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LE JARDIN CONDOMINIUM
DECLARATION OF CONDOMINIUM

Schererville, Indiana

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Lucas B. Johnson
REC. MGR. CLERK

SINGLETON, LEVY, CRIST & JOHNSON
9013 Indianapolis Boulevard
Highland, Indiana 46322
(219) 972-2660

DECLARATION OF CONDOMINIUM
OF
LE JARDIN CONDOMINIUM

This Declaration made this 6th day of December, 1985, by Calumet National Bank as Trustee under a Trust Agreement dated March 1, 1985, and known as Trust No. P-3188 (hereinafter referred to as the "Owner"), Witnesseth:

WHEREAS, the Owner holds fee simple title to certain Property located in the Town of Schererville, Lake County, Indiana (hereinafter referred to as the "Real Estate"); and more particularly described on Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the Owner of said Real Estate has plans to construct and improve on the Real Estate five (5) Buildings, consisting of twenty-four (24) Apartments each, or a total of one hundred twenty (120) Apartments, together with a clubhouse and Recreational Facilities, parking spaces, garage facilities and other appurtenances and facilities, as hereinafter described; and

WHEREAS, it is intended by this Declaration that the Real Estate shall be subjected 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 called the "Act"); and

WHEREAS, a condominium is a concept of ownership which, when applied to multi-apartment buildings, provides each Apartment Owner with a fee simple title to and exclusive ownership and possession of its Apartment 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 Apartment Owners and Occupants of the Property, 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 the Apartment 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 apartments, and to facilitate the proper administration of the Property as a first class, safe, healthy, happy, quiet and restful residential community.

NOW, THEREFORE, the Owner hereby declares that the Real Estate shall hereafter be subject to the provisions of the Horizontal Property Act of the State of Indiana (I.C. 32-1-6-1 et seq.) in accordance with the following:

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. Apartment or Condominium Apartment: means an enclosed space consisting of one or more rooms occupying all or a part of a floor or floors in a building of one or more floors or stories designed for residential use and separately described and designated on the floor Plans attached hereto as Exhibit "A".

B. Apartment Owner: means a Person who owns (or more than one Person who jointly own) in fee simple an Apartment within the Building and an undivided interest in the Common and Limited Common Areas and Facilities in the percentage interest specified in this Declaration.

C. Assessment: means that portion of the cost of maintaining, repairing, and managing the Property which is to be paid by each Apartment Owner in accordance with this Declaration.

D. Association: means the Le Jardin 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 Exhibits "B" and "C" respectively.

E. Buildings: means and includes all of the structures located on the Property which are to be constructed substantially in accordance with Exhibit "A" and constituting five (5) Buildings containing one hundred twenty (120) apartments.

F. Common Areas and Facilities: means and includes:

1. The Real Estate;
2. The foundations, columns, girders, beams, supports, walls, and roofs designed to serve several Apartments within a portion of the Building, and all physical structures not located within the boundaries of an Apartment as described in Article V.
3. The yards, service drives, pavement and parking facilities, streets, common lights, clubhouse and other Recreational Facilities, and walks unless otherwise designated herein, or on Exhibit "A" as a Limited Common Area;

4. Facilities and installations providing central services such as electricity and other utilities, sanitary and storm sewers, water and communication lines, and any common storage facilities as shown on Exhibit "A".

5. All other parts of the Property necessary and convenient to its existence, maintenance and safety, or normally in common use.

G. 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 and those parts of the Apartments which the Association has the responsibility of maintaining, repairing and replacing;

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 water, electricity and gas used for and servicing the Common and Limited Common Areas and Facilities;

4. All sums lawfully assessed against the Apartment Owners by the Association as a Common Expense;

5. Expenses agreed upon as Common Expenses by the Association;

6. Any other expense declared to be a Common Expense by other provisions of this Declaration, the Condominium Documents, or required by the Act.

H. 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.

I. 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 - Site plan and floor Plans of the Buildings including all stories, together with Apartment floor Plans and a statement of interest attributed to the respective apartments, and a legal description of the Real Estate prepared by Gary Torrance, Professional Engineer and Land Surveyor, and filed for record in the Office of the Recorder of

Lake County, Indiana on the 19th
day of DECEMBER, 1985, as
Document Number 933654, in
Plat Book 60, Page 34.

Exhibit B - "Articles of Incorporation of Le Jardin Condominium Association, Inc."

Exhibit C - "By-Laws of Le Jardin Condominium Association, Inc."

Exhibit D - Rules and Regulations of said Association.

Exhibit E - Deed Form.

J. Declaration or Declaration of Condominium: means this instrument by which the Property is submitted to the provisions of the Horizontal Property Act of the State of Indiana and as such Declaration may from time to time be lawfully amended.

K. Developer: means Le Jardin Venture, an Indiana partnership.

L. Limited Common Areas and Facilities: means and includes those Common Areas and Facilities designated in this Declaration as reserved for use of a certain Apartment or Apartments to the exclusion of the other Apartments, and shall include storage facilities, hallways, laundry facilities, hot water heating facilities, garage facilities, all patios and balconies, and the garages, as set forth on Exhibit "A", and such other areas as designated and reserved for the use of Owners of particular Apartments as set forth herein and on Exhibit "A".

