areas and facilities in such a manner as will not restrict, interfere with or impede the use thereof by other Unit Owners having an interest therein.

ARTICLE III - SHARES OF UNIT OWNERS:

The shares of the Unit Owners in the Common and Limited Common Areas and Facilities shall be the percentage amounts as set forth in the Statement of Interest below. The shares of the Unit Owners may be altered only by Amendment to this Declaration executed in a form for recording by all of the Unit Owners and first mortgagees of such Owners. No such alteration shall affect the lien of prior recorded mortgages unless the written consent of the holder of such mortgage is obtained and recorded. The Share of a Unit Owner in the Common and Limited Common Areas and Facilities are appurtenant to that Unit Owner's Unit, and inseparable from Unit ownership.

Statement of Interest

The Share of each Unit Owner in the Common and Limited Common Areas and Facilities shall be equal to one sixty fourth (1/64th) of the ownership interest in the total Common and Limited Common Area and Facilities.

ARTICLE IV - MAINTENANCE, REPAIR, REPLACEMENT AND ALTERATION OF UNITS AND COMMON AND LIMITED COMMON AREAS:

a. BY THE UNIT OWNER:

1. Maintenance, Repair and Replacement. It shall be the responsibility of the Unit Owner to maintain, repair and replace, at the Unit Owner's expense, all portions of the Unit within the boundaries of the Unit as described in this Declaration, except only for windows and Unit access doors, and

for those portions and items for which the responsibility for maintenance, repair and replacement is the specific responsibility of the Association under this Declaration. In addition, it shall be the responsibility of the Unit Owner to maintain, repair and replace, at the Unit Owner's expense, all parts of the garage stall designated to that specific Unit Owner, the overhead garage door (including glass, if any), and door operator appurtenant to that Unit Owners Unit (if any), and all heating and air conditioning units (subject to the right and not the obligation of the Association to perform preventative maintenance thereon pursuant to this Declaration, even though some part or all of the foregoing may be located outside of the boundaries of the Unit, which in each case service the Unit Owner's Unit, provided however, that the Unit Owner shall secure the prior written approval of the Association as to the Person selected by the Unit Owner to perform all Work.

2. Alterations. A Unit Owner may alter any portion of the Unit within the boundaries of the Unit as described in this Declaration, except that:

- a. No alteration shall be made of any portion of the Unit for which the responsibility for maintenance, repair or replacement is the specific responsibility of the Association under this Declaration.
- b. No alteration shall be made to any portion of the Unit which would or may jeopardize or impair the safety, soundness, soundproofing, fireproofing or structural integrity of the Unit or the Building, or which would in any manner affect the use, possession or occupancy of other Units within the Building, or the Building itself.
- c. Security alarm systems utilizing on site audio or visual alarms (i.e. sirens, bells and or flashing lights) are prohibited.

3. General Obligations and Restrictions. In the performance of the Unit Owner's obligations and the exercise of the Unit Owner's rights as set forth herein, each Unit Owner shall be bound by the following general obligations and restrictions:

- a. No Unit Owner shall have the right to maintain, repair, replace alter, paint or decorate any portion of a Building or any other Common or Limited Common Area which are not within the boundaries of the Unit Owner's Unit as described in this Declaration (including patios, balconies, garage stall, if any), or which are within the boundaries but with respect to which the Association has the responsibility for maintenance, repair, replacement and alteration under this Declaration (i.e. Unit Owners are prohibited from painting or otherwise altering or replacing exterior Unit access doors, windows or window

frames, and from installing window screens, awnings or storm/screen doors).

- b. All Unit Owners shall have the responsibility to promptly report to the Association or its Agent any defect or need for maintenance, repair, replacement, the responsibility for which is with the Association under this Declaration.
- c. No Unit Owner shall have the right to impair any easement whatsoever.
- d. It shall be the responsibility of each Unit Owner to promptly notify the Association, in writing, of any intended alteration contemplated, prior to the commencement of same. No alteration shall be made without the express written approval of the Board of Directors of the Association, after consideration by said Board of Directors to determine whether said proposed alteration is in accordance with the provisions of this Declaration. A proposed alteration under this Article shall be deemed to have been approved in writing by the Board of Directors in the event the Board of Directors has not acted within sixty (60) days from the date of the Unit Owner's notice.
- e. All Unit Owners shall perform their responsibilities in such a manner as to not unreasonably disturb Occupants residing within the Building.

b. BY THE ASSOCIATION:

1. Maintenance, Repair and Replacement Of Common Areas and Facilities.

It shall be the responsibility of the Association to maintain, repair and replace all portions of the Common and Limited Common Areas and Facilities located outside of the boundaries of the Units as described in this Declaration, except for those which are the responsibility of the Town or any other governmental agency or body.

2. Maintenance, Repair and Replacement of Portions of the Condominium Located Within the Boundaries of Units.

It shall be the responsibility of the Association to maintain, repair and replace within the boundaries of each Unit as described in this Declaration, all portions of the Building structure and all portions of the Unit which contribute to the support of the Building and the Unit boundaries and which are otherwise in common use, including, but not limited to, load bearing walls, windows (other than cleaning), Unit access doors (provided, however, that the cost and expense of the maintenance, repair and replacement of windows and Unit access doors shall be the obligation of the Unit Owner by way of Special Assessment as provided for herein), all commonly used

conduits, ducts, piping, plumbing, wiring and other facilities for the furnishing of utilities, communications, television and security services, but excluding all appliances, plumbing fixtures, electrical and lighting fixtures, telephone and intercommunication systems, heating and air conditioning units and circuit breaker panels; but shall also include all incidental damage caused to the Unit by such work as may be done or caused to be done by the Association in accordance with this Article. Notwithstanding the foregoing, the Association may engage in a preventative maintenance program for the heating and air conditioning units servicing individual Units, the cost and expense of which shall be paid by the Unit Owners by way of a special Assessment pursuant to this Declaration.

3. **Alterations and Improvements.** The Association shall have the right to make or cause to be made such alterations and improvements to the Common and Limited Common Areas and Facilities as it may deem necessary, provided that the making of such alterations and improvements are first approved by the Board of Directors of the Association. If required by law or contract, the approval of the first mortgagees of individual Units shall also be obtained. In the event Unit Owners request that alterations and improvements be made, the cost of making such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than eighty per cent (80%) of the Board of Directors, such alterations and improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Owners requesting same. In that event, the requesting Unit Owner(s) shall be assessed therefore in such proportions as they approve jointly, and failing such agreement, in such proportions as may be determined by the Board of Directors of the Association. The terms "alteration and improvement" as used in this paragraph shall not be construed to include repair or replacement due to casualty loss or damage as defined under this Declaration.

4. **General Obligations and Restrictions.** The following shall apply to the Association in the performance of its obligations and the exercise of its rights as set forth in this Article IV:

- a. Nothing herein contained shall be construed so as to preclude the Association from delegating to persons, firms, or corporations of its choicer such duties as may be imposed upon the Association under this Article as are approved by the Board of Directors of the Association.

b. Nothing herein contained shall be construed so as to impose a contractual liability upon the Association or the individual member of the Board of Directors. Neither the Association nor the individual officers or members of the Board of Directors thereof shall be liable for damage of any kind except those resulting from willful misconduct or bad faith.

c. BY THE TOWN.

1. Maintenance, Repair and Replacement of Storm Water Drainage Facilities

The Town of Merrillville shall have the right, but not the obligation, to maintain, repair and replace the storm water drainage facilities wherever located on the Real Estate, including the storm water detention/retention areas, upon the failure of the Association to do so in accordance with the standards of the Town. Prior to the exercise of such right by the Town, the Town shall give the Association written notice of such failure by the Association, specifying in detail those steps needed to cure such failure and giving the Association at least thirty (30) days within which to cure, or to commence to cure, such failure.

2. Town Costs and Expenses. The Association shall be obligated to reimburse the Town for all costs and expenses incurred by the Town in the exercise of its rights under this Provision.

ARTICLE V - DESCRIPTION OF UNITS.

a. REAL PROPERTY. Each Unit, the space within it as shown on the Plans, and all appurtenances thereto, shall for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the Property, except as otherwise provided for in this Declaration and the Act.

b. BOUNDARIES. Each Unit shall be bounded as to both horizontal and vertical boundaries as shown on the Plans subject to such encroachments as are contained in the Building whether the same exist now or are created by construction, settlement or movement of the Building, or permissible repairs, reconstruction or alterations. Said boundaries are intended to be as follows:

1. Horizontal Boundaries:

a. The planes formed by the interior surface of the unfinished drywall ceiling above and abutting the Unit.

b. The planes formed by the interior top surfaces of the flooring below the finished floor covering and abutting the Unit.

2. Vertical Boundaries:

a. The planes formed by the interior surfaces of the unfinished drywall of the boundary walls of each Unit.

c. INTERPRETATION. In interpreting deeds, mortgages and the Plans, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original constructions plans and specifications thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in a deed, mortgage or the Plans, regardless of settling or lateral movement of the Building and regardless of minor variance between the boundaries shown on the Plans or in the deed and those of the Building.

d. APPURTENANCES. Each Unit shall include and the same shall pass with each Unit as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the rights, title and interest of a Unit Owner in the Property, which shall include but not be limited to:

1. An undivided Share of the Common and Limited Common Areas and Facilities, as provided in this Declaration.
2. The heating and air conditioning system located outside of the boundaries of the Unit.
3. Easements for the benefit of the Unit.
4. The patio, balcony, garage parking space(s) and storage areas designated herein on the Plans as Limited Common Areas.
5. Association membership and funds and assets held by the Association for the benefit of the Unit Owner.
6. All other rights and obligations of a Unit Owner under the Condominium Documents.

e. EASEMENTS. Each Unit, the boundaries thereof and the appurtenances thereto shall be subject to the easements established pursuant to the provisions of this Declaration.

ARTICLE VI - ESTABLISHMENT OF EASEMENTS.

The following easements which shall run with the land are hereby established for the benefit of the Unit Owners and the Association:

- a. **INGRESS AND EGRESS:** Easements over, across, under and through the Common and Limited Common Areas and Facilities for ingress and egress for all Occupants and other Persons making use of such Common and Limited Common Areas and Facilities in accordance with the terms of the Condominium Documents.
- b. **MAINTENANCE REPAIR AND REPLACEMENT:** Easements for the benefit of the Association over, across, under and through the Units and Common and Limited Common Areas and Facilities for inspection, maintenance, repair and replacement of the Units and Common and Limited Common Areas and Facilities.
- c. **STRUCTURAL SUPPORT:** Every portion of a Unit which contributes to the structural support of the building in which it is located shall be burdened with an easement of structural support for the benefit of the Units and the Common and Limited Common Areas and Facilities.
- d. **UTILITIES:** Easements for the benefit of the Association over, across, under and through the Units and Common and Limited Common Areas and Facilities for all facilities for the furnishing of common utility, communication and security services within the Buildings, which facilities shall include, but not be limited to, conduits, ducts, plumbing and wiring, provided however, that the easements for such facilities through a Unit shall be substantially in accordance with the construction plans and specifications for the Buildings.
- e. **EMERGENCY EASEMENTS OF INGRESS AND EGRESS:** Easements over, across, under and through all doors, access areas, and windows whenever reasonably required for emergency ingress and egress. Unit Owners shall not install or allow to be installed locks, security devices or other equipment which will or might impair such easement unless otherwise provided in the Rules and Regulations of the Association.
- f. **REASONABLE ACCESS:** use of any of said easements for access to Units shall be limited to reasonable hours except in cases of emergency.
- g. **EASEMENTS FOR ENCROACHMENTS:** All of the Property shall be subject to easements for any encroachments which may now or hereafter exist that are caused by settlement or movement of any improvements upon the Property or any improvements contiguous thereto or that are caused by minor inaccuracies in the construction, repair or replacement or alterations of such improvements. This easement shall continue until the encroachments no longer exist.

h. EASEMENT FOR COMMON FACILITIES: Each Unit Owner shall have an easement in common with each other to use all pipes, wires, ducts, cables, conduits, utility lines and other Common Facilities located in any of the other Units which also serve the Unit Owner's Unit.

i. ADDITIONAL EASEMENTS: The Association is granted the authority to grant easements to utility companies upon such terms and conditions and for such consideration as it deems appropriate.

j. TERMINATION OF EASEMENTS: All easements established herein except the easement for encroachment shall terminate on the date this Declaration is terminated as provided for herein.

ARTICLE VII - USE RESTRICTIONS.

