

Jim Fielder
Monroe County Recorder IN
IN 2002014774 COV RES
07/02/2002 09:46:51 40 PGS
Filing Fee: \$0.00

DECLARATION OF CONDOMINIUM
OF
LOCKERBIE COURT CONDOMINIUMS

This DECLARATION OF CONDOMINIUM made this 1st day of June, 2002, by Lockerbie Court Condominiums, LLC.

RECITALS

- (A) Declarant is the sole owner of the fee simple title to the Real Estate; and
- (B) Declarant has or will improve the Real Estate by constructing a four (4) floor structure containing up to a maximum of eighteen (18) Condominium Units upon the Real Estate in accordance with the Floor Plans prepared by Bynum Fanyo & Associates, Inc.; and,
- (c) Declarant intends to sell the individual Condominium Units together with an undivided interest in the Common Area.

THEREFORE, Declarant declares that Lockerbie Court Condominiums shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the covenants and restrictions hereinafter set forth expressly and exclusively for the use and benefit of the Real Estate and of each and every person or entity who now or in the future owns any Condominium Unit within the Project.

ARTICLE 1

Definitions

The following terms used in this Declaration shall have the following meanings:

Section 1.1. Act. "Act" means the "Indiana Horizontal Property Law" as amended.

Section 1.2. Association. "Association" means The Lockerbie Court Homeowners' Association, Inc., its successors and assigns, an Indiana nonprofit corporation which is the incorporated Association of Co-Owners, more particularly described in Article 8.

Section 1.3. Board of Directors. "Board of Directors" means the governing body of the Association elected by the Co-Owners in accordance with the Bylaws.

Section 1.4. Building. "Building" means the four (4) story building to be erected on the Property.

Section 1.5. Bylaws. "Bylaws" means the Bylaws of the Association, providing for the administration and management of the Association. A true copy of the Bylaws is attached to this Declaration as Exhibit A and incorporated herein by reference.

Section 1.6. Common Area. "Common Area" means the Real Estate and Building exclusive of the Condominium Units, including but not limited to the supporting structure of the Building, exterior walls, the mechanical areas serving the Building, interior hallways and corridors not part of a designated Condominium Unit, elevators, stairwells, parking areas, mechanical areas, the courtyard, elevator lobbies, exercise facilities, exterior landscaped areas, the decorative walls constructed by the Declarant and the exterior sidewalks and other exterior walks. Each Owner shall have, as appurtenant to the Owner's Condominium Unit, as undivided Percentage Interest in the Common Area shown on Exhibit B. The undivided interest in the Common Area cannot be separated from the Condominium Unit to which it is appurtenant, and any conveyance or transfer of the Condominium Unit includes the undivided interest in the Common Area. Each Owner may use the Common Area in accordance with the purposes for which they are intended without hindering exercise of or encroaching upon the rights of any other Owner, subject to the rights of each Owner in any Limited Common Area appurtenant to that Owner's Condominium Unit.

Section 1.7. Common Expenses. "Common Expenses" means the expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Area, the Limited Common Area and other costs and expenses incurred by the Association for the common benefit of all Co-Owners; provided, however, that Common Expenses shall not include any costs of initial construction of any Condominium Unit. Notwithstanding the foregoing, certain expenses of maintaining the Limited Common Areas shall be borne solely by the Condominium Unit to which the use of such facilities is allocated, or, if such use is allocated to more than one Condominium Unit, such expenses shall be shared by the Condominium Units to which such use is allocated in the proportion that the square footage of each of said Condominium Units, as stated herein, bears to the total square footage of all Condominium Units entitled to the use of said facilities. The expenses to be borne by the Condominium Unit to which the use of such facilities is allocated are as follows: expenses of maintaining the interior of Lockers and all expenses for maintaining the Balconies, except expenses for structural maintenance and repair.

Section 1.8. Condominium Unit. "Condominium Unit" means separately designated and legally described freehold estates consisting of the space or area contained within the perimeter walls of each of the Condominium Units constructed in the Project as depicted on the Floor Plan. Bearing walls located within the interior of a Condominium Unit are Common Area, not part of the Unit, except for the finished surfaces thereof. Each Condominium Unit includes the utility installations located within its boundaries that the Owner has exclusive use of, including without limitation, hot water heaters, lighting fixtures, and heating, ventilating, and air

conditioning (HVAC) unit, which are located entirely within the Condominium Unit they serve. The Condominium Unit does not include those areas which are defined as Common Area in Section 1.6.

Section 1.9. Co-Owners. "Co-Owners" means all of the Owners of all the Condominium Units in the Project.

Section 1.10. Declarant. "Declarant" means Lockerbie Court Condominiums, LLC, an Indiana limited liability company, developer of the Project, and any successor or assignee of its interest in all or part of the Project or in this Declaration under an instrument or instruments which expressly state that the successor or assignee thereunder shall become the Declarant for purposes of this Declaration.

Section 1.11. Delinquency Date. "Delinquency Date" means the date which is ten (10) days after the due date of any Regular or Special Assessment.

Section 1.12. Developer. "Developer" means Declarant. Both words are used interchangeably in this Declaration and in the Bylaws.

Section 1.13. Floor Plans. "Floor Plans" means the Floor Plans prepared by Bynum Fanyo & Associates, Inc., said Floor Plans being on record in the Office of the Recorder of Monroe County, Indiana, as Instrument number 200204775 Plat Cabinet H B, Envelope 156.

Section 1.14. Limited Common Area. "Limited Common Area" means that portion of the Common Area identified on the Floor Plan which is assigned to a single Owner for the Owner's exclusive use. Limited Common Areas include:

1.14.1. Balconies. Each area shown on the Floor Plan as a "Balcony" shall be a Limited Common Area reserved for the exclusive use of the Condominium Unit to which it is attached, and shall be maintained by the Association.