M. Majority of Apartment Owners: means the Apartment Owners with fifty-one percent (51%) or more of the Shares as set forth on the Statement of Interest on Exhibit "A".

N. Occupant: any Person residing in an Apartment, including the Apartment Owner, tenants, subtenants, and those living with Apartment Owners, tenants, and subtenants.

O. Owner: Calumet National Bank as Trustee under a Trust Agreement dated March 1, 1985, and known as Trust No. P-3188.

P. Plans: means the Plans shown on Exhibit "A".

Q. Person: means a natural person, corporation, partnership or trustee capable of holding title to real property.

R. Property: means and includes the Real Estate, Buildings, the Apartments, all improvements and structures thereon, and all easements, rights, and appurtenances belonging thereto.

S. Recreational Facilities: means and includes the clubhouse and any swimming pool and appurtenant facilities, cooking and picnic areas, tennis courts and those other areas of the Property which may be set aside for sport, games, and the like.

T. Share: means the percentage interest attributed to each Apartment as set forth in the Statement of Interest in Exhibit "A".

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 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 promulgated 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 and Limited 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 Article XIV.

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 Apartment Owners in such amounts as may be assessed in accordance with provisions contained herein. Expenses incurred or to be incurred for the maintenance, repair, replacement, alteration, management, operation or furnishing of services for Limited Common Areas may be assessed to those Apartment 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 Apartment Owners may use the Common Areas and Facilities in such manner as will not restrict, interfere with or impede the use thereof by other Apartment Owners. All Apartment Owners having an interest in the Limited Common Areas and Facilities may use such areas and facilities in such manner as will not restrict, interfere with or impede the use thereof by other Apartment Owners having an interest therein.

III. SHARES OF APARTMENT OWNERS.

The Shares of the Apartment Owners in the Common and Limited Common Areas and Facilities shall be as set forth in the Statement of Interest below and in Exhibit "A" attached hereto. The Shares of the Apartment Owners may be altered only by amendment to this Declaration executed in a form for recording by all of the Apartment Owners and first mortgagees of such Owners, and, since the share of each Apartment Owner is based upon the square foot area of each Apartment as it relates to the square foot area of all Apartments, the Shares of Apartment Owners may be altered by an Amendment to this Declaration by Owner alone, in order to comply with Indiana Code 32-1-6-13. 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 an Apartment Owner in the Common and Limited Common Areas and Facilities is appurtenant to the Apartment owned by him, and inseparable from Apartment ownership.

STATEMENT OF INTEREST

The share of each Apartment Owner in the Common and Limited Common Areas and Facilities shall be the percentage interest set out below opposite the Apartment number.

<u>Apartment No.</u>	<u>Interest</u>
101	.7952
102	.8691
103	.8982
104	.7934
105	.8192
106	.9013
107	.7968
108	.7952
201	
202	.8691
203	.8982
204	.7934
205	.8192
206	.9013
207	.7968
208	

out of 124 same as last year

301	7952
302	5691
303	8982
304	7934
305	8192
306	9013
307	7968
308	

IV. MAINTENANCE, REPAIR, REPLACEMENT AND ALTERATION OF APARTMENTS AND COMMON AND LIMITED COMMON AREAS.

A. By the Apartment Owner.

1. Maintenance, Repair, and Replacement. It shall be the responsibility of the Apartment Owner to maintain, repair, and replace at the Apartment Owner's expense all portions of the Apartment within the boundaries of the Apartment as described in Article V., excepting only those portions and items for which the responsibility for maintenance, repair and replacement is the specific responsibility of the Association under Article IV.B., and including all heating and air conditioning units, wherever located, which service the Apartment Owner's Apartment, provided, however that the Apartment Owner shall secure the prior written approval of the Association as to the Person, firm or corporation selected by the Apartment Owner to perform all work.

2. Alterations. Apartment Owner may alter any portion of the Apartment within the boundaries of the Apartment as described in Article V., except that:

a. No alteration shall be made of any portion of the Apartment for which the responsibility for maintenance, repair and replacement is the specific responsibility of the Association under Article IV.B.

b. No alteration shall be made of any portion of the Apartment which would or might jeopardize or impair the safety, soundness, soundproofing, or structural integrity of the Apartment or the Building, or which would in any manner effect the use, possession or occupancy of other Apartments within the Building, or the Building itself.

3. General Obligations and Restrictions. In the performance of the Apartment Owner's obligations, and the exercise of the Apartment Owner's rights as set forth in this Article IV each Apartment Owner shall be bound by the following general obligations and restrictions.

a. No Apartment Owner shall have the right to maintain, repair, replace, alter, paint or decorate any portion of the Buildings in the condominium, or other Common or Limited Common Areas, which are not within the boundaries of the Apartment

Owner's Apartment as described in Article V., or which are within said boundaries but with respect to which the Association has the responsibility for maintenance, repair, replacement and alteration under Article IV.B.

b. All Apartment 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 Article IV.B. below.

c. No Apartment Owner shall have the right to impair any easement whatsoever.

d. It shall be the responsibility of each Apartment Owner to promptly notify the Association in writing of any intended alteration under Article IV.A.2., 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 Article IV.A. Said proposed alteration shall be deemed to have been approved in writing by said Board of Directors in the event that said Board of Directors has not acted within sixty (60) days. The decision of the Board of Directors shall be final.

e. All Apartment Owners shall perform their responsibilities in such manner so 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 Apartments as described in Article V. below.

2. Maintenance, Repair and Replacement of Portions of the Condominium Located Within the Boundaries of Apartments. It shall be the responsibility of the Association to maintain, repair and replace within the boundaries of each Apartment as described in Article V. all portions of the Building structure, and all portions of the Apartment which contribute to the support of the Building and the Apartment boundaries, and which are otherwise in common use, including, but not limited to, load bearing walls, all 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, and heating and air conditioning units and circuit breaker panels; but shall also include all incidental damage caused to the Apartment by such work as may be done or caused to be done by the Association in accordance with this Article IV.B.

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 Apartments shall also be obtained. In the event Apartment 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 percent (80%) of the Board of Directors, such alterations and improvements are exclusively or substantially exclusively for the benefit of the Apartment Owner or Owners requesting the same. In that event the requesting Apartment Owners shall be assessed therefor 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 under Article XI.

4. General Obligations and Restrictions.

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 Article IV.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 member of the Board of Directors thereof for maintenance, repair, replacement, or alteration. Neither the Association or the individual officers or members of the Board of Directors thereof shall be liable for damage of any kind except those resulting from wilful misconduct or bad faith.

V. DESCRIPTION OF APARTMENTS.

A. Real Property. Each Apartment, the space within it as shown on the Plans attached hereto as Exhibit "A" 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 in this Declaration and the Horizontal Property Act of the State of Indiana.

B. Boundaries. Each Apartment shall be bounded as to both horizontal and vertical boundaries as shown on the Plans attached as Exhibit "A", 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 interior surface of drywall ceiling above and abutting the Apartment.
- b. the interior top surfaces of the flooring below the finished floor covering and abutting the Apartment.

2. Vertical Boundaries:

- a. the interior surfaces of the drywall of the boundary walls of each Apartment.

C. Interpretation. In interpreting deeds, mortgages and Plans, the existing physical boundaries of the Apartment or of an Apartment reconstructed in substantial accordance with the original construction Plans and specifications thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage or plan, regardless of settling or lateral movement of the Building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the Building.

D. Appurtenances. Each Apartment shall include and the same shall pass with each Apartment as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the rights, title and interest of an Apartment 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 Article III hereof, and on Exhibit "A" hereto.
2. The heating and air conditioning system located outside of the boundaries of the Apartment.
3. Easements for the benefit of the Apartment.
4. Association membership and funds and assets held by the Association for the benefit of the Apartment Owner.
5. All other rights and obligations of an Apartment Owner under the Condominium Documents.

E. Easements. Each Apartment, the boundaries thereof and the appurtenances thereto shall be subject to the easements established pursuant to the provisions of Article VI hereof.

VI. ESTABLISHMENT OF EASEMENTS.

The following easements which shall run with the land are hereby established for the benefit of Apartment 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 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 Apartments and Common and Limited Common Areas and Facilities for inspection, maintenance, repair and replacement of the Apartments and Common and Limited Common Areas and Facilities including an easement for access to attics as indicated on Exhibit "A".

C. Structural Support. Every portion of an Apartment 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 Apartments and the Common and Limited Common Areas and Facilities.

D. Utilities. Easements for the benefit of the Association over, across, under and through the Apartments and Common and Limited Common Areas and Facilities for all facilities for the furnishing of common utility, communication and security services within the Building, which facilities shall include, but not be limited to, conduits, ducts, plumbing and wiring; provided, however, that the easements for such facilities through an apartment shall be substantially in accordance with the construction Plans and specifications of the Building.

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. Apartment Owners shall not install or allow to be installed locks, security devices or other equipment which will or might impair such easements unless otherwise provided in the Rules and Regulations of the Association.

F. Reasonable Access. Use of any of said easements for access to Apartments shall be limited to reasonable hours except in case of emergency.

G. Easements for Encroachments. All of the condominium 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 alterations of such improvements. This easement shall continue until the encroachments no longer exist.

H. Easement for Common Facilities. Each Apartment 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 Apartments and serving the Owner's Apartment.

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 herein provided.

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 value of the Apartments, 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 Apartments. The Apartments shall be used only for single-family residences with no more than two (2) persons per bedroom. No separate part of an Apartment may be rented, and no trade, business, profession or other type of commercial activity may be conducted in any Apartment, 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 Apartment owned by Owner or Developer, as an office, model Apartment, or for any other business activity related to the development of the condominium and the sale of Apartments therein, for so long as Owner or Developer owns any of the Apartments.