In order to further the plan to promote and protect the cooperative aspects of ownership, to provide for a congenial occupation of the Property, to provide for the protection of the values of the Units, to facilitate the proper administration of the Property, and to provide a first class, safe, healthy, happy, quiet and restful living environment, the use of the Property shall be subject to the following provisions:

a. USE OF UNITS: The Units shall be used only as residences with no more than two (2) natural persons per bedroom. No separate part of a Unit may be rented, and no trade, business, profession or other type of commercial activity may be conducted in any Unit, or on or in any of the Common or Limited Common Areas, provided however, that Owner and Developer shall be entitled to use the Common and Limited Common Areas and Facilities, and any Unit owned by the Owner or Developer, as an office, model Unit, or for any other business activity related to the development of the condominium and the sale of Units therein for as long as Owner or Developer owns any of the Units.

b. USE OF COMMON AND LIMITED COMMON AREAS AND FACILITIES. The Common and Limited Common Areas and Facilities shall be used as reasonably intended for the enjoyment of the Units and shall be in accordance with the provisions of this Article. Those garage parking and storage spaces designated on Exhibits "A" and "D", respectfully, with numerals or letters which correspond to Unit numerals and letters, are Limited Common Areas for the exclusive use and benefit of the Unit Owner and Occupants of the designated Unit.

c. NUISANCES. No Nuisances shall be allowed upon the Property, nor shall any use or practice be allowed which would annoy residents or interfere with the peaceful possession and proper use of the Property by its residents,

or which will obstruct or interfere with the rights of other Unit Owners or the Association. This provision shall not be construed to prohibit or limit the enforcement of any provision of the Condominium Documents which does not constitute a nuisance or to prohibit the Association for adopting Rules and Regulations prohibiting conduct which does not constitute a nuisance.

- d. **LAWFUL USE.** No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Unit Owners and the Association of complying with the requirements of governmental bodies regarding the maintenance, repair, replacement or alteration of the Property shall be the same as provided for in Article IV of this Declaration.
- e. **INSURANCE.** A Unit Owner shall not permit or suffer anything to be done or kept in the Owner's Unit which will increase the insurance rates on that Unit, the Common or Limited Common Areas or Facilities or any portion of the Property.
- f. **SIGNS, ANTENNAE AND LINES.** No Unit Owner shall display any sign, advertisement, political election material, or notice of any type (1) on the exterior of a Unit, or (2) on the interior of a Unit which is visible from the exterior of a Unit, or (3) on the Common or Limited Common Areas or Facilities, or (4) any other portion of the Property. No Unit Owner shall erect any exterior antennae or aerials, satellite dishes or any other device upon a Unit, the Common or Limited Common Areas or Facilities or any portion of the Property, except that satellite dishes of 20" in diameter or less, may be permitted and the location determined at the sole discretion of the Association and or the Rules and Regulations that may govern same. No clothesline or other similar device shall be allowed on any portion of the Property. Notwithstanding the foregoing, the Owner and Developer shall be entitled to post signs advertising the Units for sale in locations and of sizes and configurations deemed appropriate by them, so long as they own any Unit.
- g. **PETS.** A Unit Owner may not keep, raise or breed any pets, animals, livestock or poultry in a Unit, nor may any of the same be raised, bred or kept upon the Common or Limited Common Areas or Facilities or any portion of the Property, except as may be provided from time to time in the Rules and Regulations of the Association.

h. **RULES AND REGULATIONS.** Rules and Regulations concerning the use of the Property shall be promulgated and amended by the Association acting by and through its Board of Directors, each of which shall be deemed to be incorporated herein by reference and made a part hereof, as amended from time to time; provided however, copies of all such Rules and Regulations shall be furnished to each Unit Owner prior to the time that same shall become effective. The initial Rules and Regulations are attached hereto, made a part hereof and marked as Exhibit "E". The Rules and Regulations set forth on Exhibit "E" and all Rules and Regulations promulgated from time to time shall be deemed to be reasonable and enforceable, so long as they bear any relationship to the safety, health, happiness and enjoyment of life of all of the Unit Owners, are in furtherance of a plan to provide for the congenial occupation of the Property, to promote and protect the cooperative aspects of ownership, the value of the Units, and/or to facilitate the administration of the Property as a first class, safe, healthy, happy, quiet and restful residential community, and are not arbitrary and capricious. The Board of Directors of the Association is hereby granted the specific power and authority to enforce said Rules and Regulations in accordance with the provisions of this Declaration.

i. **LEASES.** The leasing of Units is permitted only when approved by the Board of Directors. The Association through the Board of Directors shall have the right to promulgate and adopt Rules and Regulations to regulate and limit the right of Unit Owners to lease Units, which are more restrictive than those set forth in this Declaration of Condominium. Under no circumstances shall a Unit be subleased. Under no circumstances shall a Unit be leased for transient, hotel or motel purposes. In the event a Unit is to be leased, the Unit Owner of such Unit agrees that the lease shall be in such form, and shall contain all of the provisions, if any, as prescribed by the Rules and Regulations. If any lease does not comply with the restrictions and limitations of this Article, or with the Rules and Regulations, it shall be invalid, and the Association shall have the right to evict and eject any Occupant claiming a right of possession under such invalid lease, and to seek damages and all other legal and equitable remedies from the Unit Owner or Occupant.

j. **HAZARDOUS SUBSTANCES.** Occupants are prohibited from storing, using, or permitting the storage or usage of gasoline, oil, kerosene, or any combustible fuel, or inflammable fluid or liquid on the Property.

Occupants are prohibited from using, generating, manufacturing, producing, storing, releasing, discharging or disposing of, on, under or about the Property, or transporting to or from the Property, any Hazardous Substance

(as defined below), or allow any other Person to do so except in amounts and under conditions permitted by applicable laws. Notwithstanding any term or provision of the Condominium Documents to the contrary, each Unit Owner, and the Occupants of that Unit Owner's Unit, shall be solely responsible for the safe, proper and legal disposal of all Hazardous Substances from that Unit. Occupants are prohibited from depositing or placing in any common garbage, trash or refuse receptacle provided by the Association, any Hazardous Substance. Each Unit Owner and each Occupant shall keep and maintain that Unit Owner's Unit in compliance with and shall not cause or permit that Unit, or any of the Common or Limited Common Areas or Facilities, or any other part of the Property, to be in violation of any Environmental Law (as defined below). The Association may inspect and test each Unit in the event that the Association obtains reasonable cause to believe that there exists a violation of any Environmental Law, and all reasonable expenses of such inspection or testing which the Association conducts, which shall disclose a violation of any Environmental Law shall be reimbursed to the Association as a Special Assessment. Each Occupant shall give prompt written notice to the Association of:

1. Any proceeding or inquiry by any governmental authority with respect to the presence of any hazardous substance on the Property, or the migration thereof from or to other properties;
2. All claims made or threatened by any third party against the Occupant or the Property relating to any loss or injury resulting from any Hazardous Substance; and
3. Occupant's discovery of any Hazardous Substance or any occurrence or condition on any real property adjoining or in the vicinity of the Property that could or may cause the Property or any part thereof to be subject to any restriction on the ownership, occupancy, transferability or use of the Property under any Environmental Law, including, without limitation, Occupant's discovery of any Hazardous Substance, or any occurrence or condition on any real property adjoining or in the vicinity of the Property.

The Association and any Unit Owner shall have the right to join and participate in as a party, if it so elects, any legal proceedings or actions initiated against any Occupant with respect to the Property in connection with any Environmental Law. The Unit Owner and each Occupant shall protect, indemnify and hold harmless the Association, and all other Unit Owners and Occupants, and each of the members, directors, officers, employees, agents and successors and assigns of the Association and of each other Unit Owner and Occupant, from and against any and all loss, damage, cost, expense or liability

(including attorneys fees and expert witness fees and costs), directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threaten to release, discharge, disposal, or presence of a Hazardous Substance as a result of the acts or omissions of that Unit Owner or Occupant, on, under or about the Property, including without limitation (a) all foreseeable consequential damages; and (b) the cost of any required or necessary repair, clean up, or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the termination of the Declaration of Condominium for any reason, provided however, that nothing herein shall be construed or interpreted as a covenant by any Unit Owner or Occupant to Protect, indemnify or hold any other Unit Owner or Occupant harmless from the acts or omissions of any other Unit Owner or Occupant, or any third parties, with regard to the presence of Hazardous Substances on or about the property, whether or not such presence of Hazardous Substances are in violation of any Environmental Law.

In the event that any investigation, site monitoring, containment, clean up, removal or restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable or is required under any applicable local, state or federal law, regulation, or any judicial order, or by any government or non-governmental entity, or Person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a Hazardous Substance in or into the air, soil, groundwater, surface water, or soil vapor at, on, about, under or within the Property, or any portion thereof, as a result of the acts or omissions of a Unit Owner or Occupant, that Unit Owner or Occupant shall within thirty (30) days after written demand, or such shorter period time as provided for by law, for performance thereof by the Association or any other Unit Owner or Occupant, commence and thereafter diligently prosecute to completion, all such Remedial Work. All costs and expenses of such Remedial Work shall be paid by such Unit Owner or Occupant, including without limitation, the reasonable attorneys fees and expert witness fees and engineering fees and costs incurred by such other Unit Owner or Occupant, or the Association, in connection with the monitoring or review of such Remedial Work. In the event that any such Unit Owner or Occupant shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, either the Association, or any other Unit Owner or Occupant may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall be paid and reimbursed to the Association or such Unit Owner or Occupant.

Each Unit Owner represents and warrants to the Association and to each other Unit Owner, with these warranties surviving the conveyance of the Unit Owner's interest in its Unit; that:

1. Unit Owner has not been and is not now required by any Environmental Law to obtain any permits or license to construct or use any improvements, fixtures or equipment to be used on or made a part of the Property.
2. Unit Owner's present and intended use of the Property will not result in disposal or release of any Hazardous Substance on, to or from the Property.

"Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions, under or about the Property including without limitation the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. Sections 8601 et seq. and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.

The term "Hazardous Substance" includes without limitation, those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances", or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq., and in the regulations promulgated pursuant to said laws, and "PCB's" and regulated friable asbestos.

k. PARKING. All vehicles shall be parked only in the garage or upon paved areas designed and marked for vehicle parking. Parking is prohibited in driveways and other vehicle traffic flow areas. Vehicles shall not be driven or parked on unpaved areas. No more than two (2) vehicles per unit shall be allowed to be kept on the Property. If the Occupants of a Unit have only one (1) vehicle among them, it shall at all times be parked in the garage parking space for that Unit, and not in the exterior parking areas, except for temporary parking. The term "Vehicle" as used herein shall include only automobiles, pick up trucks and vans of one (1) ton capacity or less, motorcycles, motor bikes, and bicycles, all of which are licensed, operable and in good working order, and which are used for personal transportation purposes only. All other kinds and types of recreational vehicles (including but not limited to) boats and campers and commercial vehicles (except those making deliveries or pick ups or moving Occupants in or out of Units or which may be necessary or convenient for the maintenance, replacement or repair of the Property or for the construction of the Buildings and other improvements on the Property), are not allowed at any time on the Property.

l. INDEMNIFICATION. Each Occupant of a Unit, whether or not a Unit Owner, shall indemnify and hold the Association, and all other Occupants and Unit Owners harmless, from and against any and all claims, demands, liabilities, damages, costs, expenses including attorneys fees and expert witness fees) and suits at law or in equity, of whatever nature, kind, extent, character, description or duration, including but not limited to, those claims for death and bodily injury arising directly or indirectly out of the willful, wanton, grossly negligent or negligent acts or omissions of such Occupant in the use or occupancy of the Common and Limited Common Areas and Facilities, or

directly or indirectly out of the use or occupancy of the Common and Limited Common Areas and Facilities in violation of the terms and provisions of the Condominium Documents, including but not limited to, the terms and provisions of this Declaration, and any Rules and Regulations promulgated by the Association.

ARTICLE VIII - CONVEYANCES.

Written notice of the transfer of any interest in a Unit by sale, lease, mortgage or otherwise shall be given to the Association. Such notice shall be addressed to the Treasurer of the Association and shall state (1) the number of the Unit being transferred, (2) the nature of the transfer, as a sale, lease, mortgage, gift or otherwise, (3) the date of the transfer, (4) the identity of the transferee(s), including full legal name(s) as they appear on the instrument of transfer, and (5) the street address of each transferee. The notice shall also include a copy of the recorded, if applicable, instrument of transfer. Failure to provide such notice in the form and as otherwise required by the foregoing shall result in the levy of a Special Assessment against the Unit Owner in an amount sufficient to compensate the Association for all costs and expenses paid or incurred in obtaining information from other sources.

ARTICLE IX - ADMINISTRATION.