1.14.2. Lockers. Each area shown on the Floor Plan as "Locker" shall be a Limited Common Area reserved for the exclusive use of the Owner to which said Locker is assigned and shall be maintained by the Owner. The Association shall maintain a schedule of Locker assignments.

1.14.3. Parking. Each area shown on the Floor Plan as "Parking" shall be a Limited Common Area reserved for the exclusive use of the Owner to which it is assigned pursuant to the provisions of Section 6.3. The Parking Spaces shall be maintained by the Association.

Section 1.15. Majority of the Vote and Majority of Co-Owners. The terms "majority of the vote" and "majority of Co-Owners," as used in this Declaration, shall mean more than fifty percent (50%) of the total vote of all Owners, and shall not mean a majority of the persons or votes present or represented at such meeting.

Section 1.16. Mortgagee. "Mortgagee" means the holder of any recorded first mortgage lien on any Condominium

Section 1.17. Owner. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, which owns the record fee simple title to a Condominium Unit; provided, that persons or entities owning a Condominium Unit as tenants in common, joint tenants, tenants by the entireties or any form of joint or divided ownership, shall be deemed one Owner for purposes of this Declaration.

Section 1.18. Percentage Interest. "Percentage Interest" means the undivided ownership interest in the Common Area as set forth in Exhibit B attached hereto, as the same may be amended from time to time in accordance with the provisions of this Declaration; provided, however, that an Owner's Percentage Interest shall never be greater than his or her Percentage Interest on the date he or she acquires title to a Condominium Unit. Exhibit B contains a list of all Condominium Units by their identifying numbers and the percentage interest of each Condominium Unit, determined on the basis of the approximate square footage of the Condominium Unit compared to the total square footage of all Condominium Units located in the Building. The Percentage Interest shall be used for purposes of allocating the Common Expenses, as well as for the Owners' proportionate representation for voting purposes in the Association.

Section 1.19. Project. "Project" means Lockerbie Court Condominiums.

Section 1.20. Property. "Property" means the Common Areas, Limited Common Areas, Condominium Units, and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate and used in connection with the operation, use and enjoyment of the Project.

Section 1.21. Real Estate. "Real Estate" means the real property described on Exhibit C, which has been subjected to this Declaration and all of the Property located upon the Real Estate.

Section 1.22. Unsold Condominium Unit. "Unsold Condominium Unit" means an unoccupied Condominium Unit to which Declarant holds title and which is or will be offered for sale for the first time.

ARTICLE 2

Declaration

Declarant hereby expressly declares that the Real Estate shall be held, conveyed and transferred in accordance with the provisions of this Declaration and subject to the provisions of the Act for the mutual benefit of the Co-Owners of the Condominium Units.

ARTICLE 3

Description of Lockerbie Court Condominiums

Lockerbie Court Condominiums consists of up to a maximum of eighteen (18) Condominium Units designated by unit numbers shown on Exhibit B, inclusive, together with the Common Area. The size of the Condominium Units are as designated on the Floor Plan. The legal description for each Condominium Unit in Lockerbie Court Condominiums shall be as follows:

Condominium Unit _____ in Lockerbie Court Condominiums Horizontal Property Regime as recorded in Instrument Number _____, under the date of _____, 2001, in the records of the Recorder of Monroe County, Indiana.

ARTICLE 4

Changes in the Unsold Condominium Units

Section 4.1. Permitted Changes. Except to the extent (i) prohibited by law or (ii) prohibited by contractual restrictions in effect among or between Declarant and all or any of the Unit Owners, Declarant shall have the right, without the vote or consent of any Board, other Owners, or the Mortgagees, to: (a) make alterations, additions or improvements to any Unsold Condominium Units; (b) change the layout of, or number of rooms in, any Unsold Condominium Units from time to time; (c) change the size and/or number of Unsold Condominium Units by subdividing one or more Unsold Condominium Units into two or more separate Condominium Units, combining separate Unsold Condominium Units (including those resulting from such subdivision or otherwise) into one or more Condominium Units, altering the boundary walls between any Unsold Condominium Units, or otherwise, including incorporating Common Area such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Condominium Unit) which exclusively benefit an Unsold Condominium Unit; and (d) if appropriate, reapportion among the Condominium Units their Percentage Interests in the Common Area due to such change in size, use or number pursuant to preceding clauses (b) or (c). The provisions of this Section 4.1 shall expire ten (10) years after the recording of this Declaration; provided that development of the Property shall occur no later than five (5) years after such date.

Section 4.2. Redesignation of Common Area. Declarant reserves the right to redesignate as Limited Common Areas such portions of the Common Area as are deemed necessary (due to change in size, use or number of Unsold Condominium Units pursuant to Section 4.1) to provide the Unsold Condominium Units with facilities substantially similar to those designated for the use of the other Condominium Units, including without limitation Parking spaces, Lockers and Balconies.

Section 4.3. Consent of Declarant Required. The provisions of this Article 4 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee.

Section 4.4. Reapportionment of Percentage Interest. Upon changes in size, use or number of Unsold Condominium Units pursuant the provisions of Section 4.1, the Percentage Interest of each Owner shall be readjusted based on the approximate proportion of the square footage of each Owner's Condominium Unit bears to the total square footage of all Condominium Units, including the Unsold Condominium Units; provided, however, that an Owner's Percentage Interest shall never be greater than his or her Percentage Interest on the date he or she acquires title to a Condominium Unit.

Section 4.5. Reapportionment Effective Upon Recording of Amendment. Notwithstanding the other provisions of this Article 4, no reapportionment of the interest in the Common Area appurtenant to any Condominium Unit, nor the Percentage Interest of any Condominium Unit, shall be effective until a duly executed amendment to this Declaration is recorded in accordance with Article 20.

ARTICLE 5

Boundaries of Condominium Units

The boundaries of each Condominium Unit in the Project shall be as shown on the Floor Plans, provided, however, in the event any boundary line of any Condominium Unit does not coincide with the actual Condominium Unit line because of inexactness of construction, settling after construction or for any other reason, whether from the initial construction or subsequent reconstruction, the boundary lines shall be deemed to be treated for purposes of occupancy, possession, maintenance, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Owner of each Condominium Unit in and to such base line outside the actual boundary line of the Condominium Unit.