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 Apartments, and shall be in accordance with the provisions of Article II.

C. Approval by Association. No Apartment shall be occupied by any Person not approved in advance by the Board of Directors of the Association. The Board of Directors shall signify in writing such approval or disapproval within thirty (30) days after the approval is requested in writing. The request

shall contain the name of the proposed Occupant, his resident address, three business and three social references and such other information as the Board might reasonably request. Any approval once given may not thereafter be withdrawn. Failure of the Board of Directors to disapprove within such time period shall be deemed to constitute approval. The provisions of this paragraph shall not be applicable to any mortgagee, or to a purchaser or lessee from such mortgagee as set forth in Article XIX hereof.

D. 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 Apartment 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 from adopting Rules and Regulations prohibiting conduct which does not constitute a nuisance.

E. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Apartment Owners and the Association of complying with the requirements of governmental bodies regarding the maintenance, modification or repair of the Property shall be the same as provided in Article IV hereof.

F. Insurance. An Apartment Owner shall not permit or suffer anything to be done or kept in the Owner's Apartment which will increase the insurance rates on that Apartment, the Common or Limited Common Areas or Facilities or any portion of the Property.

G. Signs, Antennae, and Lines. No Apartment Owner shall display any sign, advertisement or notice of any type on the exterior of an Apartment or on the Common or Limited Common Areas or Facilities or any portion of the Property and no Apartment Owner shall erect any exterior antennae or aerials upon an Apartment, the Common or Limited Common Areas or Facilities or any portion of the Property. No clothesline or other similar device shall be allowed on any portion of the Property.

H. Pets. An Apartment Owner may keep common household pet(s) in his Apartment only if, and to the extent, as provided for and allowed by the Rules and Regulations which may be promulgated by the Association from time to time. An Apartment Owner may not keep other animals, livestock or poultry in an Apartment, 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.

I. Minor Children. No Apartment shall be sold or conveyed to a Person having a minor (as that term is defined herein) child or children, if such minor, or minors, are to live in or occupy such Apartment, and no Person thereafter becoming a parent of a minor or minors, shall continue to own such Apartment, if such minor or minors are to live in or occupy such Apartment, and such Apartment Owners shall be subject to the provisions of Article XIV of this Declaration. As used in this paragraph, the term "minor" shall mean and include only those Persons between the ages of two (2) and seventeen (17) years, inclusive.

J. 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 Apartment Owner prior to the time that the same become effective. The initial Rules and Regulations are attached hereto, made a part hereof, and marked Exhibit "D". The Rules and Regulations set forth on Exhibit "D" 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 Apartment 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 apartments, and/or 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 Article XIV.

K. Leases. 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 Apartment Owners and subtenants to lease apartments, in addition to the limitations and restrictions set forth in this paragraph and Article VIII, notwithstanding the fact that the Association shall have approved a lease, or shall have been deemed to have approved a lease under the provisions of Article VIII.A. Under no circumstances shall an Apartment be leased or sublet for transient or hotel purposes, and all leases and subleases shall be of at least six (6) months duration. In the event an Apartment is to be leased or sublet, the Owner or the lessor of such Apartment agrees that the lease or sublease shall be in such form, and shall contain all of the provisions, as prescribed by the Rules and Regulations, and shall provide that the Association shall be a party thereto for the purpose of enforcing the provisions of all of the Condominium Documents, in accordance with Article XIV. If any lease does not so provide, it shall be invalid, and the Association shall have the right to evict and eject any Occupants claiming a right of

possession under such invalid lease, and to seek damages and all other legal and equitable remedies from the Apartment Owner or Occupant.

VIII. CONVEYANCES.

The conveyance, transfer or disposal of an Apartment by sale, lease or mortgage shall be subject to the following provisions:

A. Sale or Lease. Subject to the provisions of Article VIII.D., Apartment Owners shall not dispose of an Apartment or any interest therein by sale or lease without the prior written approval of the Board of Directors of the Association, except as hereinafter provided.

1. Notice to Board of Directors. An Apartment Owner intending to make a sale or a lease of an Apartment or any interest therein shall give notice to the Board of Directors of such intention, together with the name and address of the intended purchaser or lessee, such other information as the Board of Directors may reasonably require, and the terms of the proposed transaction. The giving of such notice shall constitute a warranty and representations by the Apartment Owner to the Association and any purchaser or lessee produced by the Association as hereinafter provided, that the Apartment Owner believes the proposal to be bona fide in all respects.