The administration of the Property shall be governed by the following provisions:

1. Organization of Association. The Association shall be incorporated as an Indiana non-profit corporation pursuant to the Articles of Incorporation, a copy of which is attached hereto as Exhibit "B", until same are amended by law.
2. By-Laws of Association. The By-Laws of the Association shall be in the form attached as Exhibit "C" until same are amended in the manner as provided for therein.
3. Rules and Regulations. The Rules and Regulations shall be those Rules and Regulations attached as Exhibit "E" until same may be amended.
4. Powers of Association. The duties and powers of the Association shall be those set forth in this Declaration, the Articles of Incorporation, the By-Laws, the Rules and Regulations, and the Act, together with those duties or powers reasonably implied to effectuate the purposes of the Association and of this Declaration. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation, the By-Laws, or the Rules and Regulations, then the terms and provisions of this Declaration shall prevail and the Unit Owners shall vote to approve any amendment to the Articles of Incorporation, By-Laws and/or Rules and Regulations that will remove or correct any such conflict or inconsistency. The duties and powers of the Association shall be exercised in the manner provided in the Articles of Incorporation, the By-Laws and the Rules and Regulations. Any duty or power of the Association which is granted by this Declaration shall be so exercised in accordance with the Articles of Incorporation, By-Laws and Rules and Regulations of the Association. Subject to the limitations set forth

herein, the Board of Directors of the Association shall have the power to adopt rules and regulations restricting the use of outdoor parking spaces, which can be changed and modified only in the manner provided in this Declaration.

5. **Notices.** Notices or demands shall be given by Unit Owners to the Association in the manner provided by the By-Laws of the Association.

ARTICLE X - INSURANCE.

Insurance Coverage shall be provided for the Property and the Association in accordance with the following provisions:

- a. **Authority.** All insurance policies providing coverages for the Property and the Association except as hereinafter provided shall be purchased by the Association for the benefit of the Unit Owners and their respective mortgagees as their interests may appear. Certificates of Insurance for said policies shall provide mortgage endorsements to the holders of first mortgages on the Units. If agreeable to the insurance companies, the policies shall also provide that the insurer shall waive its rights of subrogation as to any claim against Unit Owners, the Association and their respective servants, agents, and guests. All insurance policies purchased by the Association and endorsements thereto shall be deposited with the Insurance Trustee, as hereinafter defined, who shall acknowledge that the policies and any proceeds therefrom will be held in accordance with the terms hereof.
- b. **Unit Owners.** Each Unit Owner shall obtain at his sole expense, Condominium Unit Owners Homeowners Policy (Form 6) insurance providing coverage for personal property, personal liability and real property additions, alterations, fixtures, improvements, or installations which are located within the boundaries of the Unit, naming the Association as an additional insured as to liability coverage. All said insurance shall contain, if agreeable, the same waiver of subrogation as that referred to in sub paragraph (a) hereof and the insurance should be obtained, if at all possible and as a matter of preference, from the same insurance company that the Association obtains coverage against the same risk, liability or peril, if the Association has such coverage. A Certificate of the foregoing insurance coverage's shall be filed with the Association by each Unit Owner within fifteen (15) days after each such policy is issued and renewed, but in any event not less than annually. The Association shall not be required to provide insurance coverage for any liability assumed by the Unit Owner pursuant to this sub paragraph.

c. **Coverage.**

1. **Casualty.** The Property including the Buildings, the Units, and all other insurable improvements upon the Real Estate and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (i.e. one hundred percent (100%) replacement value coverage exclusive of excavation and foundations) as determined annually by the insurance company providing such coverage.

The coverage shall provide protection against:

- a. loss or damage by fire or other hazards covered by the standard extended coverage endorsement;
- b. such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Buildings, including but not limited to, vandalism, malicious mischief, windstorm and damage due to water, ice and snow accumulation.

2. **Liability.** Public Liability and Property Damage in such amounts and in such forms shall be required by the Association, including but not limiting the same to water damage, legal liability, hired automobiles, non-owned automobiles and off premises employee coverage. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner.

3. **Worker's Compensation.** Worker's compensation policy to meet the requirements of law.

4. **Errors and Omissions.** Errors and Omissions liability coverage for the benefit of the Directors and Officers of the Association as determined from time to time by the Board of Directors of the Association.

d. **Premiums.** Premiums upon insurance policies purchased by the Association shall be paid by the Association and assessed to the Unit Owners as a Common Expense.

e. **Beneficiary of Policies.** All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees as their respective interests may appear. The insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association as insurance trustee (herein the "Insurance Trustee"). Notwithstanding the foregoing, the Association is hereby granted the power and authority to appoint a bank or other institution in the State of

Indiana with trust powers to act as its successor Insurance Trustee, by written resolution of the Board of Directors of the Association.

f. **Insurance Trustee.** An Insurance Trustee other than the Association shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies or the failure to collect any insurance proceeds. The duty of any Insurance Trustee shall be to receive such insurance proceeds for the benefit of the Association, the Unit Owners and their respective mortgagees, as follows:

1. **Common and Limited Common Areas and Facilities.** Insurance proceeds received on account of damage to Common and Limited Common Areas and Facilities shall be held by the Insurance Trustee for the benefit of the Unit Owners and their mortgagees in the same percentage Share as appears in the Statement of Interest contained herein.

2. **Units.** Insurance proceeds received on account of damage to Units shall be held by the Insurance Trustee for the benefit of the Unit Owners and their mortgagees as follows:

- a. In the event a Building is to be reconstructed or repaired pursuant to the provisions of Article XI hereof, the insurance proceeds shall be held by the Insurance Trustee for the benefit of the Unit Owners of the damaged Units and their respective mortgagees in proportion to the cost of repairing the damage sustained by each Unit. Upon the request of the Insurance Trustee the appropriate portions of the proceeds of insurance and each Unit Owner and his mortgagee shall be bound by the Association and the Insurance Trustee may rely upon such certification.
- b. In the event a Building is not to be reconstructed or repaired pursuant to the provisions of Article XI hereof, the insurance proceeds shall be held for the benefit of the Unit Owners and their mortgagees in the same percentage Shares as shown in the Statement of Interest contained herein.

3. **Mortgages.** In the event a mortgagee endorsement has been issued, the percentage Share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their respective interests may appear.

g. **Proceeds of Insurance.** Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Unit Owners and their mortgagees after first paying or making provision for the payment of the expense of the Insurance Trustee in the following manner:

1. **Reconstruction or Repair.** In the event a Building is to be reconstructed or repaired as provided for in Article XI hereof, the proceeds shall be paid to cover the cost thereof as hereinafter provided. Any proceeds remaining after paying such costs shall be retained by the Association in the Common Capital Expense Fund, and allocated to such accounts therein as the Board of Directors deems appropriate. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by it.

2. **Failure to Reconstruct or Repair.** In the event a Building is not to be reconstructed or repaired pursuant to Article XI hereof, the insurance proceeds shall be distributed to the Unit Owners and their mortgagees. Any payment to Unit Owners and their mortgagees shall be made jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by it.

3. **Certificate.** In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Unit Owners and their respective percentage Shares of the distribution. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate to the Insurance Trustee.

ARTICLE XI - RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE.

a. **DECISION TO RECONSTRUCT OR REPAIR.** In the event the Property suffers damage due to casualty, a special meeting of the Unit Owners shall be convened to determine whether or not there has been a total destruction of all of the Buildings. At such meeting a vote of two-thirds (2/3) of the Unit Owners shall be necessary to determine that a total destruction of all of the Buildings has occurred.

1. **Total.** In the event the Unit Owners determine that all of the Buildings have been totally destroyed, the Buildings shall not be reconstructed and the insurance proceeds shall be divided among the Unit Owners in the percentage by which each Unit Owner owns an undivided interest in the Common Areas and Facilities as set forth in the Statement of Interest contained herein. The Property shall be considered to be removed from the condominium under Indiana Code 32-1-6-28 and the condominium shall be terminated under the provisions of this Declaration and shall be subject to the provisions of Indian Code 36-1-6-21 unless by a vote of two-thirds (2/3) of the Unit Owners a decision is made to rebuild all the Buildings.

2. **Partial.** In the event the Unit Owners determine that all of the Buildings have not been totally destroyed, or if totally destroyed that they shall be rebuilt, the damage shall be repaired as hereinafter provided.

3. **Certificate.** The Insurance Trustee may rely upon a certificate of the Association certifying as to whether or not the Building(s) is (are) to be reconstructed or repaired. The Association upon the request of the Insurance Trustee, shall deliver such certificate as soon as practical.

b. **PLANS AND SPECIFICATIONS: ENCROACHMENTS.** Any reconstruction or repair of the Property shall be substantially in accordance with the construction plans and specifications for the original construction of the Property. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Unit Owner upon whose Unit such encroachment exists, provided that such reconstruction was in substantial accordance with the construction plans and specifications for the original construction of the Property. Such encroachments shall be allowed to continue in existence for as long as the Buildings stand.

c. **RECONSTRUCTION BY ASSOCIATION.** The Association shall repair or reconstruct that portion of the Property which the Association has the responsibility for maintaining, repairing or replacing after it has been determined to reconstruct or repair the damage under the provisions of Article XI, in the following manner:

1. **Estimate of Costs.** Immediately after a casualty causing damage to the Property, the Association shall obtain reliable and detailed estimates of the cost to repair or reconstruct the Property. Such costs may include professional fees and premiums for such bonds as the Board of Directors may require.

2. **Assessments.** If the proceeds of insurance are not sufficient to pay the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) then Assessments shall be made by the Board of Directors against all Unit Owners in sufficient amounts to provide funds to pay the difference between the insurance proceeds and the estimated costs of reconstruction and repair. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, additional Assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs.

3. **Construction Funds.** The funds for the payment of the costs of reconstruction and repair consisting of the proceeds of insurance held by the Insurance Trustee and fund collected by the Association from Assessment against Unit Owners, if any, shall be disbursed in payment of such cost in the following manner:

a. **Association.** If the amount of the estimated costs of reconstruction and repair exceeds the total of the annual Assessments for the Common Expense Account set forth in Article XIII made during the year in which the casualty occurred, then the funds collected by the Association from Assessments against Unit Owners to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the funds collected by the Association from Assessments against Unit Owners and disburse the same in payment of the costs of reconstruction and repair.

b. **Insurance Trustee.** The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from Assessments collected against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of the reconstruction and repair in the following manner:

1. **Unit Owner.** The portion of insurance proceeds received as a result of damage to a Unit for which the Unit Owner has the responsibility of reconstruction and repair, shall be disbursed to such contractors, suppliers and personnel that work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the Unit Owner may direct, or if there is a mortgage endorsement, then to such payee as the Unit Owner and the first mortgagee jointly direct. Nothing contained herein however, shall be construed so as to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

2. **Association - Minor Damage.** If the amount of the estimated costs of reconstruction and repair is less than the total of the annual Assessments for the Common Expense Account set forth in Article XIII herein, made during the year in which the casualty occurred then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors, provided however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of

which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

3. Association - Major Damage. If the amount of the estimated costs of reconstruction and repair is more than the total of the annual Assessments for the Common Expense Account set forth in Article XIII herein, made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association with approval of an architect or professional engineer qualified to practice in the State of Indiana and employed by the Board of Directors to supervise the work.

4. Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund was established, such balance shall be allocated as heretofore provided in Article X of this Declaration.

5. Division of Proceeds. When the damage is to both Common and Limited Common Areas and Facilities and Units, the insurance proceeds shall be applied first to the costs of repairing the Common and Limited Common Areas and Facilities and the balance to the Units in the manner to be determined by the Board of Directors.

c. Insurance Adjustments. The Board of Directors is hereby irrevocably appointed agent for each Unit Owner to adjust with insurance companies all claims arising under policies purchased by the Association in which Unit Owners have or may have an interest, subject to the rights of mortgagees of such Unit Owners.

ARTICLE XII - TAXES AND SPECIAL ASSESSMENTS

a. ASSESSMENT OF TAXES. Taxes, assessments, sanitary sewer surcharges and other charges or liens of the State of Indiana, any political subdivision thereof, any special improvement district, or any other taxing or assessing authority shall be assessed against and collected on each individual Unit and paid by each Unit Owner.

b. **PAYMENT BY ASSOCIATION.** During the period of time that taxes, special government assessments and other charges or liens upon the Property or any portion thereof are not assessed to individual Unit Owners, then the taxes, government assessments, sanitary sewer surcharges and other charges shall be included in the annual budget of the Association and shall be paid by the Association as a Common Expense. The Association shall assess each Unit Owner in accordance with the Share of Ownership specified herein.

c. **PERSONAL PROPERTY TAX.** All personal property tax levied or assessed against personal property of the Association and all federal and state income taxes levied or assessed against the Association shall be paid by the Association and shall be included as a Common Expense in the annual budget of the Association.