ARTICLE 6

Common Area

Section 6.1. Ownership of Common Area. The Owner of each Condominium Unit is entitled to an undivided interest in the Common Area equal to the Owner's Percentage Interest. Except as provided in Article 4, the undivided interests established and to be conveyed with the respective Condominium Units can be changed only upon agreement of all the Owners and the recording of an amendment hereof, duly signed and acknowledged. Declarant, its successors, assigns, and grantees, covenant and agree that the undivided interests in the Common Areas and the fee titles to the respective Condominium Units conveyed shall not be separated or separately conveyed, and that each undivided interest shall be deemed to be conveyed or encumbered with its respective Condominium Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Condominium Unit. Nothing in this Article impairs the right of the Association to adopt such rules and regulations regarding the Common Area as it deems necessary as provided in Article 9.

Section 6.2. Exclusive Use of Limited Common Area. Each Owner shall have the exclusive use of any Limited Common Area appurtenant to that Owner's Condominium Unit as

depicted on the Floor Plans, any Locker assigned to Owner, as shown on the schedule maintained by the Association, and any Parking space assigned to Owner pursuant to Section 6.3. Such Limited Common Areas include the balcony appurtenant to each Condominium Unit.

Section 6.3. Parking Spaces. Declarant shall assign the Parking spaces as Limited Common Area for the exclusive use of certain Owners who purchase the right to use the Parking spaces. Declarant reserves the exclusive right to make such assignment after the recordation of this Declaration. Such assignment by Declarant shall not be construed as a sale or disposition of the Parking space, but rather as a license for exclusive use. Assignments of the Parking spaces shall be shown on a schedule maintained by the Association. The right of exclusive use of a Parking space shall be personal to the Owner holding such right, and shall not be appurtenant to the Owner's Condominium Unit; provided, however, that the right to exclusive use of the Parking spaces shall be restricted to Owners and tenants under leases approved pursuant to the provisions of Section 17.2. An Owner holding an exclusive right to the use of a parking space may sell or assign such right to another Owner.

Section 6.4. Access to Common Area. Each Owner shall have an easement in common with all other Owners to use, maintain, repair, alter and replace the Common Area located in any of the other Units or elsewhere on the Property which service his or her Unit. Each Unit shall be subject to an easement in favor of all Unit Owners to use, maintain, repair and replace all Common Areas located in such Unit or elsewhere on the Property which serve other Units. All easements and right of access described in this Section 6.4 shall be exercised by the Board of Directors acting on behalf of the Owners.

Section 6.5. Delegation of Use of the Common Area. Any Owner may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Association, his or her right of enjoyment, and the use of the Common Area and facilities to members of his or her family, tenants under leases approved pursuant to the provisions of Section 17.2, guests accompanied by an owner or approved tenant, contract purchasers or invitees who reside in any Condominium Unit.

ARTICLE 7

Encroachments and Easements

Section 7.1. Encroachments. If by reason of inexactness of construction, settling after construction or for any other reasons, any Common Area encroaches upon any Condominium Unit, an easement shall be deemed to exist and run to the Association for the maintenance, use and enjoyment of such Common Area.

Section 7.2. Common Area. Each Owner shall have an easement in common with all Co-Owners to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, located in any other Condominium Units or in the Common Area and serving the Owner's Condominium Unit.

Section 7.3. Structural Support. To the extent necessary, each Condominium Unit shall have an easement for structural support over every other Condominium Unit, the Common

Area, and the Limited Common Area, and each Condominium Unit and the Common Area shall be subject to an easement for structural support in favor of every other Condominium Unit, the Common Area, and the Limited Common Area.

Section 7.4. Public and Quasi-Public Vehicles. All public and quasi-public vehicles including but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles and privately owned delivery vehicles shall have the right to enter upon the Common Area in the performance of their duties.

Section 7.5. Utilities. An easement is granted to all utilities, including the City of Bloomington, Indiana, and its agents, for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including but not limited to water, sewer, gas, telephone, cable and electricity on the Property, provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines or other utilities, except as initially designed and approved by Declarant on the Floor Plans or as thereafter may be approved by Declarant or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Property and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Condominium Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, Declarant shall have the right to grant such easement on such Property, without conflicting with the terms of this Article. The easements granted herein shall in no way affect any other recorded easement on the Property.

Section 7.6. Performance of Duties. An easement is granted to the Board of Directors, the Association, its officers, agents and employees and to any management company, if any, selected by the Association to enter in or to cross over the Common Area to perform its duties.

ARTICLE 8

Association

Section 8.1. Homeowners' Association. In order to provide for the maintenance and repair, replacement, administration, operation and ownership of the Common Area, and to perform such other function as may be designated to it, there is hereby created a nonprofit corporation which shall be known as Lockerbie Court Homeowners' Association, Inc. Each Owner shall automatically be a member of the Association, but membership shall terminate when such person ceases to be an Owner, and will be transferred to the new Owner; provided, however, any person who holds the interest of an Owner in a Condominium Unit merely as security for the performance of an obligation shall not be a Member until and unless he or she realizes upon the security, at which time he or she shall automatically be and become an Owner and a member of the Association.

Section 8.2. Classes of Members. The Association shall have three classes of Members:

8.2.1. Class A Members. Class A Members shall be all Owners except Declarant. Class A Members shall be entitled to vote in accordance with the Percentage Interest assigned to his or her Condominium Unit in this Declaration. All persons holding an interest in any Condominium Unit shall be Members provided, however, each Condominium Unit represented shall designate one person to vote the Percentage Interest as the Owners of such Condominium Unit may determine.

