Planning Department
166 Lincolnway
Valparaiso, IN 46383
Phone: (219) 462-1161
Fax: (219) 464-4273
www.valpo.us

AGENDA

VALPARAISO PLAN COMMISSION

Tuesday - October 8th, 2019
7:00 PM - 653 Hayes-Leonard Road, Door #1, Temporary Council Chambers

I. **Pledge of Allegiance**
II. **Roll Call**
III. **Minutes of the September 10th, 2019 Meeting**
IV. **Old Business**
V. **New Business**

FAC19-003 Façade Improvement Program (DAM Fine Properties) – Request for approval of a façade renovation for the building located at 161 Lincolnway.

FAC19-004 Façade Improvement Program (Mark Miller) – Request for approval of a façade renovation for the building located at 5 Lincolnway.

SP19-001 A petition filed by Pepper Cove Development, LLC c/o Jeff Yatsko 8051 Wicker Ave, Suite A, St. John, IN 46373. The petitioner requests approval of a secondary plat of Pepper Cove Subdivision, Phase II.

ZO19-002 A public hearing on a petition filed by the City of Valparaiso. The petitioner is requesting approval of amendments to the Valparaiso Unified Development Ordinance regarding, Article 11, Division 11.500 Non-Residential Design Standards and Article 11, Division 11.600 Downtown Design Standards.

VI. **Adjournment**

NEXT REGULAR PLAN COMMISSION MEETING:
NOVEMBER 12TH, 2019 - 7:00 PM – VALPARAISO CITY HALL 166 LINCOLNWAY

****Requests for alternate formats please contact**
Tyler Kent at tkent@valpo.us or 219-462-1161. ******

VALPARAISO FAÇADE IMPROVEMENT PROGRAM

Application Form

1. Applicant Information

NAME: DAM FINE Properties INC.

ADDRESS OF PROPERTY TO BE IMPROVED:
161 Lincolnway Valparaiso, IN 46383

NAME OF BUSINESS: ____________________

TAX ID#/SOCIAL SECURITY #: 46-428-2680

HOME ADDRESS: 202 OXBOW COURT VALPARAISO, IN 46383

BUSINESS PHONE: 847-915-9526 HOME PHONE: —

FAX: — EMAIL: msb@gandlassociates.com

2. Project Information

BUILDING LOCATION: 161 Lincolnway Valparaiso, IN 46383

BUSINESS(ES) LOCATED IN BUILDING:
KALZIP/TATA STEEL, MALMQUIST PHOTOGraphy, Renessa Management, THERAPEUTIC RESOURCES,

BUILDING AGE: 1890 BUILDING LOCATED IN HISTORIC DISTRICT? Yes.

BUILDING ZONED AS: Commercial PIN NUMBER: ____________________

OWNER OF RECORD: DAM FINE Properties.

IF LEASED: Lease Expires ____________ Renewal Term ____________

3. Project Description

Describe in detail the proposed scope of work including design firm and/or contractor(s) selected. In describing project, be sure to differentiate between interior renovations vs. exterior façade improvements to be undertaken. Use separate sheet(s) if necessary.

Anticipated Construction
Start Date: _______ Completion Date: ______ Total Project Cost: ___________

4. Mortgage Information

Is there a current Mortgage on the property: YES X NO ________

If YES, Holder of Mortgage
CENTIER BANK.

Date of Mortgage: 1/13/14

Original Amount: $600,000 Current Balance: $387,900.00

Are there any other loans, liens, deed restrictions on the property:

YES _________ NO X

If YES, please list:

5. Building Information

Will project result in a change of use for the building? YES _____ NO X

Uses of the building after completion of the façade project:

1st Floor: TBD, OFFICE, Retail,

2nd Floor: OFFices.

3rd Floor:

Other:

6. Other Required Documentation

✓a. Property deed with legal description of property

✓b. Proof that all property taxes are paid and current

✓c. Proof of property and liability insurance

✓d. Signed mortgage note

e. Copies of any leases associated with property

✓f. Project budget

✓g. Three (3)-contractor quotes/construction bids for total façade project

✓h. Photographs of proposed project site

I/We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the Valparaiso Façade Improvement Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the City of Valparaiso.

The applicant further certifies that he/she has read and understands the Valparaiso Façade Improvement Program Guidelines. If a determination is made by the Planning Commission that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the City of Valparaiso and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all Valparaiso Façade Improvement Program funding commitments are contingent upon the availability of program funds.

Signed this 31 day of May, 20 19

By: ______________________________

____

City of Valparaiso
Façade Improvement Agreement

THIS AGREEMENT, entered into this 7 day of July, 2019, between the City of Valparaiso, Indiana (hereinafter referred to as "CITY") and the following designated OWNER/LESSEE, to wit:

Owner/Lessee's Name: Michael Bonczyk

Name of Business: Michael Bonczyk

Tax ID#/Social Security # ____________________

Address of Property to be Improved:

1161 Lincolnway Ave.

____

PIN Number: ____________________

WITNESSETH:

WHEREAS, the CITY has established a Façade Improvement Program for application within the Valparaiso Façade Improvement Business District ("District"); and

WHEREAS, said Façade Improvement Program is administered by the CITY with the advice of the Plan Commission and is funded from the general fund for the purposes of controlling and preventing blight and deterioration within the District; and

WHEREAS, pursuant to the Façade Improvement Program CITY has agreed to participate, subject to its sole discretion, 1) in reimbursing Owners/Lessees for the cost of eligible exterior improvements to commercial establishments within the District up to a maximum of one-half (1/2) of the approved contract cost of such improvements and 2) in reimbursing Owners/Lessees for 100% of the cost of the services of an architect for such façade improvements up to a maximum of $4,000 per building, as set forth herein, but in no event shall the total CITY participation exceed twenty five thousand dollars ($25,000) per façade, as defined herein, for eligible improvements to the front and/or side of a building, and ten thousand ($10,000) per building for eligible rear entrance improvements, with a maximum reimbursement amount of twenty five thousand dollars ($25,000) per building; and

WHEREAS, in limited circumstances a building that is used in whole or part for commercial purpose and has a rear public entrance that is visible from a public street, public park or parking lot (public/private) maybe eligible to receive up to an additional $25,000 in reimbursement for rear entrance improvements. The Planning Director has the sole discretion to determine if a property is eligible to receive up to an additional $25,000 reimbursement for rear entrance improvements.

WHEREAS, the OWNER/LESSEE's property is located within the Façade Improvement Business District, and the OWNER/LESSEE desires to participate in the Façade Improvement Program pursuant to the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements obtained herein, the CITY and the OWNER/LESSEE do hereby agree as follows:

SECTION 1:

A. With respect to façade improvements to the front and side of a building and related eligible improvements, the CITY shall reimburse OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE'S property at the rate of fifty percent (50%) of such cost, and shall reimburse OWNER/LESSEE for 100% of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of

$4,000 per building as defined herein, provided that the total reimbursement for improvements to the front and side of a building and related eligible improvements and architectural services shall not exceed twenty five thousand dollars ($25,000) per façade as defined herein. As provided herein certain buildings that are used in whole or part for commercial purposes and have a rear public entrance that is visible from a public street, public park or parking lot (public/private) maybe eligible to receive up to an additional $25,000 and reimbursement for rear entrance improvements.

B. With respect to improvements to rear entrance(s) of a building and related eligible improvements, the CITY shall reimburse OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE's property at the rate of fifty percent (50%) of such cost, and shall reimburse OWNER/LESSEE for 100% of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of $4,000 per building, provided that reimbursement for landscaping materials and installation shall not exceed $1,000 per building, and provided that the total reimbursement for rear entrance and related eligible improvements and architectural services shall not exceed ten thousand dollars ($10,000) per building.

The actual total reimbursement amounts per this Agreement shall not exceed $25,000 for façade improvements to the front, side, and rear entrance(s) of a building and related eligible improvements. Total reimbursable expenses shall not exceed $25,000. The improvement costs that are eligible for City reimbursement include all labor, materials, equipment and other contract items necessary for the proper execution and completion of the work as shown on the plans, design drawings, specifications and estimates approved by the City. Such plans, design drawings, specifications and estimates are attached hereto as Exhibit I.

SECTION 2: No improvement work shall be undertaken until its design has been submitted to and approved by the City Council. