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DECLARATION OF CONDOMINIUM
AND
BYLAWS
OF
SHOREWALK II
HORIZONTAL PROPERTY REGIME

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DECLARATION OF CONDOMINIUM

OF

SHOREWALK II

HORIZONTAL PROPERTY REGIME

THIS DECLARATION, made on the date hereinafter set forth by RamsHead Corporation, an Indiana corporation;

WITNESSETH:

WHEREAS, Declarant is the owner of certain real estate in Indianapolis, County of Marion, State of Indiana, which is more particularly described on Exhibit PA" (subject to certain Easements for utilities and rights-of-way servicing the Properties) attached hereto and made a part hereof. The real estate described on Exhibit "A" is hereinafter called Shorewalk II or "Condominium Property", and

WHEREAS, it is the intent of Declarant to establish an expandable condominium as the same is defined under the Indiana Horizontal Property Law and the subject of this Declaration consists of the first phase of development and shall contain three (3) Buildings consisting of thirty-six (36) Condominium Units. Phase One is identified in the legal description of Exhibit "B", attached hereto and by this reference incorporated herein.

WHEREAS, it is the intent of Declarant that there shall be a maximum of ninety-six (96) Condominium Units within the Condominium Property subject to expansion provisions hereinafter defined. Further, an Association, Shorewalk Community, Inc. shall manage the Common Area, Limited Common Area and Recreational Common Area, and the Association shall establish the budgeting and assessment procedures for the use and maintenance thereof. In addition, the Association shall handle the billing and collection of assessments for maintenance and replacement of the Common Area, Limited Common Area and Recreational Common Area.

WHEREAS, Shorewalk II, which is the subject of this Declaration, is planned as a part of a larger residential community adjacent to its boundaries containing a maximum of an additional one hundred thirty-eight (138) townhouses and zero lotline housing, which are separately described

and identified in a certain Declaration of Covenants, Conditions and Restrictions of Shorewalk I, recorded as Instrument No. _____, in the Office of Recorder Marion County, Indiana.

WHEREAS, the Owners of Condominium Units in Shorewalk I and Shorewalk II shall automatically become members of the Association with such rights and duties as hereinafter more particularly set forth.

Inasmuch as the Declarant, by this Declaration, is committing only Phase One, consisting of three (3) Buildings containing thirty-six (36) Condominium Units on 2.242 acres, the annexation of all or any part the additional Phases contained in Exhibit "A" may be automatically included within this Declaration by a simple Supplemental Declaration as executed and recorded by Declarant, and such action shall require no approvals or other action by either the Owner or the Board of Directors or the members of the Association, as hereinafter more particularly defined. Provided, however, the total land area described in Exhibit "A" shall contain not more than a maximum of ninety-six (96) Condominium Units.

WHEREAS, simultaneous with the conveyance of any Condominium Unit in any phase of development of the Condominium Property to an Owner, the Declarant shall convey the undivided percentage interest to the Owner, as hereinafter defined, to Condominium Common Area and Limited Common Area (If any) designated within each phase of the Condominium Property to the ownership, use and enjoyment of the Owners (subject to the terms of this Declaration), which Common Area and Limited Common Area will be more specifically identified and described in the recorded surveys, site plans and floor plans of the phases.

WHEREAS, as each phase is developed in Shorewalk I and Shorewalk II containing Recreational Common Area, as hereinafter more particularly described, such Recreational Common Area shall be conveyed in accordance with the sales schedule hereinafter set forth for their mutual use and enjoyment.

NOW, THEREFORE, Declarant hereby declares that all of the real estate described in Exhibit "B", Common Area and Limited Common Area (subject to certain easements and rights-of-way servicing the Properties) shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real estate and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each

Owner thereof.

ARTICLE I
Definitions

The terms contained in this Declaration which are in accordance with the Indiana Horizontal Property Law shall have the meaning of such terms set forth in such Law, and the following terms shall have the following meanings:

1.1 Shorewalk II or the Condominium is the name by which the Condominium Property, as hereinafter defined, may be indentified herein.

1.2 Condominium Property means the Land, as hereinafter defined, all improvements thereon, all personal property subjected to condominium ownership hereunder, and all easements and rights appurtenant thereto.

1.3 Land means the land particularly described in Exhibit "A" to this Declaration.

1.4 Phase means that particular area of land and building or buildings committed to this Declaration within Exhibit "A" as an expandable condominium under the provisions of the Indiana Horizontal Property Law.

1.5 Building means a building located on the Land containing "units", as hereinafter defined.

1.6 Condominium Unit means a "unit", as defined in the Indiana Horizontal Property Law, which is a part of the Condominium Property and all Units are particularly described in ARTICLE II, Secs. 2.1 thru 2.2.3,4 of this Declaration.

1.7 Common Area and Facilities means the portions of the Condominium Property (including the improvements thereto) not included in the Units, and all property, installations and easements unless otherwise provided in the Declaration, including:

1.7.1 The land on which the building is located.

1.7.2 The foundations, columns, girders, beams, supports, main walls, roofs, fire escapes, and entrances and exits of the building.

1.7.3 The yards, gardens, parking areas and storage spaces, if any.

1.7.4 The premises for the lodging of management office, equipment storage and personnel in charge of the management and maintenance of the property.

1.7.5 Installations of central services apart from the internal facilities serving á Condominium Unit such as power, light, gas, television and transmission towers.

1.7.6 Such common facilities as may be provided for in the Declaration.

1.7.7 All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use for the benefit of the total Condominium Property.

1.8 Limited Common Area and Facilities means the Common Area, if any, which is reserved for the use of certain Condominium Units to the exclusion of the other Condominium Units.

1.9 Recreational Common Area means the amenities built and maintained for the mutual use and enjoyment of the Owners in Shorewalk I and Shorewalk II, which shall be owned and maintained by Shorewalk Community, Inc., as hereinafter defined. Subject to the annexation of additional territory, as described in this Declaration of Shorewalk II, and the Declaration of Covenants, Conditions and Restrictions of Shorewalk I, and the development of Condominium Units therein, the following amenities will be provided in accordance with the combined sales of Condominium Units, townhouses and zero lotline housing within Shorewalk I and Shorewalk II as follows:

1.9.1 Pool and Pool House upon sale of fifty-six (56) Units.

1.9.2 Two Tennis Courts upon the sale sixty-four (64) Units.

1.9.3 Jogging Path upon sale of seventy (70) Units.

1.9.4 Third Tennis Court upon the sale of one hundred twenty-four (124) Units.

1.9.5 Provided, however, if, by a majority vote of the Owners of Units and Declarant, at a regular or special meeting of members of the Association, the foregoing amenities are determined to be undesirable or the cost of maintenance exceeds the benefits or alternative amenities are more desirable, then the foregoing schedule of recreational improvements may be changed or eliminated.

1.9.6 Boat Docking Facilities to be owned and maintained by the Declarant for rental exclusively to Owners in Shorewalk I and Shorewalk II at a reasonable rate of charge; providing no general or special assessments shall be made upon any Owner for installation and maintenance thereof. Provided, further, twenty-eight (28) boat docks shall be installed upon the sale of fifty-six (56) Units; thirty-four (34) more boat docks shall be installed upon the sale of one hundred twenty-four (124) Units; twenty (20) more boat docks shall be installed upon the sale of one hundred sixty-four (164) Units; and thirty-five (35) more boat docks shall be installed upon the sale of two hundred twelve (212) Units. Not more than one hundred seventeen (117) boat docks

shall be installed by Declarant, and in the event there is insufficient demand within the community of Shorewalk for a total of one hundred seventeen (117) boat docks, then Declarant shall not be obligated to install or maintain more dock space than is required to meet Owners' demands.

1.10 Owner means the Owner of a Unit or a combination of Units, including Declarant, as hereinafter defined, so long as Declarant owns one or more Units.

1.11 Declarant means RamsHead Corporation, an Indiana corporation, and the successors to and assigns of the rights thereof under this Declaration; provided, however, an Owner shall not solely, by the purchase of a Unit, be deemed a successor to or assignee of the rights of Declarant under this Declaration unless such Owner is specifically so designated as such successor to or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Declarant.

1.12 Association means Shorewalk Community, Inc., an Indiana not-for-profit corporation. Each Owner, as he obtains title to his Unit, shall automatically become a member of the Association.

1.13 Shorewalk means the total Shorewalk community inclusive of Shorewalk I and Shorewalk II, not to exceed a total of two hundred thirty-four (234) Units and subject to expandable provisions in the Declarations of the respective developments.

1.14 Board means the Board of Directors of the Association.

1.15 Articles means the Articles of Incorporation of the Association.

1.16 Bylaws means the Bylaws of the Association,

1.17 Rules means any rules and regulations duly promulgated by the Board pursuant to its powers under any of the Condominium Documents as hereinafter described.

1.18 Declaration means this Declaration of Condominium of Shorewalk II Horizontal Property Regime as used herein.

1.19 Condominium Documents means this Declaration, the Articles, the Bylaws, the Rules and any document or instrument referred to or contemplated by the foregoing documents.

1.20 Common Expenses means all expenses incurred by the Association.

1.21 Common Surplus means the excess of all receipts of the

Association over the Common Expenses.

1.22 Budget means the respective annual budgets of Shorewalk I and Shorewalk II prepared and adopted by the Board for Common Expenses anticipated for the forthcoming year.

1.23 Annual Assessment means the annual assessment assessed upon the Owners in order for the Association to pay expenses contemplated by the Budget.

1.24 Special Assessment means any assessment other than an Annual Assessment by the Board upon an Owner.

1.25 Mortgagee means any commercial bank, savings bank, savings and loan association, life insurance company, federal agency, corporation or association, mortgage lending corporation, association, or trust, real estate investment trust, any affiliate or subsidiary of the foregoing, or developer, and any successors or assigns of any of the foregoing, if and as long as the respective entity or person holds a first mortgage on a Unit.

ARTICLE II

Description of Improvements

2.1 Building and Units. Declarant contemplates the development of thirty-six (36) Units as an expandable condominium with the first phase of development consisting of three (3) three-story buildings located on the land described in Exhibit "B" attached. Floor Plans of Units are more particularly identified by Exhibit "C" attached hereto. Each Unit is identified by Arabic letter for the building in which it is located commencing with Arabic letter A followed by the floor level of the Unit by Arabic numeral, ie. 1, 2 or 3, and further followed by the specific Unit on such floor by lower case Arabic letter, ie. a, b, c, etc., followed by the words "In Shorewalk II Horizontal Property Regime", No Unit bears the same designation as any other Unit in the total Condominium Units. No part of the land is included in any Unit. No Unit may be subdivided without the consent of the Board and no action for partition of a Unit shall lie. The identification of each Unit and the boundaries, elevations and relative location of each Unit shall be described by the filing of floor plans pursuant to I.C. 32-1-6-13.

2.2 Unit Boundaries. Each Unit shall include that part of the Building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

2.2.1 Upper Boundaries. The upper boundaries of a Unit shall be a horizontal plane a certain number of feet above the lower boundary of the Unit extended to the vertical boundaries of the Unit, which number of feet shall be set forth for each Unit in the "Survey", as hereinafter defined.

2.2.2 Lower Boundaries, The lower boundary of a Unit shall be the horizontal plane of the upper surface of the unfinished concrete floor slab serving the Unit extended to the vertical boundaries of the Unit.

2.2.3 Vertical Boundaries. The vertical boundaries of a Unit shall be determined as follows:

2.2.3.1 Where a Unit vertical boundary at any place, as indicated in the Survey, is solely air space, the vertical boundary of the Unit at such place shall be the vertical plane lying on said boundary indicated on the Survey, extended horizontally to intersect with other vertical boundaries of the Unit, and extended vertically to the upper and lower boundaries of the Unit.

2.2.3.2 Where a Unit vertical boundary at any place, as indicated on the Survey, is bounded by a Common Area wall, then the vertical boundary of the Unit at such place shall be the vertical plane of the unfinished interior surface of such wall, extended horizontally to intersect with other vertical boundaries of the Unit, and extended vertically to the upper and lower boundaries of the Unit.

2.2.3.3 Where there is an aperture in any vertical boundary, including but not limited to windows or doors, the vertical boundary shall be extended at such places, so that the vertical boundary at such places shall be coincident with the unfinished surface surrounding the aperture; and the Unit shall include the framework of the aperture, if any, but the Unit shall not include any glass, windows, glass sliding doors, entrance or exit doors, or any frames and casings thereto, within said aperture.

2.2.3.4 A Unit shall not be deemed to include the undecorated or unfinished surfaces of the Common Area perimeter walls, and floors surrounding the Unit, nor shall a Unit be deemed to include support columns located within the Unit or pipes, wires, conduits or other utility lines running through the Unit which serve any Common Area or Unit other than the Unit in which such lines are located. A Unit shall be deemed to include interior walls and partitions which are contained within the Unit and also the inner decorations or finished surfaces of the Common Area perimeter walls and floors of the Unit, including the plaster, paint or wallpaper thereon.

2.3 Appurtenances. Each Unit shall consist of all space within the boundaries thereof as hereinafter defined and all portions thereof situated within such boundaries, including, but not limited to, all fixtures, facilities, utilities, equipment, appliances, and structural components designated and intended solely and exclusively for the enjoyment, use and benefit of the Unit wherein the same are located, or to which they are attached, but excluding therefrom that designed or intended for the use, benefit, support, safety or enjoyment of any other

Unit, or which may be necessary for the safety, support, maintenance, use and operation of any of the Units, or which are normally designed for common use; provided, however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of a Unit shall constitute a part of such Unit, whether or not the same is located within or partly within or without the boundaries of such Unit.

2.4 Floor Plans. Annexed to this Declaration as Exhibit "C" is a survey, graphic description, and plot plan of the Land and all improvements thereof, including the Unit floor plans and elevations. The Survey describes the boundaries of the Land and the relative location of the improvements thereon and identifies the Common Area and Limited Common Area, each Unit, and their relative locations and approximate dimensions in accordance with I.C. 32-1-6-13.

ARTICLE III

Ownership of Common Area and Percentage Interest

3.1 Each Owner shall have an undivided interest in the Common Area and Limited Common Area as tenants in common with all other Owners equal to his Unit's Percentage Interest. Each Unit's Percentage Interest in the Common Area and Limited Common Area shall be determined in accordance with the following formula.

3.2 If the Regime consists only of Phase One, each Unit's Percentage Interest shall be that as each Unit bears to all Units in the Phase. If any additional Phases are annexed, as permitted and contemplated by this Declaration, upon execution of the applicable Supplemental Declaration, the Percentage Interest of each Unit in the Phase or Phases which are a part of the Regime prior to such annexation will automatically reduce in accordance with the formula. The Owners of Units in Phase or Phase which are a part of the regime prior to such annexation shall automatically receive a Percentage Interest in the Common Area and Limited Common Area of such Phase of the additional Phase being annexed, the precise Percentage Interest to be determined and designated in the Supplemental Declaration of annexation.

3.3 The Percentage Interest appurtenant to each Unit shall be the Percentage Interest in the Land allocable to the Owner thereof in all matters with respect to the Regime. Each Owner of a Unit shall be a member of the Association, inclusive of members of Shorewalk I, and shall be entitled to one vote per Unit.

ARTICLE IV

Encroachments and Easements for Common Areas

4.1 If, by reason of the location, construction settling, or shifting of a Unit, a Common Area or Limited Common Area now encroaches or shall hereafter encroach upon any Unit, then, in such event an easement shall be deemed to exist and run to the Owners and the Association for the maintenance, use and enjoyment of such Common Area or Limited Common Area.

4.2 Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities.

ARTICLE V
Real Estate Taxes

5.1 Real estate taxes are to be separately taxed to each Unit as provided in the Horizontal Property Law. In the event that for any year real estate taxes are not separately assessed and taxed to each Unit, but are assessed and taxed on the Land, or a part thereof, as a whole, then each Owner shall pay his proportionate share of the real estate taxes. Each Owner's proportionate share will be determined as follows;

5.1.1 With respect to the real estate taxes assessed against the Land, the amount of such taxes shall be made according to the Percentage Interest and will apply to all real estate in Phases effectively brought into the Horizontal Property Regime. Declarant will pay for the taxes on the real estate until annexed, at which time the Owners will pay all of same according to their Percentage Interest.

5.1.2 With respect to the real estate taxes assessed against the Units, the respective Owners will be fully obligated to pay the amounts assessed against same.

5.1.3 All other taxes assessed against the real estate or improvements shall be calculated by the same formula and paid for according to the Percentage Interest.

ARTICLE VI
Utilities and Basements

6.1 Each Owner shall pay for his own utilities, which are separately metered. Utilities which are not separately metered shall be treated as and paid as part of the Common Expenses.

6.2 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 streets, Common Area and Limited Common Area of the Regime in the performance of their duties. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing, and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephones and electricity on the Land; 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 or as thereafter may be approved by the Board. By virtue of this easement, the electric and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Land and to affix and maintain electric and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the buildings.

ARTICLE VII
Association of Owners

7.1 In order to provide for the maintenance, repair, replacement, administration and operation of the Land and in compliance with the provisions of the Indiana Horizontal Property Law, there is hereby created an Association of the Owners of the Units within the Regime, as well as the Owners of Units within Shorewalk I, to be known as Shorewalk Community, Inc. Each Owner shall be a member of the Association, but membership shall terminate when such person ceases to be an Owner, and such membership will be transferred to the new Owner.

7.2 The Association shall elect a Board of Directors annually in accordance with and as prescribed by the Bylaws. The Owners shall be entitled to cast one vote per Unit for the election of the Board.

7.3 The Board shall be the governing body of the Association, representing all of the Owners in providing for the management, maintenance, repair, replacement and upkeep of the Land.

ARTICLE VIII

Maintenance, Decoration, Repair and Replacement

8.1 The Association will be responsible for the maintenance, repair, decoration and replacement of the exterior of each Unit except the glass portions. The Board reserves the exclusive right to determine the outside decor of each Unit inclusive, but not exclusive of, color and paint, and all decor appurtenant to the aesthetics of each individual Unit. Exclusive of those aesthetics that are visible from outside the Units, Owner shall control and reserve the right of decor of his Unit on the inside. Each Owner shall repair any defect occurring in his Unit which, if not repaired, might adversely affect any Unit, Common Area or Limited Common Area. Maintenance, repair, replacement and upkeep of the Common Area, Limited Common Area and Recreational Common Area shall be furnished by the Association as part of the Common Expenses.

ARTICLE IX

Annexation and Automatic Change of Percentage Interest

9.1 As each Phase is developed, Declarant shall record a Supplemental Declaration annexing and adding such Phase to this Declaration and making it a part of the Regime. Declarant reserves the right to annex additional Phases thereof that are not necessarily in numerical order shown on the plans. Such Supplemental Declaration shall contain the following:

9.1.1 A description of the real estate to be annexed.

9.1.2 A description of the Units described in a manner consistent with this Declaration.

9.1.3 The Percentage Interest of all Units upon annexation, computed in accordance with the formula.

9.2 Each Owner, by acceptance of a deed to a Unit, acknowledges, consents and agrees that the following rights and conditions shall be applicable upon the recording of each Supplemental Declaration:

9.2.1 The Phase described in each Supplemental Declaration shall be governed in all applicable respects by the provisions of this Declaration.

9.2.2 The Percentage Interest applicable to each Unit shall be automatically reallocated in accordance with the schedule set forth in such Supplemental Declaration. On recording of each Supplemental Declaration, the amount by which the Percentage Interest of a Unit is reduced thereby shall be deemed to release and divest that amount from such Owner and revert to the Declarant, its successors and assigns.

9.2.3 Each deed, mortgage, or other instrument affecting a Unit shall be deemed given subject to the limitation that the Percentage Interest appurtenant to each Unit shall be, upon the recording of each Supplemental Declaration, altered in accordance with the Supplemental Declaration.

9.2.9 The Percentage Interest in the Common Area and Limited Common Area appurtenant to each Unit shall be deemed to include any additional Common Area, Limited Common Area and Recreational Common Area annexed hereby by a Supplemental Declaration, which Supplemental Declaration shall automatically grant and convey to the Owners the appropriate Percentage Interest, and each deed, mortgage, or other instrument affecting a Unit shall be deemed to include such additional Common Area, Limited Common Area and Recreational Common Area and the ownership of any Unit and lien of any mortgage shall automatically include and attach to such additional Common Area, Limited Common Area and Recreational Common Area upon recording of such Supplemental Declaration.

9.2.5 The recording of a Supplemental Declaration shall not alter the amount of the lien for Common Expenses assessed to a Unit in a Phase already a part of the Regime prior to such recording. The lien for the pro rata share of Common Expenses for the Phases annexed upon such recording shall be assessed and paid as provided in the Bylaws.

9.2.6 Each Owner agrees for himself and all those claiming under him, including mortgagees, that this Declaration and each Supplemental Declaration is and shall be deemed to be in accordance

with the Indiana Horizontal Property Law and for the purpose of this Declaration and the Law, any changes in Percentage Interest as set forth in any Supplemental Declaration which is in accordance with the formula expressed herein, shall be deemed to be made by agreement of all Owners.

9.2.7 Each Owner agrees to execute and deliver such documents as are necessary or desirable to accomplish the annexation of the Phases in the Land in accordance with the provisions and intent of this ARTICLE.

9.2.8 Each Owner, by acceptance of a deed to a Unit, shall thereby appoint Declarant or its nominee as such Owner's attorney-in-fact for the purpose of reallocating, from time to time, the Percentage Interest appurtenant to such Owner's Unit in accordance with the provisions of this ARTICLE. The appointment of Declarant or its nominee as such attorney-in-fact and the granting of such special power to Declarant or its nominee shall be deemed to be coupled with an interest, shall be irrevocable and binding upon the heirs, successors and assigns of such Owner, but shall expire when all of the additional Phases have been annexed, Declarant turns the project over to the Owners, or on January 1, 1988, whichever first occurs.

9.3 In the event Declarant does not elect to annex additional Phases within the Land or any part thereof, as permitted by this ARTICLE, Declarant shall file a Supplemental Declaration which shall permanently remove that part of the Land that has not been annexed from any right to be made a part of the Regime; provided, however, any Phase for which a Supplemental Declaration has not been filed by January 1, 1988, shall be automatically removed from the possibility of becoming a part of the "the Regime" in the manner provided in this Declaration. Upon the filing of such Supplemental Declaration removing a part of the additional Phases from the possibility of becoming a part of the Regime in accordance with this Declaration, the Percentage Interest designated in the Declaration or Supplemental Declaration last filed shall not be altered without the consent of ninety per cent (90%) of all Owners.

ARTICLE X Assessments

10.1 Annual Accounting. Annually, after the close of each calendar year and prior to the date of the annual meeting of the Association, the Board shall cause to be prepared and furnished to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year.

10.2 Proposed Annual Budget. Annually, on or before the date 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 for both Shorewalk I and Shorewalk II 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. It is anticipated that assessments for Owners in Shorewalk II may vary from assessments in Shorewalk I because real property taxes on Common Area and Limited Common Area are assessed and charged to individual Owners in Shorewalk II, whereas such assessments in Shorewalk I are assessed and paid directly by the Association. Also, certain internal common areas of buildings in Shorewalk II may require different budgeting procedures for maintenance and replacement reserve. Therefore, the Board of Directors shall establish separate budgets for Shorewalk I Owners and Shorewalk II Owners; however, assessments as to each class shall be uniform and in accordance with the Percentage Interest of the Owners in the respective properties. The annual budget shall be submitted to the Owners at the meeting of the Association for adoption and if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the ensuing calendar year.. At the annual meeting of Owners, the budget may be approved in whole or in part, or may be amended in whole or in part, by a majority of the vote; provided, however, that in no event shall the annual meeting of Owners be adjourned until an annual budget is approved at such meeting, either the proposed annual budget or the proposed annual budget as amended. Budgeting procedures must, however, comply with 530 of the Indiana Horizontal Property Law (I.C. 32-1-6-22).

10.3 Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in the proposed budget, contain a proposed assessment against each Unit based on the Percentage Interest of each Unit as it relates to the total membership of Owners of Condominium Units who are members of the Association. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against each respective Unit (herein called "Regular Assessment"). The Regular Assessment against each Unit shall be paid in twelve (12) equal monthly installments, commencing on the first day of the month following adoption and on the first day of each calendar month thereafter. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owner may elect to pay monthly assessment semi-annually in advance. The Regular Assessment for the year shall become a lien on each separate Unit as of the first day of the month after adoption.

10.3.1 Upon the completion of each Phase of the Horizontal Property Regime, the Owners thereof, together with Owners of Phases theretofore turned over to the Association, together with the cost of all appurtenances to such Phases, will thereafter bear the costs of maintenance of such Phases, subject to all warranties as to habitability of the Units, and Declarant will be responsible for such maintenance of those areas or Phases not yet annexed.

10.4 Costs and Attorneys Fees - Default. In a proceedings arising

because of failure of an Owner to make any payments required or to comply with any provision of this Declaration, the Indiana Horizontal Property Law, the Bylaws or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure. In the event of default of any Owner to pay assessments when due, there shall be a late charge of two per cent (2%) per month from date of default until paid. Default in payment of any monthly regular assessment shall result in the acceleration of payment of monthly assessments for the remainder of the calendar year, which shall immediately become due and payable.

10.5 Maximum Annual Assessment, Until January 1, 1984, the Interim Monthly Assessment shall be Thirty-One and 13/100's Dollars (\$31.13). For the ensuing three (3) calendar years, the Board of Directors may increase the assessment to a maximum of Thirty-Seven and 68/100's Dollars (\$37.68) in 1984, Forty-Five and 12/100's Dollars (\$45.12) in 1985; and Fifty-Two and 92/100's Dollars (\$52.92) in 1986, such pro forma assessments being based upon the rate of build-out and the development of amenities as described in this Declaration. Provided, however, assessments may be increased by not to exceed ten percent (10%) for the years of 1984 through 1987 due to increases in costs of utilities, insurance, taxes and maintenance not anticipated in the pro forma establishment of said assessments.

10.5.1 From and after January 1, 1988, or at such time as the Owners constitute a majority of the Board of Directors, whichever occurs earlier, : budgeting and amount of assessments shall be solely determined by such Board provided that the Board shall comply with budgeting and assessment requirements of 530 of the Indiana Horizontal Property Law (I.C. 32-1-6-22).

10.5.2 From and after January 1st of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment per Unit may be increased above the amount set forth in paragraphs 10.5 and 10.5.1 above of this ARTICLE X by a vote of two-thirds (2/3rds) of the Class A members who are voting in person or by proxy, at a meeting duly called for this purpose.

10.6 Special Assessments. Each of the Owners of Units shall automatically and mandatorily be members in the Association and entitled to all of the privileges and subject to all of the obligations thereof. Declarant and all Unit Owners, by their acceptance of their deeds, covenant and agree to be bound by the conditions, restrictions and obligations contained in the Articles of Incorporation and regulations of the Association and of the provisions thereof. Each Unit Owner shall pay to the Association an annual assessment based on the Percentage Interest of each Unit as it relates to the Percentage Interest of the Unit Owner in the total development, which assessment will be necessary to provide for maintenance and repair of the Common Area, Limited Common Area and Recreational Common Area, together with necessary insurance and a separately established reserve fund for replacement and repair of capital improvements (including paving,

painting, roofing, etc.) of the Units and maintenance and operation of the community activities facilities of the Association, and for any other necessary function for such maintenance and operation of the Regime that is not included in the budget for usual and ordinary expenses.

10.6.1 In addition to the annual assessments authorized above, the Association may levy in any assessment year, special assessments 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; provided that any such assessments shall have the assent of a majority of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

10.6.2 Where special assessments are proposed that affect only the Regime, then only those Owners in Shorewalk II shall be entitled to vote thereon. Accordingly, only Owners in Shorewalk I shall be entitled to vote on special assessments affecting only the properties described in Shorewalk I.

ARTICLE XI

Easements To And From Additional Phases

11.1 In the event all or any part of the additional Phases of the Land are not annexed, Declarant reserves unto himself, his successors and assigns, for the use and benefit of that part of the Land not annexed, the right and easement to enter upon the streets and Common Area to provide ingress and egress to the property not annexed. It is the purpose and intent of the easements herein granted or reserved to provide free and unrestricted use and access across the roadways and sidewalks for the Owners and residents of the additional Phases and the Land, their guests, invitees, and all public and quasi-public vehicles. However, any property that never becomes annexed shall pay its allocable share of maintenance cost and replacement reserves for such roadways and sidewalks calculated on the acreage to be served as compared to the acreage contained in the Phases of Shorewalk I and Shorewalk II.

11.2 The easements granted and reserved in this ARTICLE shall be easements and covenants running with the land and accruing to the benefit of the additional Phases.

ARTICLE XII

Insurance

12.1 The Owners shall obtain fire and extended coverage insurance insuring the Units in an amount equal to the full replacement cost thereof as determined by a qualified appraiser, in the form of a master casualty policy affording same that in whole or in part constitutes the Units, Common Area and Limited Common Area, all pursuant to the Indiana Horizontal Property Law (I.C.

32-1-6-18), and such insurance shall:

12.1.1 Provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to the following ARTICLE XIII, and

12.1.2 Contain a "Replacement Cost Endorsement".

12.2 Such insurance coverage shall be for the benefit of each Owner and the Association and, if applicable, the Owner's Mortgagee. The proceeds shall be payable to the Association who shall hold such proceeds as trustee for the individual Owners and Mortgagees as their interests appear. The proceeds shall be used or disbursed only in accordance with the provisions of this ARTICLE XII and ARTICLE XIII of this Declaration, as applicable, and any surety bond or bonds obtained by the Board covering the officers of the Association as provided in the Bylaws shall specifically include protection for any insurance proceeds so received.

12.3 The Association also shall obtain comprehensive public liability insurance in such limits as the Board shall deem appropriate, together with Workmen's Compensation Insurance and other liability insurance, if so deemed necessary or appropriate by the Board, Such insurance shall inure to the benefit of each individual Owner, the Association, the Board, and any Managing Agent or company acting on behalf of the Association. The Owners shall be able to recover losses insured where applicable.

12.4 Each Owner shall have the right to purchase additional insurance he may deem necessary, and each Owner shall be solely responsible for loss or damage to the contents of his own Unit, however caused, including all floor and wall coverings, and fixtures and betterments installed by the Owner, and his personal property stored elsewhere on the Land, Each Owner shall he solely responsible for obtaining his own insurance to cover any such loss and risk including, but not limited to, living expenses.

ARTICLE XIII
Casualty and Restoration

13.1 In the event of damage or destruction of the Land by fire or other casualty, the following provisions shall he applicable:

13.1.1 In the event that less than two-thirds (2/3rds) of the Units in any building are destroyed by the occurrence of fire or other casualty, then such Unit or Units shall be promptly repaired and restored. The proceeds of the insurance shall he applied to

the cost of such restoration. If the insurance proceeds are not adequate to cover the cost of reconstruction or in the event there are no proceeds, each individual Owner shall have the responsibility for restoring his own Unit at his own expense. The division of such proceeds shall be determined by the Board of the Association, and when so determined in good faith shall be binding upon all Owners and Mortgagees where several Units are located in the same building and are partially destroyed.

13.1.2 In the event that more than two-thirds (2/3rds) of the Units in any building are destroyed by fire or other casualty, then restoration of the Units must be approved within one hundred twenty (120) days from the date of damage or destruction by a majority vote of the Owners. If such approval is not obtained, the provisions of 531 of the Indiana Horizontal Property Law (I.C. 32-1-6-21) shall apply as to this Regime.

13.1.3 Restoration, for purposes of subparagraphs 13.1.1 and 13.1.2 above, shall mean construction or rebuilding of the Units to the same condition as they existed immediately prior to the destruction and with a similar type of architecture.

13.1.4 In the event restoration of Units is necessary, the insurance funds for such restoration shall be disbursed by the Mortgagee, if any, (if it elects to do so), that holds mortgages on fifty-one per cent (51%) of the Units that need to be restored, otherwise by the Association. Such distribution and payment of funds shall be in the manner and in accordance with the procedure normally used when disbursing funds for initial construction. Each insurer shall be notified of this provision by the Owners and each policy of insurance shall comply herewith.

ARTICLE XIV
Sale of Unit Declarant

14.1 For the purpose of maintaining the residential character of the Regime, and for the protection of the Owners, Declarant specifically reserves the mode and method of the original sale of each Unit until the last Unit in the Regime is sold.

ARTICLE XV
Membership in the Association

15.1 The Land is subject to the covenants and restrictions contained herein. For the purpose of this Declaration, upon the recording of this Declaration and any subsequent amendments and Supplemental Declarations, all the rights and obligations accruing to a Unit shall include, but not be limited to, the obligation to

pay the monthly assessments as provided in such Declaration, which monthly assessments are a lien on each Unit, and the necessity and right to become a member of the Association, and to have a vote for each Unit owned.

15.2 The Declarant or Board of Directors reserves the right to construct recreational facilities within the Land, other than those facilities heretofore described, without being compelled to do so. In the event such facilities are to be constructed, those Owners taking title to their respective Unit prior to such decision to so construct recreational facilities shall have the option to participate in the common expense therefore. Those Owners taking title to their respective Unit after such decision may be required by the Declarant or said Board to share in the common expense therefore.

ARTICLE XVI

Covenants and Restrictions

16.1 The covenants and restrictions applicable to the use and enjoyment of the Units are set forth in the Bylaws of the Association. These covenants and restrictions 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 the Owners or by the Association. Present or future Owners or the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions, but there shall be no right of reversion or forfeiture of title resulting from such violation.

ARTICLE XVII

Amendment of Declaration

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

17.1.1 Notice. A notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered. The amendments to Declaration dealing with the additional Phases and reassignment of Percentage Interest in the respective Phases, however, are not subject to the conditions of this ARTICLE and may be adopted by the Board without notice.

17.1.2 Resolution. A resolution to adopt a proposed amendment may be proposed by the Board or the Owners of at least a majority of the Percentage Vote.

17.1.3 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.

17.1.4 Amendment. This Declaration may be amended or changed at any time within twenty (20) years following the date of recordation by an instrument recorded in the Office of the Recorder of Marion County, Indiana, signed by ninety per cent (90%) of the then Owners and thereafter, by a similar recorded instrument signed by at least ninety per cent (90%) of such Owners; provided, however, none of the rights of Declarant reserved hereunder may be amended or changed without Declarant's prior written approval. This Declaration shall run with the land shall be binding upon all parties claiming under them for a period of twenty (20) years from the date of recordation in the Office of the Recorder of Marion County, Indiana, and shall automatically extend for successive periods of ten (10) years each unless, prior to the expiration of any such ten (10) year period, it is amended or change, in whole or in part, as hereinabove provided. Invalidation of any of the covenants, conditions and restrictions of this Declaration, by judgment or decree, shall in no way affect any of the other provisions hereof, but the same shall remain in full force and effect.

17.1.5 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 Marion County, Indiana, and such amendment shall not become effective until so recorded.

17.2 Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Indiana Horizontal Property Law, the Bylaws appended hereto, and the rules and regulations as adopted by the Board as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, any Supplemental Declaration, the Indiana Horizontal Property Law, the Bylaws and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by such Owner, tenant 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 a Unit or the Land as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each Owner agrees to execute and deliver such other documents, if any, as may be necessary to desirable to comply with the Indiana Horizontal Property Law as it may be amended from time to time. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Unit or Units or any part of the Land in any manner shall be subject to the Declaration, the Indiana Horizontal Property Law, the Bylaws, and the rules and regulations applicable thereto as each may be amended from time to

time.

ARTICLE XVIII

Mortgagees' Rights

18.1 Any right of first refusal now or hereafter contained in this Declaration or the Bylaws shall not impair the rights of any first mortgagee to:

18.1.1 Foreclose or take title to a Unit pursuant to the remedies provided in the mortgage, or

18.1.2 Accept a deed or assignment in lieu of foreclosure in the event of default by the Owner, or

18.1.3 Sell or lease a Unit acquired by such mortgagee.

18.2 Notwithstanding any other provisions in this Declaration to the contrary, unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned, or the Owners, other than the Declarant, or any other sponsor, developer or builder, of the Units have given their prior written approval, the Association shall not:

18.2.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Land, Common Area, Limited Common Area, Recreational Common Area, or improvements located thereon which are owned or controlled directly or indirectly by the Association for the benefit of the Units. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Land by the Association shall not be deemed a transfer within the meaning of this clause.

18.2.2 Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit or Owner.

18.2.3 By act or omission, change, waive or abandon any scheme or regulation or enforcement thereof pertaining to the architectural design or exterior appearance of the Units, the exterior maintenance of the Units, the maintenance of party walls or common fences, driveways or the upkeep of lawns and plantings on the Land.

18.2.4 Fail to maintain fire and extended coverage insurance on insurable common property on current replacement costs basis in any amount not less than one hundred per cent (100%) of the insurable value (based on current replacement cost).

18.2.5 Use hazard insurance proceeds for losses to any common property for other than the repair, replacement or reconstruction of

such improvements.

18.3 Rights of Mortgage Purchaser. In the event Federal Home Loan Mortgage Corp. or other purchaser of a mortgage of any Unit in this Regime should bequest or require it, Declarant or Board may fully satisfy such requirements and the right to act for and on behalf of such Owners with regard to same is hereby conferred.

ARTICLE XIX

Negligence

19.1 Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy, or abandonment of his Unit or its appurtenances or of the Common Area or Limited Common Area.

ARTICLE XX

Waiver

20.1 No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Area, Limited Common Area or Recreational Common Area or by abandonment of his Unit. Nor does the Association waive the right to place a lien on the Unit and foreclose same, by failing to do so when payment is not timely made of the Common Expenses by the Owner when due.

ARTICLE XXI

Severability Clause

21.1 The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration or the Bylaws filed herewith shall not impair or affect in any manner the validity, enforceability, or affect the rest of this Declaration or the attached Bylaws.

21.2 In the event this Declaration, or any amendments thereto, or the Bylaws of Shorewalk Community, Inc. is inconsistent with the Indiana Horizontal Property Law (I.C. 32-1-6-1), the latter will prevail and any term or condition of the former in conflict with the Law is modified to conform to the terms of the Law incorporated therein.

IN WITNESS WHEREOF, this Declaration of Condominium of Shorewalk II Horizontal Property Regime has been executed by Declarant the day and year hereinbelow set forth.

RamsHead Corporation

By: _____

D. Eugene Ruebeck, President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared RamsHead Corporation, an Indiana corporation, by D. Eugene Ruebeck, its President, who acknowledged the execution of the foregoing Declaration of Condominium of Shorewalk II Horizontal Property Regime and who, having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this _____ day of _____, 1982.

_____, Notary Public
Residing in _____ County, IN,

My commission expires:

Prepared by:
William F. LeMond, Atty.
600 Union Federal Building
Indianapolis, Indiana 46204
(317) 635-4500

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