8.2.2. Class B Members. The Class B Member shall be Declarant. Class B Members shall be entitled to vote in accordance with the Percentage Interest assigned to Declarant's Condominium Unit(s) in this Declaration. The Class B Membership shall cease and terminate upon the first to occur of: (1) the date upon which the written resignation of the Class B Member as such is delivered to the Resident Agent of the Association, provided, however, if Declarant, at such time still owns Condominium Units, such membership shall be converted to a Class A Membership; (2) the date Declarant owns twenty percent (20%) or less of the total square footage of all Condominium Units located in the Building; or (3) the date three (3) years after the date of recording of this Declaration (the applicable date of the above being herein referred to as the "Applicable Date").

8.2.3. Class C Members. Any and all natural persons who are officers, directors, partners, employees, or appointees of a Class A Member or a Class B Member may become a Class C Member of the Association upon designation thereof by a Class A Member or a Class B Member. A Class C Member shall have no vote as an Owner in matters of the Association, but, upon appointment by the Declarant or upon election by the Co-Owners as provided in the Bylaws, may act as a director and may vote in such capacity on matters which are determined by the Board of Directors.

Section 8.3. Board of Directors. The initial Board of Directors shall be as designated in the Association's Articles of Incorporation, shall be Class C Members, and such Directors, notwithstanding any provision in this Declaration or the Articles or the Bylaws to the contrary, shall be Directors until the Applicable Date and in the event of any vacancy or vacancies occurring in the Initial Board for any reason prior to the Applicable Date every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a Member of the Initial Board. Thereafter, the Members of the Association shall elect a Board of Directors annually in accordance with and as prescribed by the Bylaws. The Association Members shall be entitled to vote for the election of the Board of Directors in accordance with the procedure outlined in the Bylaws. The Board of Directors shall be the governing body of the Association representing all of the Association members and being responsible for the functions and duties of the Association including but not limited to the management, maintenance, repair, replacement and upkeep of the Common Area.

ARTICLE 9

Right of Board of Directors to Adopt Rules and Regulations

The Board of Directors may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Area, as it may

deem necessary from time to time. Such rules as are adopted may be amended by vote of a majority of the Board, and the Board shall cause copies of such rules to be delivered or mailed promptly to all Owners.

ARTICLE 10

Real Estate Taxes

Real estate taxes are to be separately assessed and taxed to each Condominium Unit. In the event that for any year the real estate taxes are not separately assessed and taxed to each Condominium Unit, but are assessed and taxed on the Real Estate as a whole, without a breakdown for each Condominium Unit, then each Owner shall pay an amount equal to the real estate taxes assessed to the land and improvements comprising the Real Estate assessed as a whole multiplied by the Owner's Percentage Interest.

ARTICLE 11

Utilities

Each Owner shall, pay for the Owner's own utilities which are separately metered (including any public utilities which are privately metered). Utilities which are not separately metered shall be treated as and paid as part of the Common Expenses, unless otherwise determined by the Association.

ARTICLE 12

Maintenance, Repairs and Replacements

Section 12.1. Owner's Maintenance Responsibilities. Each Owner shall at his or her expense be responsible for the maintenance, repairs, decoration and replacement within his or her own Condominium Unit except as may otherwise be provided herein. All fixtures and equipment installed within the Condominium Unit commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of the Condominium Unit shall be maintained and kept in repair by the Owner thereof. Each Owner shall promptly perform all maintenance and repair in his or her Condominium Unit, which if neglected, might adversely affect any Condominium Unit or Common Area or the value of the Property. Such maintenance and repairs include but are not limited to internal water lines, plumbing, electric lines, gas lines, appliances, doors, windows, lamps, and all other accessories belonging to the Owner and appurtenant to the Condominium Unit.

Section 12.2. Association's Maintenance Responsibilities.

12.2.1. Common Area Maintenance. Maintenance, repairs, replacements and upkeep of the Common Area shall be furnished by the Association, as a part of the Common Expenses.

12.2.2. Exterior Maintenance. In addition to the maintenance of the Common Area and Limited Common Area, the Association shall provide exterior maintenance upon the Building and each Condominium Unit for the following: paint, repair, replacement and care of all exterior doors, roofs, gutters, downspouts, exterior building surfaces, and other exterior improvement excluding, however, any glass surfaces, screens, window fixtures, and other hardware, which shall be the sole responsibility of the Owner.

12.2.3. Maintenance Due to Owner's Willful or Negligent Act. In the event the need for maintenance and repair results from the willful or negligent act of the Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by insurance on such Condominium Unit, the cost of such maintenance or repair shall be borne by the Owner, and shall be added to and become a part of the assessment to which his or her Condominium Unit is subject and be subject to the same method of collection as the Regular Assessment.

12.2.4. Access to Condominium Units for Maintenance. The Association shall have the irrevocable right, to be exercised by the manager or the Board of Directors, to have access to each Condominium Unit from time to time at reasonable times, and upon reasonable prior notice (except in cases of emergency in which case no notice will be required) to enter into each individual Condominium Unit for purposes of inspection, replacement, repair and maintenance of the Common Area and Limited Common Area, and facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Areas, Limited Common Area or to another Condominium Unit.

ARTICLE 13

Alterations, Additions and Improvements

No Owner may make any alterations, additions, improvements, repairs, change of colors, excavation, changes in grade or other work which in any way alters the exterior or jeopardizes the soundness or safety of the Property, reduces the value thereof, or impairs any easement or hereditament of any Condominium Unit located thereon from its natural or improved state existing on the date such Condominium Unit was first conveyed by Declarant to the Owner without the prior written consent of all of the other Co-Owners.

ARTICLE 14

Assessments

Section 14.1. Annual Accounting. Annually after the close of each calendar year of the Association and prior to the date of the annual meeting of the Association for the following year, the Board of Directors shall cause to be prepared and furnished each Owner a financial statement, which statement shall show all receipts and expenses received, incurred or paid during the preceding calendar year. The annual accounting shall be mailed or delivered to each Owner at the same time as the Notice of annual meeting is mailed or delivered.