ARTICLE XIII - ASSESSMENTS

a. **AUTHORITY TO ASSESS.** The Board of Directors of the Association shall assess Unit Owners for their Share of all Common Expenses of the condominium in accordance with their percentage ownership of the condominium as set forth in the Statement of Interest contained herein. The Board of Directors shall also have the authority to assess individual Unit Owners for any expense incurred by the Association as a result of the failure of the Unit Owner to perform any of its responsibilities set forth in the Condominium Documents, or for any intentional or negligent act of the Unit Owner, to the extent the expense is not covered by insurance purchased by the Association, in the manner as set forth in Article XIV.

b. **DETERMINATION OF ASSESSMENT.**

1. **Annual Assessment of Common Expenses.** The Board of Directors of the Association shall prepare and adopt an annual budget of the estimated Common Expenses of the condominium in accordance with the By-Laws of the Association. The total annual Assessment shall be equal to the total estimated Common Expenses contained in said Budget and it shall be paid by the Unit Owners as assessed by the Board of Directors at such times and in the manner to be determined by the Board of Directors.

a. **Maintenance Reserve.**

An maximum amount equal to fifteen percent (15%) of the total annual Assessment may be included in the annual budget, each year, as prepared and determined by the Board of Directors of the Association. Said additional monies shall be designated as a "Maintenance Reserve Fund" which shall be maintained by the Treasurer of the Association for the future maintenance, repair or replacement of any Common or Limited Common Areas or Facilities.

2. **Special Assessment.** The Board of Directors may levy special Assessments from time to time against Unit Owner(s) (a) to pay the cost of extraordinary or unanticipated items of expense not contained in the annual budget, (b) to make up a deficit due to the failure or refusal of other Unit Owners to pay their Assessments, (c) as a sanction against a Unit Owner pursuant to Article XIV, (d) to pay the cost of the maintenance, repair and replacement of windows and unit access doors as required by Article IV, (e) to pay the cost of heating and air conditioning preventative maintenance program allowed under Article IV, or (f) for such other reasons as determined by the Board of Directors which are not inconsistent with the terms of the Condominium Documents or the Act.

3. **Assessment Roll.** The Assessments against all Unit Owners shall be set forth upon a roll of the Units which shall be available in the office of the Association for inspection at all reasonable times by Unit Owners or their fully authorized representatives. The Assessment roll shall indicate for each Unit the name and address of the Unit Owner or Unit Owners, the Assessments for all purposes and the amounts of all Assessments paid and unpaid. A certificate made by the Association as to the status of a Unit Owner's Assessment account shall limit the liability of any Person (other than the Unit Owner) who receives and relies upon such certificate. The Association will issue such certificates to such persons as a Unit Owner may request in writing.

c. **PAYMENT OF ASSESSMENT.**

1. **Liability for Assessment.** The Unit Owners of each Unit shall be personally liable, jointly and severally, for the payment of all Assessments levied by the Board of Directors against their Unit and for all costs of collecting such Assessment including Interest and reasonable attorney's fees. In a voluntary conveyance the grantee of a Unit shall be jointly and severally liable with the Grantor for all unpaid Assessments against the Unit up to the date of conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee thereof. A purchaser of a Unit at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure shall be liable only for the Assessment which become payable after the acquisition of title. Liability for payment of any Assessment may not be avoided by a waiver of use or enjoyment of any Common Area and or Facility or by abandonment of the Unit.

2. **Lien for Assessment.** In the event of the failure of a Unit Owner to pay any Assessment when due, the unpaid amount of said Assessment shall constitute a lien upon the Unit and all appurtenances thereto from the time of said Assessment. This lien shall have priority over all other liens upon the Unit except for tax liens on the Unit in favor of any governmental assessing unit and special district and all sums unpaid on a first mortgage of record on the Unit.

3. **Perfection of Lien.** The Board of Directors shall perfect the lien by filing a notice thereof with the Recorder of Lake County, Indiana and it may foreclose the lien under the laws of the State of Indiana governing mechanic's and material men's liens. The notice shall perfect a lien for all Assessments which are due and unpaid on the date the notice is filed. In the event of foreclosure, the delinquent Unit Owner shall be required to pay a reasonable rental for the Unit and the Association shall be entitled to appointment of a receiver to collect all delinquent Assessments. The Association may also file suit to recover a money judgment for any unpaid Assessments and such action shall not constitute a waiver of the lien securing such unpaid Assessment. If the Board of Directors files a foreclosure action to collect the unpaid Assessments, it shall have the power to bid on the Unit at the foreclosure sale and to acquire and hold, lease, mortgage and convey title thereto.

4. **Application of Payments.** Assessments and installments thereof which are paid more than twenty (20) days after the date when due shall bear interest at the rate of fifteen percent (15%) per annum from the date when due until paid, provided however, that for Assessment installments payable monthly, said interest amounts shall not exceed Ten Dollars (\$10.00) for each late payment and for Assessment installments payable quarterly, said interest amount shall not exceed Twenty five Dollars (\$25.00) for each late payment. All payments upon account shall be applied first to interest and then to the Assessment payment first due. All interest collected shall be credited to the income account of the Common Ordinary Expense Fund.

d. **FUNDS AND ACCOUNTS.** All Assessments collected by the Association shall be placed in either the Common Ordinary Expense Fund or the Common Capital Improvement Fund pursuant to the By-Laws of the Association. The monies collected from the Assessments shall be credited to and paid from appropriate accounts within the funds in accordance with the annual budget adopted by the Board of Directors as follows:

1. **Common Ordinary Expense Fund.** The Common Ordinary Expense Fund shall include the following accounts:

a. **Common Expense Account.** This account shall consist of those Assessments collected from Unit Owners for paying budgeted Common Expenses other than for capital improvements.

b. **Income Account.** This account shall consist of all income received by the Association from the rental or licensing of any part of the Common Areas and Facilities, any interest earned on the Common Ordinary Expense Fund, and all other forms of income except for income earned on the investment of Assessments for the Common Capital Improvement Fund.

c. **Emergency Account.** This account shall consist of those Assessments collected from Unit Owners for paying emergency Common Expenses, other than for capital improvements.

2. **Common Capital Improvement Fund.**

a. **Alteration and Improvement Account.** This account shall consist of those Assessments collected from Unit Owners for alteration and improvements of the Common and Limited Common Areas and Facilities of a capital improvement nature.

b. **Reconstruction and Replacement Reserve Account.** This account shall consist of those Assessments collected from Unit Owners for reconstruction and replacement of the Common and Limited Common Areas and Facilities of a capital improvement nature.

c. **Income Account.** This account shall consist of all income received by the Association from interest earned on the Common Capital Improvement Fund.

d. **Emergency Account.** This account shall consist of those Assessments collected from Unit Owners for paying the costs of emergency capital improvements.

3. **Other Funds.** Such other funds and accounts, including reserve accounts as may be created by the Board of Directors in accordance with generally accepted principles of accounting and the statutes of the State of Indiana.

4. **Title to Funds.** All funds and the titles of all properties acquired by the Association and the proceeds thereof after deducting therefrom the costs incurred by the Association in acquiring same shall be held for the benefit of the Unit Owners for the purposes herein stated.

5. **Use of Income.** All income received by the Association from the rental or licensing of any part of the Common Areas and Facilities from interest bearing accounts and from all other sources shall be used for the purpose of reducing prospective Common Expenses prior to establishing the annual Assessment for Common expenses.

e. **ASSESSMENT EXEMPTION.** Pursuant to Indiana Code 32-1-6-22 (d), the Owner and the Developer are hereby exempt from paying Assessments on unoccupied Units offered for the first time for sale for a period of twelve (12) calendar months beginning with the date of the issuance of a Certificate of Occupancy for any Unit and / or Building following completion of construction of same.

ARTICLE XIV - ENFORCEMENT.

Each Unit Owner and Occupant shall be governed by and shall comply with the terms of all the Condominium Documents and the Rules and Regulations adopted pursuant thereto as they may be amended from time to time. A default or violation by a Unit Owner or Occupant shall entitle the Association or any other Unit Owner or Owners to the following remedies:

a. **Authority and Administrative Enforcement and Procedures.**

1. **Authority.** The condominium shall be sued only for those uses and purposes set out in the Declaration and subject to the covenants and restrictions as set forth herein and in the By-Laws and Rules and Regulations promulgated pursuant to Article VII and elsewhere herein. The Board of Directors shall have the power and the authority to impose reasonable Special Assessments in addition to those provided by Article XIII which shall constitute a lien upon the Unit Owner's Unit and to suspend an Owner's right to use the Common Areas and Facilities, and to vote and to approve other appropriate sanctions in the event that it is determined in accordance with this Article that an Owner or Occupant has violated any provision of this Declaration, the By-Laws or the Rules and Regulations.

2. **Procedure.** The Board of Directors shall not impose a special Assessment, suspend the right to use Common Areas and Facilities, or the right to vote, or infringe upon any other rights of an Owner or Occupant for any such violations unless and until the following procedure is followed:

a. **Demand.** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period of no less than five (5) days, during which the violation may be abated without further sanction.

b. **Notice.** If the violation continues past the period allowed in the demand for abatement without sanction, the Association shall serve the violator with written notice of a hearing. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statements, evidence and or witnesses in his or her behalf, and (iv) the proposed sanction to be imposed.

c. **Hearing.** The hearing shall be held in executive session by the Board of Directors pursuant to the notice affording the violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice, the invitation to be heard, the written result and statements of the sanction shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the office or director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting.

3. **Sanctions:** The Board of Directors power and authority to impose sanctions shall be governed by the following provisions:

- a. All special Assessments imposed upon a violator under this Article shall bear a reasonable relationship to the violation, considering all of the circumstances, which may include but shall not be limited to the following:
 1. The actual costs and expenses incurred by the Board of Directors and the individual directors in the exercise of the power and authority under this Article and in otherwise attempting to remedy the violation.
 2. The amount of the actual damage done to the Common and Limited Common Areas and Facilities, to other Unit Owners and Occupants and/or the Association arising out of the violation or the efforts to remedy the effects of same.

3. The amount which would be reasonably required to compensate the Association for the disruption of and the inconvenience to the condominium community, the Association or any member thereof, or an Occupant of a Unit therein.
 4. The extent to which the violation is or was flagrant and the extent to which the violator cooperated or hindered in an effort to remedy the violation.
- b. All special Assessment amounts imposed hereunder as a sanction shall be deemed to be a part of the Share of the Common Expenses attributable to the Unit occupied by the violator and shall be assessed against said Unit and its Unit Owner as a special Assessment, to be due and payable on the date that the next regular Assessment would be due, and any such special Assessment which are not paid as of that date shall become a lien on such Unit, and shall be collected and enforced in the same manner as regular Assessment under the provisions of the Condominium Documents.
 - c. Nothing herein contained shall be construed as granting to the Board of Directors the power or authority to impose such a special Assessment which is punitive in nature or to suspend a Unit Owner's right to vote, unless the Board of Directors finds, by specific findings of fact in accordance with the foregoing procedure, that the violator's conduct was willful, malicious, oppressive and outrageous in nature. Said special findings of fact shall specifically set forth all facts and circumstances.
 - d. All other sanctions imposed shall be reasonably related to the violation found.
 - e. The decision of the Board of Directors made in accordance with the foregoing procedures shall be final.
- B. Legal Remedies.** In addition to the administrative remedies as set forth in this Article, the legal remedies may include without limiting the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, an action to enforce the sanctions imposed by the administrative procedure, or any combination thereof. The prevailing party shall be entitled to recover the costs of any legal proceeding including reasonable attorney's fees.
- C. No Waiver of Rights.** The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents or by law shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

D. **No Election of Remedies.** All rights, remedies and privileges granted to the Association or any Unit Owner pursuant to any terms, provisions, covenants or conditions of the Condominium Documents or by law shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges.

ARTICLE XV - AMENDMENT.

The Condominium Documents may be amended in the following manner:

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

1. **Notice.** Notice of the subject matter of any proposed amendment shall be included in the Notice of any meeting of the Board of Directors or Unit Owners at which any proposed amendment is to be considered.

2. **Resolution.** Except as provided for in sub paragraph 5 hereof, a resolution to amend the Declaration may be adopted by the affirmative vote of not less than three fourths (3/4) of the Shares of ownership of the condominium at any regular or special meeting of the Unit Owners called and held in accordance with the By-Laws, provided however that any such amendment must also be approved and ratified by not less than three fourths (3/4) of the Board of Directors.

3. **Recording.** The amendment shall not be effective until a certified copy thereof is recorded in the Office of the Recorder of Lake County, Indiana. Except in the case of permissible amendments by Owner under sub paragraph 5 hereof, a copy of any such amendment shall also be sent to each Unit Owner and his mortgagee by registered or certified mail; provided, however that the mailing of such amendment shall not constitute a condition precedent to the effectiveness of such amendment.

4. **Share of Ownership.** The shares of ownership set forth in this Declaration may not be changed, altered or amended without the express prior written consent of all Unit Owners and their mortgagees, except as provided in Article III and sub paragraph 5 hereof.