2. Approval By Board of Directors. The Board of Directors shall, within thirty (30) days after receipt of the notice to sell or lease, either approve the transaction or provide the Apartment Owner with the name of an acceptable purchaser or lessee. The failure of the Board of Directors to either accept or reject the transaction within the thirty (30) day time period shall be deemed to constitute approval of the transaction. In the event the transaction is approved by the Board of Directors or deemed to be approved by failing to reject the transaction, the approval of the Board shall be delivered to the Apartment Owner in recordable form, signed by any two (2) members of the Board (hereinafter referred to as the "Certificate of Approval"). In the event the Board of Directors disapproves the transaction, the Board must furnish to the Apartment Owner the name of an acceptable purchaser or lessee within said thirty (30) day time period who will accept the transaction upon terms as favorable to the Apartment Owner as the terms set forth in the notice of sale or lease, except that the closing of the transaction may be extended by either party for an additional period of up to thirty (30) days after the name of an acceptable purchaser or lessee has been furnished to the Apartment Owner. The Apartment Owner giving such notice to sell or lease shall be bound to consummate the transaction with the purchaser or lessee approved and furnished by the Board of Directors, and upon closing the Association shall deliver its Certificate of Approval.

B. Acquisition by Gift. Subject to the provisions of Article VIII.D., Apartment Owners shall not dispose of an Apartment or any interest therein by gift without the prior written approval of the Board of Directors of the Association, except as hereinafter provided.

1. Notice to Board of Directors. An Apartment Owner intending to make a gift of an Apartment or any interest therein shall give notice to the Board of Directors of the Association of such intention together with the name and address of the intended recipient, such other information as the Board of Directors may reasonably require, and a certified copy of the instrument by which title to such Apartment will be transferred. If such notice is not given to the Association, then at any time after receiving knowledge thereof, the Association shall proceed in accordance with the following subparagraph 2 as if it had been given such notice on the date of receipt of such knowledge.

2. Approval by Board of Directors. Within thirty (30) days after receipt of the aforementioned notice or knowledge, the Board of Directors shall have the right either to approve or disapprove of such transfer of title. Approval of the Board shall be by Certificate of Approval and shall be delivered to the Apartment Owner and the Person to obtain such title. In the event the Association fails to take any action pursuant to this subparagraph within such thirty (30) day period, such failure to act shall be deemed to constitute such approval and the Board shall deliver the Certificate of Approval to the Apartment Owner and the Person to obtain such title. In the event the Board disapproves such transfer of title, the Board shall advise in writing, within such thirty (30) day period, the Apartment Owner and the Person to obtain such title, of the name of a purchaser or purchasers who will purchase the respective Apartment at its fair market value. The fair market value of the Apartment will be determined by any one of the following methods selected by the Board: (a) by three (3) M.A.I. appraisers, one of whom shall be selected by the proposed purchaser, one by the Apartment Owner and one by the two appraisers so selected; (b) by mutual agreement by the purchaser and the Apartment Owner; or (c) by one (1) M.A.I. appraiser mutually agreed upon by the purchaser and the Apartment Owner. All costs for such appraisal shall be paid by the purchaser. The purchase price shall be paid in cash and the sale closed within thirty (30) days after the determination of the purchase price. Simultaneously upon notification to the Apartment Owner and the Person to obtain such title that the Board has a purchaser for the Apartment, the Apartment Owner and such purchaser shall execute a contract providing for the acquisition of such Apartment in accordance with the terms of this Declaration.

C. Mortgage. Apartment Owners or prospective purchasers of Apartments shall not mortgage an Apartment or any interest therein to any Person, firm, partnership or corporation other than the Owner, a bank, a savings bank, life insurance

company, or federal or state savings and loan association without the prior written approval of the Board of Directors. The approval of any mortgagee not set forth herein shall be upon terms and conditions determined by the Board of Directors.

D. Sales, Leases and Transfers Not Requiring Approval.

The provisions of this Article shall not apply to a sale, lease, or any other conveyance to a child, parent or spouse of an Apartment Owner or to a trust in which the Apartment Owner, or the son, daughter, or spouse of an Apartment Owner owns, either jointly or collectively, the entire beneficial interest of said trust; provided, however, that such Person or trust shall be bound by all of the terms, provisions and covenants of the Declaration, and the Condominium Documents; and provided further that any and all leases entered into under this Paragraph D., shall nevertheless conform in all respects to the Rules and Regulations on leasing as set forth in Exhibit "D" to this Declaration, as they may be amended from time to time, and the provisions of Article VII.K.

IX. ADMINISTRATION.

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

A. Organization of Association. The Association shall be incorporated under the name of Le Jardin Condominium Association, Inc. as an Indiana not for profit corporation pursuant to Articles of Incorporation, a copy of which is attached hereto as Exhibit "B", until the same are amended in accordance with law.

B. By-Laws of Association. The By-Laws of the Association shall be in the form attached as Exhibit "C" until the same are amended in the manner therein provided.

C. Rules and Regulations. The Rules and Regulations shall be those Rules and Regulations attached as Exhibit "D", until the same are amended as provided in the By-Laws.

D. 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 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 Apartment 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.

E. Notices. Notices or demands shall be given by Apartment Owners to the Association in the manner provided by the By-Laws of the Association.