Section 14.2. Proposed Annual Budget. Annually on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year and furnish a copy of such proposed budget to each Owner prior to the annual meeting. The proposed annual budget shall be submitted to the Co-Owners at the annual meeting of the Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Co-Owners, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by a majority of the Co-Owners at the meeting where a quorum is present; provided, however, in no event shall the annual meeting of the Co-Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owner shall not constitute a waiver or release of the Owner to pay the Common Expenses.

Section 14.3. Regular Assessments. The annual budget as adopted shall contain a proposed assessment against each Condominium Unit the total amount of said budget multiplied by the Percentage Interest of each Condominium Unit (herein called the "Regular Assessment"). The Regular Assessment against each such Condominium Unit shall be paid in four (4) quarterly installments on the first day of January and each three (3) months thereafter. Payment of the Regular Assessments shall be made to the Board of Directors as directed by the Board of Directors; provided, however, that any Owner may elect to pay Regular Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Condominium Unit as of the date of the adoption of the annual budget.

Section 14.4. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto; and, (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and working capital of the Association; provided that no Special Assessments shall be levied without the assent of a majority of the Co-Owners at a meeting duly called for this purpose. Each Owner, subject to the Regular Assessment as described in Section 14.3 above, shall pay the Association a Special Assessment based on the total sum approved to meet the costs and expenses as heretofore provided multiplied by the Percentage Interest assigned to each Condominium Unit subject to the Regular Assessment in the Project. The Association may, in connection with the levy of any Special Assessment, specify that the same shall be payable in installments and specify the due date thereof.

Section 14.5. Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Association provide insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s) or returned to the Co-Owners proportionately as the Board of Directors shall elect.

Section 14.6. Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any such year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and Regular Assessments are determined in accordance with the Declaration and the Bylaws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary.

Section 14.7. Reserve Fund and Working Capital Fund. The Association shall be obligated to establish a reserve fund for the repair of the Common Area based upon good faith estimates of the useful life and replacement cost of such Common Area made or obtained by the Association. The reserve fund shall be funded through the payments by the Owners of Common Expenses. Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied therefore. In addition to the reserve fund, a working capital fund shall be established and maintained by the Association. At the closing of the initial sale of each Condominium Unit to an Owner, the purchaser of such Condominium Unit shall deposit with the Association an amount equal to the quarterly Regular Assessment pro-rated to the day of closing plus the sum of One Hundred Dollars (\$100.00). Amounts paid or deposited into the working capital fund shall not relieve an Owner from responsibility for the Regular Assessments due in accordance with this Article 14. All amounts held by the Association pursuant to this Section 14.7 shall be maintained in a federally-insured, interest-bearing account in a bank or savings and loan association doing business in Monroe County, Indiana, and all interest thereon shall be added to and deemed a part of such fund.

Section 14.8. Status of Funds Collected by Association. All funds collected pursuant to this Article 14 shall be held and expended by the Association solely for the purposes designated herein, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Co-Owners for the payment of Common Expenses.

Section 14.9. Accounting Practices of the Association. The annual budget, the Regular Assessment and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and of Condominium Units to the extent such capital expenditures and replacement and repair is the obligation of the Association, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Area. Such replacement reserve fund for capital expenditures and repair of the Common Area shall be maintained by the Association in a separate interest-bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Monroe County, Indiana, selected from time to time by the Board of Directors.

Section 14.10. Collection of Assessments. Each Assessment shall be due and payable on the due date thereof as specified in this Declaration or in the Bylaws, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment

which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner, and shall bear interest on the unpaid balance thereof from the Delinquency Date until fully paid, at a rate of interest equal to eighteen percent (18%) per annum. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eighteen percent (18%) per annum. The provisions of Article 18 shall apply in the event any Assessment is not fully paid on or before the Delinquency Date.

Section 14.11. Priority of Assessment Lien. Notwithstanding anything contained in this Declaration, the Association's Articles of Incorporation or the Bylaws, no sale or transfer of Condominium Units to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance.

Section 14.12. Notice of Assessments. Upon ten (10) days written notice to the Association and the payment of a reasonable fee, the Association shall deliver to any Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of a Condominium Unit, a written statement setting forth the amount of all unpaid Assessments, if any, with respect to the subject Condominium Unit, together with the amount of the current assessments for Common Expenses and the date(s) such Assessments become due and payable. Any such written statement shall be binding upon the Association in favor of any person relying thereon in good faith.

ARTICLE 15

Insurance

Section 15.1. Insurance to be provided by Association. To the extent such insurance is reasonably obtainable, the Association shall obtain and maintain the following insurance:

15.1.1. Fire and extended coverage insurance for the full replacement cost of all of the improvements, equipment and fixtures within the Project, including the Condominium Units as originally constructed. The Board of Directors shall determine the company or companies through which the fire and extended coverage insurance shall be obtained. Such insurance coverage shall be for the benefit of each Owner, and if applicable, each Owner's Mortgagee; provided however, in the event of damage or destruction by fire or other casualty to any Condominium Unit, the Owner and Mortgagee thereof shall use such insurance proceeds to cause the Condominium Unit to be promptly repaired and restored.

15.1.2. Comprehensive public liability insurance insuring the Association, any manager, the Declarant, and the Owners and occupants of the Condominium Units, and their respective family members, guests, tenants, invitees, and the agents and employees

of each, against any liability incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property, as well as individual liability insurance for officers and directors of the Association for negligent acts or omissions of those persons acting in their capacity as officers and directors.

15.1.3. Worker's compensation insurance to the extent required by law or such greater amount as the Board of Directors deems necessary.

15.1.4. To the extent such insurance is available at not an unreasonable premium, fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible for handling funds of the Association. Such fidelity bond or insurance shall name the Association as obligee or insured and shall be written in an amount equal to not less than three (3) months' assessments and shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression.

15.1.5. Flood insurance if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area.

15.1.6. Such other insurance as the Board of Directors, in its discretion, considers necessary or advisable. The Board of Directors shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage.