5. **Permissive Amendments by Owner.** Notwithstanding any other provision of the Condominium Documents, the Owner alone may amend this Declaration, or any of the prior Condominium Documents, without the consent of the Unit Owners, the Association, the Board of Directors or any mortgagee, or any

other person, (a) to correct scrivener's errors, minor defects or omissions, or (b) to comply with the requirements of the Act, or (c) to comply with any governmental agency, public authority or title insurance company, (d) 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 Association, 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 entity, or (e) to resubdivide the Real Estate for the purpose of changing the size, dimensions or locations of lots, streets, park areas, drainage and detention easements, utility easements, easements for ingress and egress and for any other purposes, and to otherwise modify or amend the site plan that is a part of the Plans, so long as the Shares of Unit Owners in the Common and Limited Common Areas and Facilities are not altered, or (f) to designate and to re-designate from time to time certain parking and storage areas as Limited Common Areas appurtenant to certain Units or (g) to expand the condominium in accordance with Article XX. This sub paragraph 5 shall constitute an irrevocable special power of attorney to Owner on behalf of all Unit Owners and any and all other persons having an interest of any kind in the Property, for as long as Owner owns any Unit or until the expiration of ten (10) years from the date on which this Declaration is recorded, whichever occurs first. The amendment shall be signed by the Owner and it shall become effective upon the recording of a copy thereof in the Office of the Recorder of Lake County, Indiana.

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

ARTICLE XVI - TERMINATION.

The condominium may be terminated only in the following manner:

A. By Agreement. The condominium may be terminated by the agreement of all Unit Owners and their first mortgagees. The agreement shall be evidenced by a written instrument or instruments executed in the manner required for conveyance of land. The termination shall become effective when such agreement has been recorded in the Office of the Recorder of Lake County, Indiana

B. Destruction. In the event it is determined that all of the Buildings are totally destroyed as provided for in Article XI hereof, and shall not be rebuilt, then the property shall be considered to be removed from the provisions of the Act and this condominium shall be terminated. The determination not to reconstruct shall be

evidenced by a written instrument executed by the Association and the termination shall not become effective until the instrument is recorded in the Office of the Recorder of Lake County, Indiana.

C. Ownership of Property after Termination. In the event of termination of this condominium, the Property shall be owned by the Unit Owners as tenants in common. The undivided interest of each Unit Owner in the Property shall be a percentage which is equal to the percentage of the undivided interest previously owned by each Unit Owner in the Common and Limited Common Areas and Facilities as set forth in Article III; provided however that such Unit Owner shall continue to be responsible and liable for his Share of the Association as herein provided, and any and all liens or mortgages shall continue to run with the Property and shall encumber the respective undivided interests of the Unit Owners as tenants in common.

D. Personal Property. All personal property, including but not limited to all funds and insurance proceeds owned or held by the Association shall continue to be owned or held by the Association for the benefit of the Unit Owners in the same percentage as set forth in Article II. The expenses incurred by the Association in connection with a termination shall be a Common Expense.

E. Sale After Termination. Upon termination of the condominium, the Property may be partitioned and sold upon the application of any Unit Owner, provided however, that if the Association determines by a vote of three fourths (3/4) of all the Unit Owners to accept an offer for the sale of the Property, then each Unit Owner shall be bound to execute such deeds and other documents as may be reasonably required to effectuate such sale at such times and in such forms as the Board of Directors shall determine. In such event, any action for partition or other division of the Property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

F. Association. The rights and powers of the Association hereunder shall not terminate until all the affairs of the condominium have been concluded.

ARTICLE XVII - COVENANTS RUNNING WITH THE LAND.

All provisions of the Condominium Documents shall be construed to be covenants running with the land and with every part thereof and every interest therein, including but not limited to, every Unit and the appurtenances thereto.

ARTICLE XVIII - LIENS.

- A. **Protection of Property.** All liens against a Unit other than for taxes, special Assessments and permitted mortgages shall be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special Assessments upon a Unit shall be paid before becoming delinquent.
- B. **Notice of Lien.** A Unit Owner shall give notice to the Association of every lien upon his Unit other than for taxes, special Assessments and permitted mortgages within five (5) days after notice that a lien has been attached.
- C. **Notice of Suit.** A Unit Owner shall give notice to the Association of every suit or other proceeding which will or may affect the title to his Unit or any other part of the Property with five (5) days after the Unit Owner receives notice thereof.
- D. **Effect.** Failure to comply with this Article will not affect the validity of any judicial sale.

ARTICLE XIX - JUDICIAL SALES.

- A. **Judicial Sales.** A judicial sale of any Unit or any interest therein shall not be valid unless the sales is to a purchaser approved by the Board of Directors of the Association except as provided in sub paragraph C hereof. The approval shall be in recordable form and shall be delivered to the purchaser and recorded in the Office of the Recorder of Lake County, Indiana.
- B. **Unauthorized Transactions.** Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Board of Directors of the Association.
- C. **Foreclosures.** In the event proceedings are instituted to foreclose any mortgage on any Unit, the Association, on behalf of one or more Unit Owner's, shall have the right to redeem the mortgage for the amount due thereon or to purchase such Unit at the foreclosure sale for the amount due the mortgagee in the foreclosure proceedings. In the event of redemption by the Association, the Association shall take and have absolute fee simple title to the Unit free from any claim or right of any Person claiming by, or through such mortgagor. Any permitted mortgagee hereunder shall have the right to accept title to the Unit in settlement and satisfaction of said mortgage or to foreclose the mortgage in accordance with the terms thereof and the laws of the State of Indiana.

A permitted mortgagee shall also have the right to bid upon said Unit at the foreclosure sale. If the Association redeems the mortgage, it shall have a lien against the Unit for all sums expended in connection therewith, and it shall have the same rights to collect such sums as in the case of a delinquent Assessment.

ARTICLE XX - PROVISIONS PERTAINING TO OWNER AND DEVELOPER.

- A. **Control by Owner and Developer.** The Owner and Developer shall have the right to elect a majority of the Board of Directors of the Association for as long as the Owner has any ownership interest in any of the Units or until the expiration of ten (10) years after the date on which this Declaration is recorded, whichever occurs first. The members elected by the Owner and Developer need not be residents or Unit Owners.
- B. **Absence of Warranty.** The Owner and Developer specifically disclaim any warranty or representation in connection with the Property or the Condominium Documents except as specifically set forth therein, and no Person shall rely upon any warranty or representation not specifically set forth therein. Any estimate of Assessments are believed to be accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.
- C. **Right of Disposition.** Notwithstanding the provisions of Article VII hereof, the Owner shall have the absolute right to sell, convey, transfer, mortgage or encumber any Unit owned by the Owner.
- D. **Right to Amend Declaration.** The Owner shall have the right to amend the Declaration and any of the Condominium Documents in accordance with Article XV hereof.
- E. **Reservation of Option to Expand Condominium.** The Owner hereby declares that the condominium created by this Declaration is an expandable condominium under the provisions of the Act. The Owner does further express the intention, but not a commitment, within ten (10) years from the date of recording of this Declaration, to expand the condominium to include any, all of, or any portion of, the Expansion Real Estate, to add up to sixty four (64) units in total, from time to time, by any number of successive amendments to the Declaration, in a general plan of development using various architectural styles and site plans.

The Owner makes no commitment and is not obligated to so expand the condominium or to include any or all of the Expansion Real Estate in any additional future phase or to include any particular number of Units in any Building.

The development of an additional phase or phases of the condominium by way of expansion shall not imply any obligation on the part of the Owner to add any of the Expansion Real Estate or any additional phase. In the event the Owner so elects to expand the condominium, the Owner at its expense shall cause to be prepared, executed and recorded, amendments to this Declaration and the plats and plans required by statute.

In the event that the condominium is expanded in accordance with the foregoing to add additional Units, the Share of each Unit Owner in the Common and Limited Common Areas and Facilities shall be reallocated so that thereafter each such share shall be equal to a percentage determined by dividing the number one (1) by that number which is equal to the total number of Units in the condominium after each such expansion, and multiplying that result by one hundred (100).

F. Assessment Exemptions. The Owner and Developer are exempt from the obligation to pay Assessments pursuant to Article XIII and Indiana Code 32-1-6-22(d).

ARTICLE XXI - SEVERABILITY OF INVALID OR UNENFORCEABLE PROVISIONS.

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

If any part of this Declaration or any term, covenant, provision, phrase or other element, or the application thereof in any circumstances be judicially held in conflict with the laws of the State of Indiana, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any other term, covenant, provision, phrase or other element in other circumstances shall not be affected thereby.

ARTICLE XXII - UNIT DEEDS.

Any transfer of a Unit by deed or otherwise shall include all appurtenances thereto whether or not specifically described.

ARTICLE XXIII - CAPTIONS.

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

ARTICLE XIV - PRONOUNS.

Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include the masculine, feminine and neuter genders. Words in singular shall include and refer to the plural and words in plural shall include the singular when appropriate.

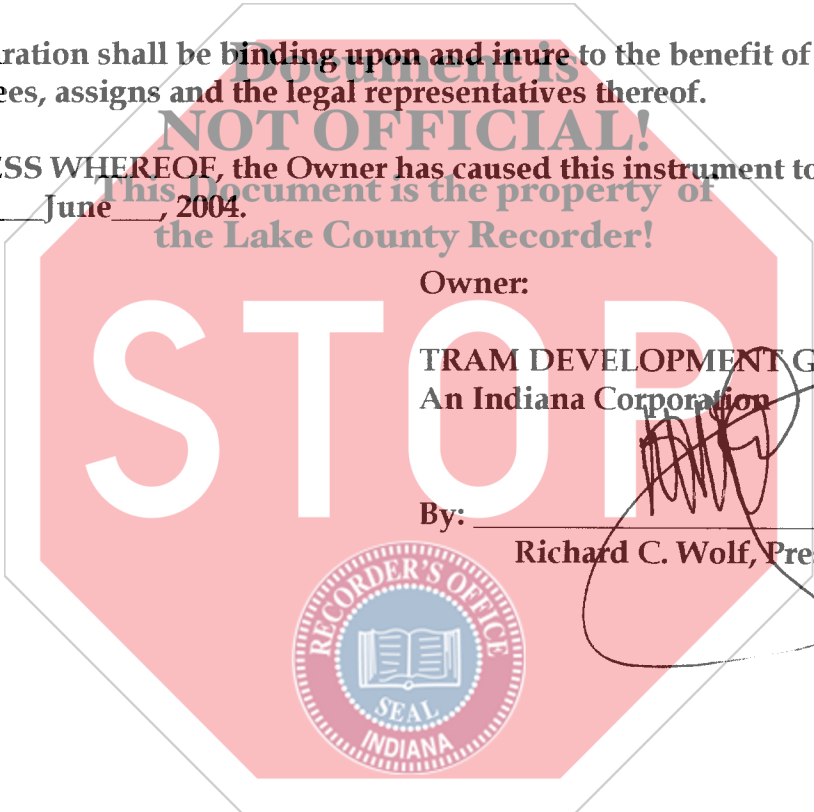
ARTICLE XXV - NOTICE TO MORTGAGEES.

Upon written request to the Board of Directors of the Association, the holder of any duly recorded mortgage on any Unit shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner whose Unit is subject to such mortgage.

ARTICLE XXVI - BINDING EFFECT.

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

IN WITNESS WHEREOF, the Owner has caused this instrument to be executed this
__15th__ day of __June__, 2004.



Owner:

TRAM DEVELOPMENT GROUP, INC..
An Indiana Corporation

By: _____

Richard C. Wolf, President



ARTICLES OF INCORPORATION FOR A NONPROFIT CORPORATION

State Form 4162 (R10 / 1-03) Corporate Form No. 364-1 (October 1984)
 Approved by State Board of Accounts 1995

TODD ROKITA
 SECRETARY OF STATE
 CORPORATIONS DIVISION
 302 W. Washington St., Rm. E018
 Indianapolis, IN 46204
 Telephone: (317) 232-6576

Indiana Code 23-17-3-2
FILING FEE: \$30.00

- NOTES:**
1. Nonprofit corporations must qualify with the Internal Revenue Service and the Indiana Department of Revenue. It is strongly suggested you do not complete or file this form before contacting both agencies.
 2. Article VII must be completed appropriately. Please see (1) above.

- INSTRUCTIONS:**
1. Use 8 1/2" x 11" white paper for attachments.
 2. Present original and one (1) copy to the address in the upper right corner of this form.
 3. Please type or print.
 4. Please visit our office on the web at www.sos.in.gov.

ARTICLES OF INCORPORATION

The undersigned incorporator or incorporators, desiring to form a corporation (*hereinafter referred to as the "Corporation"*) pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (*hereinafter referred to as the "Act"*), execute the following Articles of Incorporation.

ARTICLE I - Name and Principal Office

Name of the Corporation: (*the name must include the word "Corporation", "Incorporated", "Limited", "Company" or one of the abbreviations thereof*):
Tempe Lake Condominium Association, Inc.

Principal Office: The address of the principal office of the Corporation is:

Post office address 758 Madison	City Crown Point	Indiana	ZIP code 46307
---	----------------------------	---------	--------------------------

ARTICLE II - Purpose (optional)

The purposes for which the Corporation is formed are:

Management of Condominium Association

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

STOP

ARTICLE III - Type of Corporation (check only one)

The Corporation is a:

public benefit corporation, which is organized for a public or charitable purpose;

religious corporation, which is organized primarily or exclusively for religious purposes; or

mutual benefit corporation (*all others*).

ARTICLE IV - Registered Agent and Registered Office

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:

Name of Registered Agent
Richard C. Wolf, President
TRAM Development Group, Inc.

Address of Registered Office (<i>street or building</i>) 758 Madison	City Crown Point	Indiana	ZIP code 46307
--	----------------------------	---------	--------------------------

ARTICLE V - Membership

Indicate if Corporation will have members:

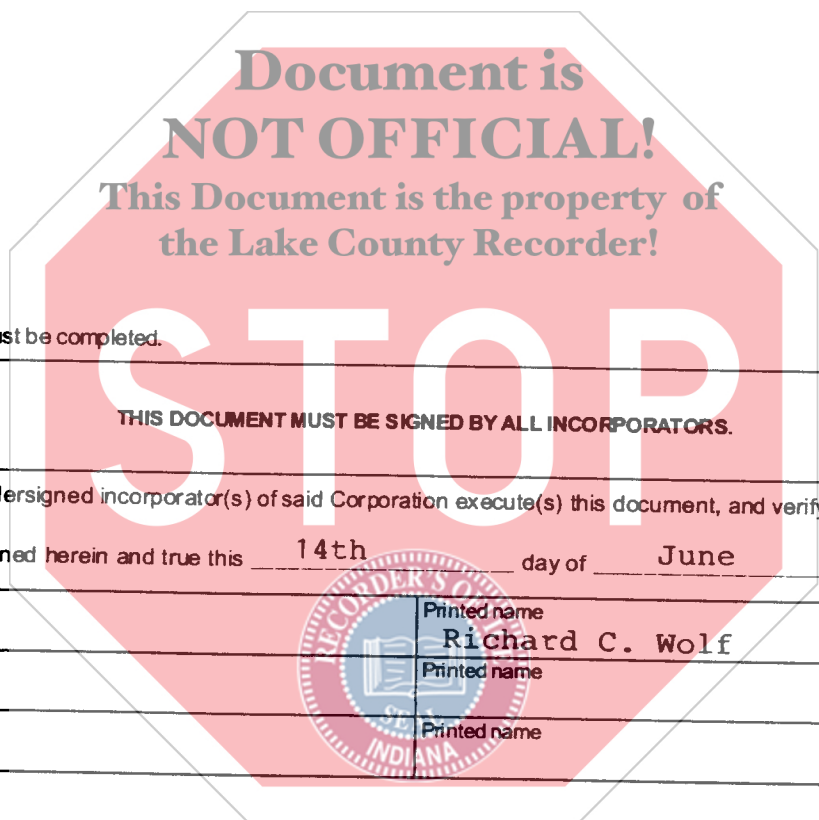
Yes No

(Continued on the reverse side)

Name(s) and address(es) of the incorporator(s) is/are as follows:				
Name	Number and Street or Building	City	State	ZIP code
Richard C. Wolf	758 Madison	Crown Point	Indiana	46307

Refer to Indiana Code 23-17-22-5 for permitted activities following Dissolution.

Distribution of Assets on Dissolution or Final Liquidation shall remain with the Owners of the Condominium Association as their respective interest(s) dictate and in accordance with the Declaration of Condominium for Tempe Lake Condominiums



* Please note this section must be completed.

In witness whereof, the undersigned incorporator(s) of said Corporation execute(s) this document, and verify(ies) subject to penalties of perjury that the facts contained herein and true this 14th day of June, 2004.

Signature	Printed name Richard C. Wolf
Signature	Printed name
Signature	Printed name

This instrument was prepared by: (name)
Richard C. Wolf, President TRAM Development Group, Inc.

Address 758 Madison	City Crown Point	State Indiana	ZIP code 46307
------------------------	---------------------	------------------	-------------------

EXHIBIT "C"

BY-LAWS
OF
TEMPE LAKE CONDOMINIUM ASSOCIATION, INC.

**A Nonprofit Corporation Organized Under the
Laws of the State of Indiana**

ARTICLE ONE.

OFFICES

The principal office of the corporation shall be located at 758 Madison, Crown Point, Lake County, Indiana, 46307. The board of directors shall have the power and authority to establish and maintain branch or subordinate offices at any other locations within the same state.

ARTICLE TWO.

MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members shall be held on the second Tuesday of July in each year, beginning with the year 2004, at 7:00 P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Indiana, such meeting shall be held on the next succeeding business day. If the election of directors is not held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Members as soon thereafter as is convenient.

Section 2. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and shall be called by the president at the written request of fifteen per cent (15%) of the entire membership.

Section 3. Place of Meeting. The board of directors may designate any place within Lake County, Indiana, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or without Lake County, Indiana, as the place for the holding of such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the corporation in the City of Crown Point, Indiana.

Section 4. Notice of Meeting. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days, nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the Membership books of the corporation, with postage thereon prepaid.

Section 5. Quorum. A majority of the Members of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members. If less than a majority of such Members are represented at a meeting, a majority of the Members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 6. Proxies. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after three (3) months from the date of its execution unless otherwise provided in the proxy.

Section 7. Voting. Subject to the provisions of any applicable law, each Unit Owner shall be entitled to vote and shall be entitled to one vote on each matter submitted to a vote at a meeting of Members. Only one (1) Unit Owner shall be entitled to cast the votes for each Unit.

ARTICLE THREE.

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its board of directors.

Section 2. Number, Tenure, and Qualifications. The number of directors of the corporation shall be eight (8), one from each of the buildings located with the project. In the event a Director is not elected from a specific Building, then an alternate Director may be elected from another Building or at-large. Directors shall be elected at the annual meeting of Members, and the term of office of each director shall be until the next annual meeting of Members and the election and qualification of his or her successor.

Section 3. Regular Meetings. A regular meeting of the board of directors shall be held without notice other than this bylaw immediately after and at the same place as the annual meeting of Members. The board of directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two (2) directors, and shall be held at the principal office of the corporation or at such other place as the directors may determine.

Section 5. Notice. Notice of any special meeting shall be given at least 72 hours before the time fixed for the meeting, by written notice delivered personally or mailed to each director at his or her business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid, not less than three (3) days prior to the commencement of the above-stated notice period. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Board Decisions. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors except that vote of not less than three fourths (3/4) of all the members of the board shall be required for the amendment of or addition to these bylaws.

Section 8. Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 9. Compensation. The directors shall not receive any compensation for serving in such capacity, however, may be paid for their out of pocket expenses, if any, to a maximum of \$10.00 per meeting. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

Section 10. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE FOUR.

OFFICERS

Section 1. Number. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the board of directors), a secretary, and a treasurer, each of whom shall be elected by the board of directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and President and Treasurer.

Section 2. Election and Term of Office. The officers of the corporation to be elected by the board of directors shall be elected annually at the first meeting of the board of directors held after each annual meeting of the Members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his or her successor has been duly elected and qualifies or until his or her death or until he or she resigns or is removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. Powers and duties. The powers and duties of the several officers shall be as provided from time to time by resolution or other directive of the board of directors. In the absence of such provisions, the respective officers shall have the powers and shall discharge the duties customarily and usually held and performed by like officers of corporations similar in organization and business purposes to this corporation.

Section 6. Salaries. The officers shall not receive any compensation for serving in such capacity, however, may be reimbursed for any out of pocket expenses, to a maximum of \$25.00 without further action of the Board of Directors, and no officer shall be prevented from receiving such reimbursement by reason of the fact that he or she is also a director of the corporation.

ARTICLE FIVE.

CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, or Orders. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

ARTICLE SIX.

CERTIFICATES FOR MEMBERSHIP

Section 1. Certificates for Membership. Certificates representing Membership of the corporation shall be in such form as shall be determined by the board of directors. Such certificates shall be signed by the president or a vice-president and by the secretary or an assistant secretary.

ARTICLE SEVEN.

FISCAL YEAR

The fiscal year of the corporation shall be the calendar year ending December 31st at midnight.

ARTICLE EIGHT.

WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the corporation under the provisions of these bylaws or under the provisions of the Articles of incorporation or under the provisions of law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE NINE

AMENDMENTS

The Board of Directors may amend the Rules and Regulations in accordance with the provisions of the Declaration of Condominium by a vote of a majority of all of the directors (not a majority of a quorum). So long as the Owner and Developer have the right to elect a majority of the Board of Directors of the Association in accordance with the foregoing, the Board of Directors shall have the power to adopt rules and regulations restricting the use of outdoor parking spaces to the Occupants of certain Units, which rules and regulations shall not be thereafter changed or modified except upon resolution adopted by the Unit Owners owning three-fourths (3/4) of the Units. No rule or Regulation shall be valid if it is in conflict with the Declaration of Condominium of Indiana Law.

The Rules and Regulations of the Association shall be enforced in accordance with the Declaration of Condominium.

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by the board of directors at any regular or special meeting of the board; provided, however, that the number of directors shall not be increased or decreased nor shall the provisions of Article Two, concerning the Members, be substantially altered, without the prior approval of the Members at a regular or special meeting of the Members, or by written consent.

Amendments to the By-Laws shall be proposed and adopted in the following manner:

- a. Notice of the subject matter of a proposed amendment shall be included in the notice of any directors meeting at which a proposed amendment is considered;
- b. A resolution adopting a proposed amendment must receive approval of sixty per cent (60%) of all of the directors (not sixty percent (60%) of a quorum);
- c. Initiation: An amendment may be proposed by any director or by five (5) or more members of the Association;
- d. Effective Date: An amendment when adopted shall become effective only after being recorded in the office of the Recorder of Lake County, Indiana;
- e. These By-Laws shall be amended, if necessary, to make the same consistent with the provisions of the Declaration of Condominium.

ARTICLE TEN

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Unit Owner, the name and address of holders of mortgages or other secured interest in the Unit, the amount of each Assessment against the Owners, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due upon Assessments.

Budget. The Board of Directors shall adopt an annual budget which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following items:

- A. Common Ordinary Expense Fund Budget
 - (1) For the Common Expense Account, estimates for the cost of:
 - Lawn and landscaping maintenance
 - Snow Removal
 - Garbage Disposal

Cleaning
Insurance
Lighting and Heating
Sewer and Water
Other Common Maintenance
Administration
Taxes
Legal, accounting and other professional services

- (2) For the Income Account, an estimate of all income to be received except for the income (or interest) earned on Assessments collected for the Common Capital Improvement Fund.
- (3) For the Emergency Account, an estimate of funds needed to defray the cost of an emergency, except for an emergency, the expenditures for which would constitute a common capital expense.

B. Common Capital Improvement Budget

- (4) For the Alteration and Improvement Account, an estimate of the cost for alteration and improvement of the physical facilities of a capital improvement nature.
- (5) For the Reconstruction and Replacement Reserve Account, an estimate of the cost of reconstruction and replacement of the physical facilities of a capital improvement nature, which are not covered by insurance, including but not limited to
 - Painting
 - Roofing
 - Tuck pointing
 - Paving
 - Carpeting
- (6) For the Income Account, an estimate of all income to be received from investment of Assessments for the Common Capital Improvement Fund.
- (7) For the Emergency Account, an estimate of the funds needed to defray the cost of an emergency, the expenditure for which would constitute a common capital improvement.

- b. Assessments for both funds shall be based upon the difference between the expected expenses and the expected income.

Accounts. The depository of the Association shall be such bank or Banks in Lake County, Indiana as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawal orders signed by such persons as are authorized by the Board of Directors.

Bonds. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall be at least the amount of the total annual assessment against members for Common Expenses. The premiums on such bonds shall be paid by the Association.

Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of all corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the corporation or with the statutes of the State of Indiana, or the Declaration of Condominium.

Adopted this _____ day of _____, 2004.

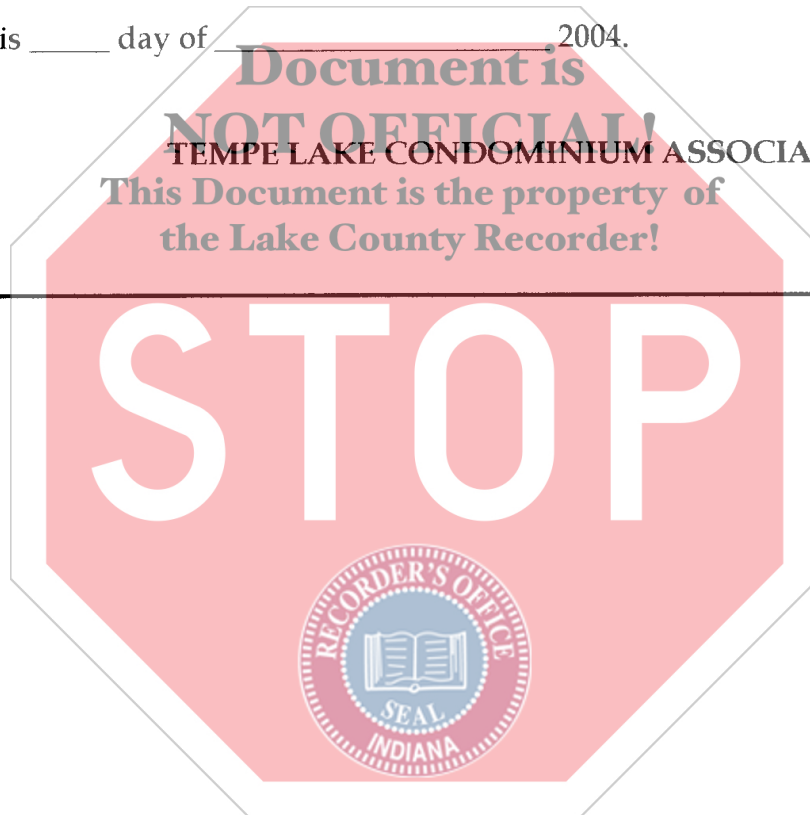
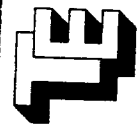
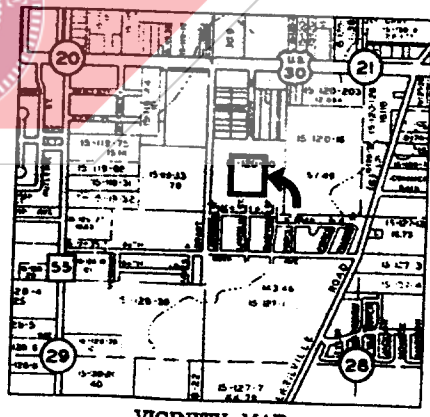
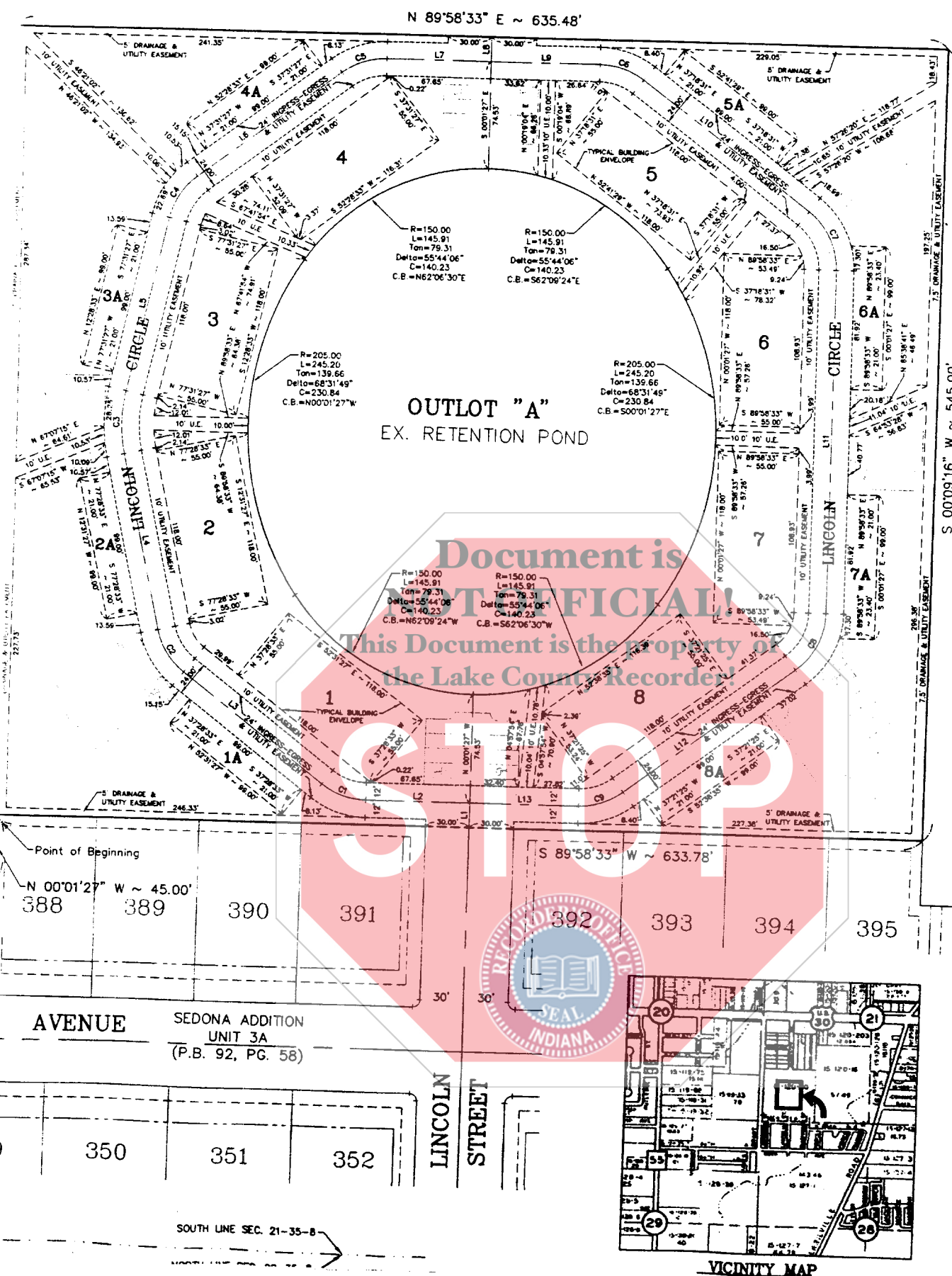


EXHIBIT "D"



TORRENGA ENGINEERING, INC.
CONSULTING ENGINEERS & LAND SURVEYORS
907 RIDGE ROAD, MUNSTER, INDIANA 46321
Tel. No.: (219) 636-6616
website: www.torrenge.com

SEDONA ADDITION—UNIT 3C
TEMPE LAKE CONDOMINIUMS
FINAL PLAT

CLIENT: TEAM DEVELOPMENT GROUP, INC. P.O. BOX 10164 MERRILLVILLE, INDIANA 46411 (219) 228-1400	REVISIONS: DATE: 10-03-2003
JOB NO: 5075-03 SCALE: 1" = 40'	

SHEET

EXHIBIT "E"
TEMPE LAKE CONDOMINIUMS
RULES AND REGULATIONS

1. **Assessments and Compliance with Condominium Documents**

The Unit Owner is always responsible for Association Assessments, Insurance deductibles or any other charge the Board of Directors may direct to the Unit, and the compliance by all Occupants (including Tenants and Sub tenants) with the provisions of the Condominium Documents, regardless of whether the Unit is occupied by the Unit Owner or by a tenant or subtenant, and regardless of any agreement which Unit Owner may have with any such Occupant, tenant or subtenant.

2. **Businesses.**

No businesses of any kind shall be conducted from any Unit. This provision shall not prohibit the use of telephone for business purposes of a nature incident to a business located outside of the Unit or for the entertainment of or consultation with any business guest for any portion of a particular day. All other business activities, of whatever nature, kind, duration or extent are prohibited.

3. **Car Washing.**

No car or other vehicle washing shall be permitted on any of the Common Areas, except in areas designated by the Association.

4. **Cooking and Barbecuing.**

No cooking or barbecuing is allowed in any location outside of the Units, except where outdoor cooking facilities have been provided by the Developer, or in such other areas as may be designated by the Board of Directors. Only gas grills are permitted for outdoor cooking and barbecuing. The use of charcoal, wood, kerosene and other fuels for outdoor cooking and barbecuing is prohibited.

5. **Driving and Parking - Vehicles Permitted.**

Permitted vehicles shall be parked only in the garage or upon paved areas designed and marked for vehicle parking. The parking or storing of bicycles, motor bikes, motorcycles and all other types of vehicles within a Unit is prohibited. Parking is prohibited in driveways and other vehicle traffic flow areas. Vehicles shall not be driven or parked on unpaved areas. Only vehicles owned by Occupants of a Unit are permitted to be parked in the garage space designated as a Limited Common Area for that Unit. No more than two (2) motor vehicles per Unit shall be allowed to be kept on the Property. If the Occupants of a Unit have only (1) motor vehicle among them, it shall at all times be parked in the garage parking space for that Unit and not in the exterior parking area. The term "Motor vehicle" as used in this Rule shall include only automobiles, pick-up trucks and vans of one half (1/2) ton capacity or less, and motorcycles, all of which are used for personal transportation purposes only. Bicycles and motor bikes are permitted on the Property, subject to the foregoing parking and storage requirements. All other kinds and types of recreational vehicles (including but not limited to golf carts, boats and campers) and commercial vehicles (except those making deliveries or pick ups or moving Occupants in or out of Units, or which may be necessary or convenient for the maintenance, replacement or repair of the Property), are not allowed at any time on the Property.

6. **Floor Coverings.**

The Unit Owner shall not replace existing floor coverings (including carpeting and tile), except upon written approval of the Board of Directors of the Association, which approval shall not be granted unless the replacement materials and installation method meet or exceed the specifications of the original material in order to preserve and maintain sound-proofing among adjoining Units.

7. **Garbage Handling.**

It is each Occupant's responsibility to use garbage containers and to deposit all garbage in the place provided on a daily basis. Large items such as furniture parts, mattresses, household appliances and the like shall not be placed in or around the provided garbage containers without

the Occupant having first obtained permission from the Association and made arrangements to reimburse the Association for the cost of properly transporting and disposing of such items. Except as provided above, it is the responsibility of the Association to provide for disposal of the garbage from the garbage containers in the event that municipal services are unavailable or inadequate.

8. Information to be provided to the Association.

All Owners of Units shall advise the Association in writing of the names, residence addresses (if different from that of the Unit owned) and telephone numbers of all Unit Owners, and all tenants, subtenants and other Occupants of Units; and the name, business address and telephone numbers of all mortgagees of record on the Unit owned, and all such information provided in accordance herewith shall be updated in writing by each Unit Owner within fifteen (15) days of the date of any change in the information.

9. Insurance.

Each Unit Owner is required to carry insurance in accordance with the provisions of the Declaration. A copy of such policy shall be filed with the Association.

10. Keys.

The Units will be master keyed. Unit Owners requesting periodic inspections during periods of vacancy may do so by registering such request with the Association for such service. No deadbolts may be added unless keyed to the Master.

11. Leasing of Units and Garages.

The leasing of Units is permitted only if approved by the Board of Directors, which approval shall not be unreasonably withheld. The Board of directors may condition lease approval on the use of a particular form of lease or upon the use of particular lease provisions. However, even under those circumstances where leasing is permitted in accordance with the foregoing, the following rules shall be applicable:

- a. All subleases are prohibited
- b. No Units shall be rented for transient, hotel or motel purposes. Any lease must be of at least twelve (12) months duration.
- c. No Unit shall be leased to or occupied by more than two people for each bedroom in the Unit.
- d. All tenants and Occupants are subject to the provisions of the Declaration of Condominium, the By-Laws and the Rules and Regulations and the Owner(s) shall be held responsible for any and all infractions by tenants and Occupants. It shall be the responsibility of the Unit Owner to provide copies of all of the Condominium Documents to tenants and to all other Occupants. All leases shall be in the form and contain the terms and provisions, if any, as may be required from time to time by the Board of Directors. All other leases shall be void, and the Association shall have the right to evict all Occupants having possessions under any other form of lease and may also pursue any other legal or equitable remedy provided by the Declaration of Condominium.
- e. The Unit Owner(s) shall provide the Association with a copy of the lease, full name(s) of lessee and Occupants and the permanent address and emergency telephone number of the Unit Owner.
- f. The renting or leasing of garage parking and storage areas to Persons other than the Occupants of the Unit to which such garage parking and storage area is appurtenant, is prohibited, without prior written approval of the Association.