X. INSURANCE.

Insurance coverage shall be provided for the Property in accordance with the following provisions:

A. Authority to Purchase. All insurance policies providing coverage for the Property except as hereinafter provided shall be purchased by the Association for the benefit of the Apartment 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 Apartments or any of them. 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 Apartment 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. Apartment Owners. Each Apartment Owner may 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 Apartment. All said insurance shall contain, if agreeable, the same waiver of subrogation as that referred to in subparagraph A. hereof, and the insurance must be obtained from the same insurance company that the Association obtains coverage against the same risk, liability or peril, if the Association has such coverage. The Association shall not be required to provide insurance coverage for any liability assumed by the Apartment Owner pursuant to this subparagraph.

C. Coverage.

1. Casualty. The Property, including the Buildings, the Apartments, 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 (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 and 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. Public liability and property damage in such amounts and in such forms as shall be required by the Association, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages;

3. Workmens' Compensation policy to meet the requirements of law;

4. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Apartment Owners as a group to an Apartment Owner.

D. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and assessed to the Apartment 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 Apartment 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 Calumet National Bank as Trustee, or to any other bank in Indiana with trust powers as may be approved by the Association (herein referred to as the Insurance Trustee).

F. Insurance Trustee. The Insurance Trustee 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 sole duty of the Insurance Trustee shall be to receive such insurance proceeds for the benefit of the Association, the Apartment Owners and their respective mortgagees, in the following Shares:

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 Apartment Owners and their mortgagees in the same percentages as appear in the Statement of Interest on Exhibit "A" attached hereto.

2. Apartments. Insurance proceeds received on account of damage to Apartments shall be held by the Insurance Trustee for the benefit of the Apartment Owners and their mortgagees in the following undivided Shares:

a. In the event the Buildings are 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 Owners of the damaged Apartments and their mortgagees in proportion to the cost of repairing the damage sustained by each Apartment. Upon the request of the Insurance Trustee, the Board of Directors shall certify to the Insurance Trustee the appropriate portions of the proceeds of insurance, and each Apartment Owner and his mortgagee shall be bound by, and the Insurance Trustee may rely upon, such certification.

b. In the event the Buildings are 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 Apartment Owners and their mortgagees in the same percentage as shown in the Statement of Interest on Exhibit "A" attached hereto.

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

G. Proceeds of Insurance. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to of for the benefit of the Apartment 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 the Buildings are to be reconstructed or repaired as provided 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 an Apartment and may be enforced by it.

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

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

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 Apartment Owners shall be convened to determine whether or not there has been a total destruction of all the Buildings. At such meeting a vote of two-thirds (2/3) of the Apartment Owners shall be necessary to determine that a total destruction has occurred.

1. Total. In the event the Apartment Owners determine that all the Buildings have been totally destroyed, the Buildings shall not be reconstructed and the insurance proceeds shall be divided among the Apartment Owners in the percentage by which each Apartment Owner owns an undivided interest in the Common Areas and Facilities as set forth in Exhibit "A". 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 Indiana Code 36-1-6-21 unless by a vote of two-thirds (2/3) of the Apartment Owners a decision is made to rebuild all of the Buildings.

2. Partial. In the event the Apartment Owners determine that 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 damaged Property is to be reconstructed or repaired. The Association, upon 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 plans and specifications for the original construction of the Property. Encroachments upon or in favor of Apartments 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 Apartment Owner upon whose Apartment such encroachment exists, provided that such reconstruction was in substantial accordance with the plans and specifications for the original construction of the Property. Such encroachments shall be allowed to continue in existence for so long as the Buildings stand.

C. Reconstruction By Apartment Owner. If the damage is only to that part of an Apartment for which the responsibility of maintenance, repair and replacement is that of the Apartment Owner, then the Apartment Owner shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Association.

D. 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.A., in the following manner:

1. Estimate of Costs. Immediately after a casualty causing damage to 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 Apartment 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 Apartment 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 funds collected by the Association from Assessment against Apartment 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.D.1.a. made during the year in which the casualty occurred, then the funds collected by the Association from assessments against Apartment 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 Apartment 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 Apartment Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) Apartment Owner. The portion of insurance proceeds received as a result of damage to an Apartment for which the Apartment 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 Apartment Owner may direct, or if there is a mortgage endorsement, then to such payee as the Apartment Owner and the first mortgagee jointly direct. Nothing contained herein, however, shall be construed so as to limit or modify the responsibility of the Apartment 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.D.1.a. 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.D.1.a. 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 qualified to practice in Indiana and employed by the Board of Directors to supervise the work.

(4) Surplus. It shall be presumed that the first moneys 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 is established, such balance shall be allocated as heretofore provided in Article X.G.1.

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

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

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 improve-

ment district, or any other taxing or assessing authority shall be assessed against and collected on each individual Apartment and paid by each Apartment 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 Apartment Owners, then the taxes, government assessments, sanitary sewer surcharges and other charge 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 Apartment 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.

XIII. ASSESSMENTS.

A. Authority to Assess. The Board of Directors of the Association shall assess Apartment Owners for their share of all Common Expenses of the condominium in accordance with their percentage of ownership of the condominium as set forth in the Statement of Interest on Exhibit "A", attached hereto. The Board of Directors shall also have the authority to assess individual Apartment Owners for any expense incurred by the Association as a result of the failure of the Apartment Owner to perform any of its responsibilities set forth in the Condominium Documents, or for any intentional or negligent act of the Apartment Owner, to the extent the expense is not covered by insurance purchased by the Association, in the manner and 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 Apartment Owners as assessed by the Board of Directors at such times and in the manner determined by the Board of Directors. The Board of Directors shall have the authority to make a determination as to that portion of the annual budget of estimated Common Expenses which are attributable to the garage facilities, and to make an additional regular Assessment for all such expenses against those Apartments to which the parking spaces in the garage facilities are appurtenant as Limited Common Areas.

2. Special Assessments. The Board of Directors may levy special Assessments from time to time against Apartment Owners as a result of extraordinary or unanticipated items of expense not contained in the annual budget, the failure or refusal of other Apartment Owners to pay their Assessments, as a sanction against an Apartment Owner pursuant to Article XIV, or 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 Apartment Owners shall be set forth upon a roll of the Apartments which shall be available in the office of the Association for inspection at all reasonable times by Apartment Owners or their duly authorized representatives. The Assessment roll shall indicate for each Apartment the name and address of the Owner or 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 an Apartment Owner's Assessment account shall limit the liability of any Person (other than the Apartment Owner), who receives and relies upon such certificate. The Association will issue such certificates to such persons as an Apartment Owner may request in writing.

C. Payment of Assessment.

1. Liability for Assessment. The Owners of each Apartment shall be personally liable, jointly and severally, for the payment of all Assessments levied by the Board of Directors against their Apartment and for all costs of collecting such Assessment including interest and reasonable attorney fees. In a voluntary conveyance the grantee of an Apartment shall be jointly and severally liable with the grantor for all unpaid Assessments against the Apartment up to the date of the conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. A purchaser of an Apartment at a judicial or foreclosure sale of a first mortgagee who accepts a deed in lieu of foreclosure shall be liable only for the Assessments 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 Apartment.

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

3. Perfection of Lien. The Board of Directors shall perfect the lien by filing a notice thereof with the Recorder of Lake County, Indiana within sixty (60) days from the date any Assessment or any installment thereof becomes due and payable, and it may foreclose the lien under the laws of the State of Indiana governing mechanics' and materialmen'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 Apartment Owner shall be required to pay a reasonable rental for the Apartment and the Association shall be entitled to the 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 Apartment 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 twelve percent (12%) per annum from the date when due until paid. 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 Apartment 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 Apartment 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 Apartment Owners for alteration and improvement 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 Apartment 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 Apartment 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 the same shall be held for the benefit of the Apartment 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 (as well as such income anticipated) 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.

XIV. ENFORCEMENT.

Each Apartment 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 an Apartment Owner or Occupant shall entitle the Association or any other Apartment Owner or Owners to the following remedies:

A. Authority and Administration Enforcement and Procedures.

1. Authority. The condominium shall be used only for those uses and purposes set out in this Declaration, and subject to the covenants and restrictions set forth herein, and in the By-Laws and Rules and Regulations promulgated pursuant to Article VII.J., and elsewhere herein. The Board of Directors shall have the power and authority to impose reasonable special Assessments in addition to those provided by Article XIII.B.2. which shall constitute a lien upon the Apartment Owner's Apartment 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 XIV that an Owner or Occupant has violated any provision of this Declaration, the By-Laws, or the Rules and Regulations as duly promulgated.

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, not less than ten (10) 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/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 officer 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 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 XIV, and in otherwise attempting to remedy the violation.

(2) The amount of actual damage done to the Common and Limited Common Areas and Facilities, to other Apartment Owners and Occupants and/or to 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 inconvenience to the condominium community, the Association or any member thereof, or Occupant of an Apartment therein.

(4) The extent to which the violation is or was flagrant, and the extent to which the violator cooperated or hindered in any 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 Apartment occupied by the violator, and shall be assessed against said Apartment and its Apartment 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 Assessments which are not paid as of that date shall become a lien on such Apartment, and shall be collected and enforced in the same manner as regular Assessments under the provisions of Article XIII.

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 an Apartment Owner's right to vote, unless the Board of

Directors finds, by specific special 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 set forth in Article XIV.A., 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 administrative procedure, or any combination thereof. The prevailing party shall be entitled to recover the costs of any legal proceeding including reasonable attorneys' fees.

C. No Waiver of Rights. The failure of the Association or of an Apartment 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 Apartment 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 Apartment 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.

XV. AMENDMENT.

The Condominium Documents may be amended in the following manner:

A. Declaration. Amendments 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 Apartment Owners at which any proposed amendment is to be considered.

2. Resolution. Except as provided in subparagraph 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 Apartment 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. A copy of any such amendment shall also be sent to each Apartment Owner and his mortgagee by registered or certified mail; provided however, 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 on Exhibit "A" attached hereto may not be changed, altered or amended without the express, prior written consent of all Apartment Owners and their mortgagees, except as provided in Article III and Paragraph 5 of this Article.

5. Amendment by Owner. Notwithstanding any other provision of the Condominium Documents, the Owner alone may amend this Declaration, or any of the other Condominium Documents, without the consent of the Apartment 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 the requirements of any governmental agency, public authority, or title insurance company, or (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 entities. This paragraph 5 shall constitute an irrevocable special power of attorney to Owner on behalf of all Apartment Owners and any and all other Persons having an interest of any kind in the Property, for so long as Owner owns any Apartment or until the expiration of five (5) years from the date on which this Declaration is recorded, whichever occurs first. The amendment shall be signed by the Owner and it shall become effective upon the recording of a copy thereof in the Office of the Recorder of Lake County, Indiana. A copy of such amendment shall also be sent to all Apartment Owners and their mortgagees in the manner provided in subparagraph 3. Hereof.

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.

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 Apartment Owners and their first mortgagees. The agreement shall be evidenced by a written instrument or instruments executed in the manner required for conveyances 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 the Buildings are totally destroyed as provided in Article XI.A.1. hereof then the Property shall be considered removed from the provisions of the Act and this condominium shall terminate. 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 Apartment Owners as tenants in common. The undivided interest of each Apartment Owner in the Property shall be a percentage which is equal to the percentage of undivided interest previously owned by each Apartment Owner in the Common and Limited Common Areas and Facilities as set forth on Exhibit "A" attached hereto; provided however, such Apartment Owner shall continue to be responsible and liable for his Share of the Assessments 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 Apartment 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 Apartment Owners in the same percentage as set forth on Exhibit "A" attached hereto. 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 Apartment Owner; provided however, if the Association determines by a vote of three-fourths (3/4) of all the Apartment Owners to accept an offer for the sale of the Property, then each Apartment 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.

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 Apartment and the appurtenances thereto.

XVIII. LIENS.

A. Protection of Property. All liens against an Apartment 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 an Apartment shall be paid before becoming delinquent.

B. Notice of Lien. An Apartment Owner shall give notice to the Association of every lien upon his Apartment other than for taxes, special Assessments, and permitted mortgages within five (5) days after notice that a lien has attached.

C. Notice of Suit. An Apartment Owner shall give notice to the Association of every suit or other proceeding which will or may affect the title to his Apartment or any other part of the Property, within five (5) days after the Apartment Owner receives notice thereof.

D. Effect. Failure to comply with this Article will not affect the validity of any judicial sale.

E. Register of Mortgages. The Association shall maintain a register of all mortgages, which shall include the name and address of each mortgagor and a description of the Apartment upon which the mortgage is a lien.

XIX. JUDICIAL SALES.

A. Judicial Sales. A judicial sale of any Apartment or any interest therein shall not be valid unless the sale is to a purchaser approved by the Board of Directors of the Association except as provided in subparagraph 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 Apartment, the Association, on behalf of one or more Apartment Owners, shall have the right to redeem the mortgage for the amount due thereon or to purchase such Apartment 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 Apartment 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 Apartment 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. The permitted mortgagee shall also have the right to bid upon said Apartment at the foreclosure sale. A permitted mortgagee taking title to the Apartment on such foreclosure sale or taking title in lieu of a foreclosure sale, may acquire, occupy, let, relet, sell and resell the Apartment without complying with the restriction limiting the occupation or conveyance of said Apartment to Persons approved by the Association. If the Association redeems the mortgage, it shall have a lien against the Apartment 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.

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 in any of the Apartments or until the expiration of five (5) 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 Owners of Apartments.

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 estimates 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 VIII hereof, the Owner shall have the absolute right to lease, sell, convey, transfer, mortgage or encumber any Apartment owned by the Owner.

D. Assessment Exemption. Owner and Developer may elect in writing to the Association, at any time, to be exempt from any assessment levied by the Association on any or all Apartments owned by the Owner, which are unoccupied and offered by the Owner for the first time for sale, for the period of time beginning on the date of the recording of this Declaration, and ending on the first day of the twenty-fourth (24th) month following the month in which the closing of the sale of the first Apartment by Owner occurs, it being the intent hereof that Owner and Development be so exempt from such assessments in accordance with the provisions of Indiana Code 32-1-6-22(d).

E. 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. A.5.

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.

XXII. APARTMENT DEEDS.

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

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 of the text of the Condominium Documents.

XXIV. PROMOUNS

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 the singular shall include and refer to the plural and words in the plural shall include the singular when appropriate.

XXV. NOTICE TO MORTGAGEES.

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

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.

XXVII. TRUSTEE CAPACITY.

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

IN WITNESS WHEREOF, the Owner has caused this instrument to be executed this 6 day of December, 1985.

OWNER:

CALUMET NATIONAL BANK, as Trustee of Trust No. P-3188, aforesaid and not personally,

By: Cletus F. Epple

ATTEST:

CLETUS F. EPPLE
VICE PRESIDENT & TRUST OFFICER

By: Michael V. Riley

MICHAEL V. RILEY
VICE PRESIDENT & SR. TRUST OFFICER