Section 15.2. Premiums. The premium for the insurance coverages obtained by the Association shall be paid by the Association as part of the Common Expenses.

Section 15.3. Changes in Coverage. When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes or termination thereof shall be promptly furnished by the Board of Directors to each Owner or Mortgagee whose interest may be affected.

Section 15.4. Insurance to be Provided by Owner. Each Owner shall have the right to purchase at his or her own expense any additional insurance he or she may deem necessary, and each Owner shall be solely responsible for homeowner's liability insurance and for the insurance on the contents of his or her Condominium Unit and his or her personal property stored elsewhere on the Property. All insurance obtained, whether obtained by the Association or the Owners, including but not limited to insurance on the individual Condominium Units, insurance on improvements in the Common Area and liability insurance, shall provide that the insurance company providing such insurance waives its right of subrogation, if any, against the Owners, the Association and their agents.

ARTICLE 16

Casualty and Restoration

Section 16.1. Partial Destruction of Building. In the event fire or any other casualty or disaster, other than complete destruction of the Building, the Co-Owners thereof shall cause the

improvements to be reconstructed and the insurance proceeds applied to reconstruct the improvements.

Section 16.2. Complete Destruction of Building. In the event of complete destruction of the Building, the Building shall not be reconstructed, except as otherwise provided herein, and the insurance proceeds, if any, shall be divided among the Co-Owners according to their Percentage Interests, and the Property shall be considered as removed from the Act unless by a vote of two-thirds (2/3) of all of the Co-Owners a decision is made to rebuild the Building, in which case the insurance proceeds, if any, shall be applied and any excess of construction costs over insurance proceeds shall be contributed as provided in Section 16.3. A determination of total destruction of the Building shall be determined by a vote of two-thirds (2/3) of all Co-Owners at a special meeting of the Association called for that purpose.

Section 16.3. Assessment for Excess of Construction Costs over Insurance Proceeds. In the event the insurance proceeds, if any, received by the Association as a result of fire or other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Building or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Building so damaged and destroyed (or the cost thereof in excess of insurance proceeds received, if any) shall be paid by the Association through a Special Assessment of the Owners with each Owner being assessed in proportion to his or her Percentage Interest. Such Special Assessment shall constitute a lien from the time the Assessment is made.

Section 16.4. Restoration to the Same Condition. The restoration referred to in this Article 16 shall include the costs of construction incurred rebuilding the Condominium Units in the same condition as they existed immediately prior to the destruction or damage and with the same type of architecture.

Section 16.5. Excess Insurance Proceeds. In the event the Association has insurance proceeds which are to be not required for reconstruction and repair, the Association shall retain the excess proceeds and shall use the additional funds to reduce future assessments as determined by the Board of Directors. In no event shall remittances of excess proceeds be made directly to the Owner.

ARTICLE 17

Covenants and Restrictions

The following covenants and restrictions on the use and enjoyment of the Condominium Units, Building, Common Area, and Property are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner and by the Association, its successors or assigns. Present or future Owners of the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation:

Section 17.1. Residential Use. All Condominium Units shall be used exclusively for residential purposes and the occupancy as a private dwelling for the Owner, the Owner's family, the Owner's tenants and social guests and for no other purpose.

Section 17.2. Leasing or Renting of Condominium Unit. **NO CONDOMINIUM UNIT SHALL BE RENTED FOR TRANSIENT OR HOTEL PURPOSES OR IN ANY EVENT FOR AN INITIAL PERIOD OF LESS THAN SIX (6) MONTHS.** No portion of any Condominium Unit (other than the entire unit) shall be leased for any period. No Owner shall lease a Condominium Unit other than on a written lease: (i) stating that the lease is subject to approval by the Board of Directors or its designated agent; (ii) requiring the tenant to comply with this Declaration, the Bylaws, and the Rules and Regulations of the Board of Directors; (iii) providing that failure to comply with the provisions of the foregoing documents constitutes a default under the lease; and (iv) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the landlord thereunder after thirty (30) days prior written notice to the Owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by Owners. Prior to allowing a proposed lessee to move into a leased Condominium Unit or providing a key to the Condominium Unit to the lessee, the Owner shall provide a copy of the fully-executed lease to the Board of Directors or its designated agent. The Board of Directors shall have seven (7) days to express its approval or disapproval of the lessee, in writing. Should the Board of Directors not express its approval or disapproval within such seven (7) day period, then the lease and the lessee shall be deemed to be disapproved and, in such event, or should the Association express its disapproval of the lessee, then the Condominium Unit shall not be leased to the proposed lessee.

Section 17.3. No Additional Buildings. No additional buildings shall be erected or located on the Property other than shown in the Floor Plans.

Section 17.4. No Activity Which Increases Insurance Costs. Nothing shall be done or kept in any Condominium Unit or in the Common Area which will cause an increase in the rate of insurance on the Building or the contents thereof. No Owner shall permit anything to be done or kept in his or Condominium Unit or in the Common Area which will result in the cancellation of insurance on the Building or contents thereof, or which would be in violation of any law or ordinance.

Section 17.5. External Fixtures. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows, or placed on the outside walls of the Building, and no sign, awning, canopy, shutter or radio or television antennae, (including but not limited to any DSS satellite dish or the equivalent exceeding eighteen (18) inches in diameter) or other attachment or things shall be affixed to or placed upon the exterior walls or roofs, or on any parts of any Building without the prior written consent of the Board of Directors.

Section 17.6. Signs; No Offensive Activity. No advertising signs, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Condominium Unit or Common Area, nor shall any Condominium Unit, or Common Area be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any other Condominium Unit or any resident thereof, including, without limiting the generality of the foregoing, noise by

the use of any musical instruments, radio, television, loudspeakers, electrical equipment, amplifiers or other equipment or machines. Notwithstanding any provision in this Section or elsewhere in this Declaration or the Bylaws, Declarant may maintain on the Property during the period of construction and sale of the Condominium Units on the Real Estate such facilities as Declarant in its sole discretion deems necessary for the construction and sale of the Condominium Units including but not limited to a business office, storage area, construction yards, signs, model units, construction office, sales office, management offices, and business offices. At no time shall facilities so used and maintained by Declarant be or become part of the Common Area unless so designated by Declarant and Declarant shall have the right to remove the same from the Property at any time.

Section 17.7. Window Treatments. Curtains, draperies, or other materials subject to view from the exterior of the Building shall be of a color specified by the Board of Directors in the rules and regulations adopted pursuant to Article 9, so as to preserve the aesthetic integrity and attractiveness of the Project as a whole. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed from any Condominium Unit or where they are visible to other Owners or the public, nor shall any such items be hung out or exposed on any part of the Common Area.

Section 17.8. No Business Activity. No home-based business, industry, trade or any commercial or religious or educational activity, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property without first obtaining the written consent of the Board of Directors; provided, however, that this prohibition shall not apply to: (i) professional and administrative occupations without external evidence thereof, so long as such occupations are in conformance with local governmental ordinances and are merely incidental to the use of the Condominium Unit as a private, residential dwelling; or (ii) the business activities, if any, of Declarant, its agents or assigns during the construction and sale period, or of the Association, its successors and assigns, acting in furtherance of its powers and purposes.

Section 17.9. Compliance with Rules and Regulations. All Owners and members of their families, guests or invitees, and all occupants of any Condominium Unit or any other persons entitled to use the same and to use and enjoy the Common Area or any part thereof shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board of Directors governing the operation, use and enjoyment of the Common Area.

Section 17.10. Vehicle Restrictions. No boats, campers, trailers of any kind, buses, mobile homes, trucks (except pickup trucks) or any other unconventional vehicles of any description shall be permitted, parked, or stored anywhere within the Property except as expressly designated by the Board of Directors in each instance.

Section 17.11. No Landscaping by Owners. No Owner shall be allowed to plant trees, landscape or do any gardening in the Common Area.

Section 17.12. Structural Alterations. Nothing shall be done in, on, or to any Condominium Unit or any portion of the Common Area which might impair the structural integrity of the Building or any portion thereof.

Section 17.13. Pets. No animals of any kind shall be raised, bred, or kept in any Condominium Unit, or any portion of the Common Area except that a maximum of two (2) total dogs and cats (not to exceed a combined weight of fifty (50) pounds), or fish in aquariums and birds inside bird cages, may be kept as household pets in a Condominium Unit, provided that such pet is not kept, bred, or maintained for a commercial purpose, and does not create a nuisance. Pets shall be permitted outdoors only under leash and accompanied by an Owner or other person, and an Owner shall be fully liable for any injury or damage to any person caused by his or her pet, and shall be responsible for removing from such areas his or her pet's waste materials. The Board of Directors may adopt such other rules and regulations regarding pets as it may deem appropriate and in the event that in the judgment of the Board of Directors any pet is causing or creating a nuisance or unreasonable disturbance or noise, such pet shall permanently be removed from the Property upon written notice of such determination by a majority of the Board of Directors.

Section 17.14. Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers and shall be regularly removed from the Project and shall not be allowed to accumulate thereon. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose.

ARTICLE 18

Unpaid Assessments

Section 18.1. Voluntary Conveyance. In a voluntary conveyance, the grantee of a Condominium Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or her share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee shall be entitled to a statement from the Association's manager or the Board of Directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth.

Section 18.2. Creation of a Lien. All sums assessed by the Association but unpaid for the share of the Common Expenses chargeable to any Condominium Unit shall constitute a lien from the time of assessment on such unit prior to all other liens except tax liens on the Condominium Unit in favor of any assessing unit and special district. Such lien may be filed and foreclosed by suit by the manager or Board of Directors, acting on behalf of the Association, under the laws of the State of Indiana governing mechanic's and materialmen's liens. In any such foreclosure, the Condominium Owner shall be required to pay a reasonable rental for the Condominium Unit as provided in the Bylaws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager, acting on behalf of the Association, shall have power to bid on the Condominium Unit at foreclosure sale, and to acquire and hold, mortgage, and convey the same. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or having the lien securing the same. If an Owner leases the Owner's Condominium Unit, then the Owner and any occupant of

the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit and the Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular Assessments or Special Assessments.

Section 18.3. Mortgagee Responsible for Assessments. Where the Mortgagee or other purchaser of a Condominium Unit obtains title to the unit as a result of foreclosure of the first mortgage to the fullest extent allowed by law, such acquirer of title, his or her successors and assigns, shall be liable for the share of the Common Expenses or assessment by the Association chargeable to such Condominium Unit which became due before the acquisition of title to such Condominium Unit by such acquirer.

ARTICLE 19

Notice to Association

Section 19.1. Notice of Mortgage. Any Owner who places a first mortgage lien upon his or her Condominium Unit or the Mortgagee shall notify the Secretary of the Board of Directors and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the Bylaws, or otherwise, shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of the Mortgagee are furnished to the secretary either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by this Declaration, the Bylaws or otherwise shall be required and no Mortgagee shall be entitled to vote on any matter to which he or she otherwise may be entitled by virtue of this Declaration, the Bylaws, a proxy granted to such Mortgagee in connection with the mortgage or otherwise.

Section 19.2. Notice of Default to Mortgagees. The Association shall, upon request of the Mortgagee who has furnished the Association with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under this Declaration or the Bylaws which is not cured within sixty (60) days.

ARTICLE 20

Amendment of Declaration

Except as otherwise provided in this Declaration amendments to this Declaration shall be proposed and adopted in the following manner:

Section 20.1. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered.

Section 20.2. Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by a majority of Co-Owners.

Section 20.3. Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly held in accordance with the provisions of the Bylaws.

Section 20.4. Adoption. Any proposed amendment to this Declaration must be approved by not less than seventy-five percent (75%) of the vote of all Class A Members and not less than seventy-five percent (75%) of the vote of all Class B Members, if any. In the event any Condominium Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed Amendment in the same manner as an Owner, if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of this Declaration.

Section 20.5. Special Amendment. No amendment to this Declaration shall be adopted which changes: (1) the applicable share of an Owner's liability for the Common Expenses (except as provided in Article 4) and or the method of determining the same; or (2) the provisions of Article 15 of this Declaration with respect to casualty insurance to be maintained by the Association; or (3) provisions of Article 16 of this Declaration with respect to reconstruction or repair in the event of fire or casualty, or (4) changes any of the provisions of Article 14 of this Declaration with respect to the assessments on any Condominium Unit, without in each and any of such circumstances, the unanimous approval of all Co-Owners and all Mortgagees.

Section 20.6. Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Association and shall be recorded in the Office of the Recorder of Monroe County, Indiana, and such amendment shall not become effective until so recorded.

Section 20.7. Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in the Articles or in the Bylaws, Declarant shall have the right acting alone and without the consent or approval of the Owners, the Association, the Board of Directors, any Mortgagee or any other person, to amend or supplement this Declaration from time to time:

20.7.1. If such amendment is necessary to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration or any other governmental agency or any other public, or quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entity; or,

20.7.2. To induce any of such agencies or entities listed above to make, purchase, sell, insure or guarantee first mortgages covering Condominium Units; or,

20.7.3. To bring this Declaration into compliance with any statutory requirements; or,

20.7.4. To correct clerical or typographical errors in this Declaration or any exhibit hereto or any supplement or amendment thereto; or,

20.7.5. To make any other changes deemed necessary by Developer in the exercise of Developer's sole discretion; or

20.7.6. If, in accordance with the provisions of Article 4, the number of rooms in an Unsold Condominium Unit is changed, or the size and/or number of Unsold Condominium Units is changed (whether as a result of a subdivision or combination of Unsold Condominium Units or alteration of boundary walls between Unsold Condominium Units, or otherwise) and the appurtenant Percentage Interest of the Owners are reapportioned as a result thereof, then Declarant or its designee shall have the right to execute, or (upon its request) to require any Owner or the President and Secretary of the Association to execute, and record in the County Recorder's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee deems appropriate to effectuate the same) reflecting such change in the apportionment of the Percentage Interests.

The provisions of this Article 20 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee.

ARTICLE 21

Acceptance and Ratification

All present and future Owners, Mortgagees, tenants and occupants of the Condominium Units shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the Bylaws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Condominium Unit shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and rules and regulations, as each may be amended from time to time, are accepted and ratified by such Owner or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in any Condominium Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trust, associations, or other legal entities who may occupy, use, enjoy or control a Condominium Unit or any part of the Property in any manner shall be subject to this Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations applicable thereto as each may be amended from time to time. Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Article to comply with the Act as it may be amended from time to time.

ARTICLE 22

Negligence

An Owner shall pay the amount of any increase in insurance premiums occasioned by his or her use, misuse, occupancy or abandonment of his or her Condominium Unit or its appurtenances or of the Common Area.

ARTICLE 23

Waiver

No Owner may exempt himself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his or her Condominium Unit.

ARTICLE 24

Severability Clause

The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Association's Articles of Incorporation or the Bylaws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Association's Articles of Incorporation, or the Bylaws, and each shall be enforced to the greatest extent permitted by law.

ARTICLE 25

Pronouns

Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. The singular shall include and refer to the plural and vice versa as appropriate.

ARTICLE 26

Consents

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the Bylaws, such consent, approval, satisfaction or permission will not be required when Declarant no longer owns any Unsold Condominium Units.

ARTICLE 27

Interpretation

The captions and titles of the various articles, sections, sub-sections, paragraphs and sub-paragraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.

ARTICLE 28

The Floor Plans

The Floor Plans of Lockerbie Court Condominiums, Phase I are incorporated into this Declaration by reference and have been filed in the Office of the Recorder of Monroe County, Indiana, as of the 1st day of July, 2002.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

Lockerbie Court Condominiums, LLC
an Indiana limited liability company

By:


Peter Dvorak, Member

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, a Notary Public in and for said County and State, this 1st day of July, 2002, personally appeared Peter Dvorak, who, having been duly sworn, did say that he is a Member of Lockerbie Court Condominiums, LLC, and as such Member had been duly authorized to execute, acknowledge and deliver the foregoing instrument for and on behalf thereof, and for the uses and purposes set forth therein.

My Commission Expires:

Sept 21, 2007

County of Residence:

Monroe


Notary Public

Geoffrey M. Grodner
Name Printed

This Instrument Prepared By: **Geoffrey M. Grodner, MALLOR CLENDENING GRODNER & BOHRER LLP, 511 Woodscrest Drive, P. O. Box 5787, Bloomington, Indiana 47407; (812) 336-0200.**

EXHIBIT A
To Declaration of Condominium
of Lockerbie Court Condominiums

Bylaws

EXHIBIT B
To Declaration of Condominium
of Lockerbie Court Condominiums

<u>Condominium Unit No.</u>	<u>Percentage Interest</u>
201	4.47
202	3.65
203	7.79
204	7.99
205	7.03
206	4.49
301	4.45
302	3.59
303	7.93
304	5.37
305	5.46
306	5.38
401	4.69
402	3.68
403	7.93
404	10.77
405	5.33

EXHIBIT C
To Declaration of Condominium
of Lockerbie Court Condominiums

Legal Description of Real Estate

Lots Numbered 11 and 13 in Bollman Place Subdivision to the City of Bloomington, Monroe County, Indiana, as shown by the Plat thereof, as recorded in Plat Cabinet B, Envelope 11 (formerly Plat Book 2, Page 37) Office of the Recorder of Monroe County, Indiana.

gmg/June 27, 200201049/01/declaration.627.doc