12. **Maintenance, Repair, Replacement and Alteration of Units and Common and Limited Common Areas.**

- a. **By the Unit Owner.**
 1. **Maintenance, Repair and Replacement.**

It shall be the responsibility of the Unit Owner to maintain, repair and replace at the Unit Owners expense all portions of the Unit within the boundaries of the Unit as described in the Declaration, except only for windows and Unit access doors,

and for those portions and items for which the responsibility for maintenance, repair and replacement is the specific responsibility of the Association under the Declaration. In addition, it shall be the responsibility of the Unit Owners to maintain, repair and replace at the Unit Owners expense all parts of the overhead garage door Including glass, if any) and door opener for garage parking space appurtenant to that Unit Owners Unit, and all heating and air conditioning units (subject to the right of the Association to perform preventative maintenance thereon pursuant to the terms and provisions of the Declaration), even though some part or all of the foregoing may be located outside of the boundaries of the Unit, which in each case service the Unit Owner's Unit, provided however, that the Unit Owner shall secure prior written approval of the Association as to the Person selected by the Unit Owner to perform all work.

2. Alterations.

A Unit Owner may alter any portion of the Unit within the boundaries of the Unit as described in the Declaration, except that:

- a. No alteration shall be made of any portion of the Unit for which the responsibility for maintenance, repair and replacement is the specific responsibility of the Association under the Declaration.
- b. No alteration shall be made of any portion of the Unit which would or might jeopardize or impair the safety, soundness, soundproofing, fireproofing or structural integrity of the Unit or the Building, or which would in any manner affect the use, possession or occupancy of other Units within the Building, or the Building itself.
- c. Security alarm systems utilizing on site audio or visual alarms (i.e. sirens, bells and/or flashing lights) are prohibited.

3. General Obligations and Restrictions.

In the performance of the Unit Owners obligations, and the exercise of the Unit Owner's rights as set forth in this Paragraph 12, each Unit Owner shall be bound by the following general obligations and restrictions:

- a. No Unit Owner shall have the right to maintain, repair, replace, alter, paint or decorate any portion of a Building or any other Common or Limited Common Areas which are not within the boundaries of the Unit Owners Unit as described in the Declaration (including patios or balconies), or which are within said boundaries but with respect to which the Association has the responsibility for maintenance, repair, replacement and alteration under Paragraph 12 b (e.g. Unit Owners are prohibited from painting or otherwise altering or replacing exterior Unit access doors, windows or window frames, and from installing window screens or screen doors).
- b. All Unit Owners shall have the responsibility to promptly report to the Association or its agent any defect or need of maintenance, repair, replacement, the responsibility for which is with the Association under Paragraph 12 B below.
- c. No Unit Owner shall have the right to impair any easement whatsoever.
- d. It shall be the responsibility of each Unit Owner to promptly notify the Association, in writing of any intended alteration under Paragraph 12 (a)(2), prior to the commencement of same. No alteration shall be made without the express written approval of the Board of Directors to determine whether said proposed alteration is in accordance with the provisions of this Paragraph 12 a. A proposed alteration under Paragraph 12 (a) (2)

shall be deemed to have been approved in writing by the Board of Directors in the event that the Board of Directors has not acted within sixty (60) days of the date of the Unit Owners notice. A proposed alteration under Paragraph 12 (a) (2) shall be deemed to have been denied in writing by the Board of Directors in the event that the Board of Directors has not acted within sixty (60) days of the date of the Unit Owners notice.

- e. All Unit Owners shall perform their responsibilities in such a manner as to not unreasonably disturb Occupants residing with the Building.

b. **By the Association.**

1. Maintenance, Repair and Replacement of Common Areas and Facilities.

It shall be the responsibility of the Association to maintain, repair and replace all portions of the Common and Limited Common Areas and Facilities located outside of the boundaries of Units as described in the Declaration, except for those which are the responsibility of the Town or any other governmental agency or body.

2. Maintenance, Repair and Replacement of Portions of the Condominium Located Within the Boundaries of Units.

It shall be the responsibility of the Association to maintain, repair and replace within the boundaries of each Unit as described in the Declaration, all portions of the Building structure, and all portions of the Unit which contribute to the support of the Building and the Unit boundaries and which

are otherwise in common use, including but not limited to, load bearing walls, windows (other than cleaning), Unit access doors (provided however that the cost and expense of the maintenance, repair and replacement of windows and Unit access doors shall be the obligation of the Unit owner by way of special Assessment under the Declaration), all commonly used conduits, ducts, piping, plumbing, wiring and other facilities for the furnishing of utilities, communications, television and security services, but excluding all appliances, plumbing fixtures, electrical and lighting fixtures, telephone and intercommunication systems, heating and air conditioning units and circuit breaker panels, but shall also include all incidental damage caused to the Unit by such work as be done or caused to be done by the Association in accordance with this Paragraph 12 (b). Notwithstanding the foregoing, the Association may engage in a preventative maintenance program for the heating and air conditioning units servicing individual units, the cost and expense of which shall be paid by the Unit Owners by way of a special Assessment pursuant to the Declaration.

3. Alterations and Improvements.

The Association shall have the right to make or cause to be made such alterations and improvements to the Common and Limited Common Areas and Facilities as it may deem necessary, provided that the making of such alterations and improvements are first approved by the Board of Directors of the Association. If required by law or contract, the approval of the first mortgagees of individual Units shall also be obtained. In the event Unit Owners request that alterations and improvements be made, the cost of making such alterations and improvements shall be assessed as

Common Expenses, unless in the judgment of not less than eighty per cent (80%) of the Board of Directors, such alterations and improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Owners requesting the same. In that event, the requesting Unit Owners shall be assessed therefore in such proportions as may be determined by the Board of Directors of the Association. The terms "alteration and improvement" as used in this paragraph shall not be construed to include repair or replacement due to casualty loss or damage under Article XI of the Declaration.

4. General Obligations and Restrictions.

The following shall apply to the association in the performance of its obligations and the exercise of its rights as set forth in this Paragraph 12.

- a. Nothing herein contained shall be construed so as to preclude the Association from delegating to Persons, firms or corporations of its choice such duties as may be imposed upon the Association under this Paragraph 12 (b), as are approved by the Board of Directors of the Association.
- b. Nothing herein contained shall be construed so as to impose a contractual liability upon the Association or the individual members of the Board of Directors. Neither the Association nor the individual officers or members of the Board of Directors thereof shall be liable for damage of any kind except those resulting from willful misconduct or bad faith.

c. **By the Town.**

1. **Maintenance, Repair and Replacement of Storm Water Drainage Facilities.**

The Town shall have the right, but not the obligation, to maintain, repair and replace the storm water drainage facilities wherever located on the Real Estate, including the storm water detention/retention areas, upon the failure of the Association to do so in accordance with the standards of the Town. Prior to the exercise of such right by the Town, the Town shall give the Association written notice of such failure by the Association, specifying in detail those steps needed to cure such failure and giving the Association at least thirty (30) days within which to cure, or to commence to cure such failure.

2. **Town Costs and Expenses.**

The Association shall be obligated to reimburse the Town for all costs and expenses incurred by the Town in the exercise of its rights under this provision.

(Note: This provision is an abbreviated version of the provision contained with the Declaration of Condominium. In the event there is a conflict between this Rule and the provisions of the Declaration of Condominium, the Declaration of Condominium shall govern.)

13. **Minimum Heat and Space Heaters.**

The minimum heat in every Unit shall not be less than 60 degrees F for a period of time from November 1 to April 15 each year. Space heaters of all kinds are prohibited in garage parking and storage areas. The use of kerosene, gas, oil, and all other types of space heaters are prohibited within Units.

14. Noise, Odor and Light.

Loud noises, loud music, objectionable odors and excessive external lighting which may be objectionable to other Unit Owners is prohibited.

15. Occupancy.

No more than two (2) persons per bedroom may occupy one Unit.

16. Pest Control.

Pest control within a Unit is the Unit Owner's responsibility. Pest control for the Common and Limited Common Areas shall be the Association's responsibility.

17. Pets.

Although pets are disfavored as not conducive to the maintenance of a congenial living atmosphere with the condominium, they will be allowed on the Property and in Units, subject to the following:

- a. Only one (1) declawed, neutered or spayed cat shall be allowed per Unit. All other pets, animals, birds, fish and reptiles are prohibited.
- b. Owners of a cat shall be required to keep same within the boundaries of the Unit at all times. In the event a Unit Owner must take the cat outside of the boundaries of the Unit, the owner shall be required to keep the cat on a leash or within a traveling case.
- c. Owners of a cat shall be required to immediately remove all forms of excrement from the Common and Limited Common Areas, but not limited to patios, balconies, porches, lawns, walks, driveways and parking areas, and such shall not be allowed to deposit excrement in any manner, or in any place, that would in any manner change or deface the Common Areas and Limited Common Areas, including any alteration in the uniformity of appearance of the lawn or landscaped areas.

- d. No cat will be allowed which creates noise, emits noxious odors or creates unsafe or unhealthy living conditions, or other disturbances of any kind, whether on a continuous or intermittent basis, and regardless of the time of day or night.
- e. Any owner of a cat allowed hereunder, who is the subject of three (3) justifiable complaints of violation of this rule, shall forthwith permanently remove the cat from his or her Unit, upon notice of same from the Board of Directors, and said Unit Owner shall not be allowed to have a cat within the condominium at any time thereafter, except with the express prior written consent of the Board of Directors.
- f. The Board of Directors shall have the authority to make regular Assessments against any and all Unit Owners with cats for the purpose of paying any additional costs which may be involved in maintaining and/or repairing the Common and Limited Common Areas and Facilities as a direct or indirect result of the housing of cats within the condominium. These assessments may consist of a regular monthly assessment or other periodic assessment against Unit Owner's housing a cat, to be paid in the same manner and at the same time as the regular Assessment for Common Expenses, and such Assessment may be based upon an estimate of the cost of maintaining and/or repairing the Common or Limited Common Areas and Facilities necessitated by the housing of cats within the condominium. As an alternative, or in addition to the foregoing, such Assessments may consist of a special Assessment against any Unit Owner, housing a cat, if the Board of Directors, in its sole discretion, determines that a particular Unit Owner shall be responsible for the cost of maintain and/or repairing any part of the Common and Limited Common Areas and Facilities necessitated by the housing of a cat n such owner's Unit.

- g. The Board of Directors may require, in its sole discretion, that a Unit Owner housing a cat, deposit with the Association, a cash surety, to a maximum amount of One Thousand Dollars (\$1,000.00) to guarantee reimbursement to the Association for any damages done by the Unit Owner's cat or connected with the housing of the cat within the condominium.
18. Signs.
For sale or lease signs, and other signs or advertising of any type and for any reason are prohibited.
19. Storage.
All personal property and effects of Unit Owners shall be stored within the confines of the Unit, or within storage areas that may be provided elsewhere and specifically designated for the use of the Unit by the Declaration of Condominium. Common and Limited Common Areas and Facilities shall not be used for storage except as authorized by the Association. In no event shall any combustible or flammable material or liquid be stored in any location on the Property.
20. Unsightly Objects.
No unsightly objects shall be placed, stored or hung from Units or any of the Common and Limited Common Areas and Facilities, including but not limited to awnings, laundry, rugs, wiring, antenna, satellite dishes in excess of 20" in diameter, and personal effects. Satellite dishes of 20" in diameter or less may be located outside of a Unit in locations approved by the Board of Directors of the Association only.
21. Water Beds.
Water beds are prohibited within Units and everywhere on the Property.

22. **Water Usage.**

Charges made for water used on the Property and by each Unit Owner are the common expenses shared equally by all owners. Therefore, the unreasonable use of water or the wasting of water cannot be tolerated. Unit Owners who violate this Rule will be charged additional special Assessments to reimburse the Association for such unreasonable use or waste.

23. **Window Appearance.**

All curtains, draperies, blinds and other window coverings shall be white or off white, or shall be lined or faced with white or off white materials, so as to present a uniform exterior appearance.

24. **Window Cleaning.**

Cleaning of the interior and exterior sides of windows and patio doors, if any, of a Unit, and of windows in overhead garage doors, if any, is the Unit Owner's responsibility. Cleaning of windows and door glass in all other Common and Limited Common Areas is the responsibility of the Association.

25. **Common Area Damages, Moving Deposit.**

Each Unit Owner is responsible for the cost of repair of damage to the Common Areas and Facilities caused by that Unit Owner, and by the Occupants, guests and other invitees of that Unit Owner. Each Unit Owner and Occupant is required to give three (3) business days written notice to the Association of the movement of any furniture or appliances into or out of the Unit, and to pay to the Association with such notice a \$200.00 cash damage deposit. The damage deposit may be used by the Association to defray the cost of damage occurring as a result of the moving, and shall be returned to the Unit Owner to the extent not so used. The amount of the damage deposit shall not limit the Unit Owner's liability for damage to the Common Areas and Facilities in the event that the cost of the repair thereof exceeds the amount of the damage deposit.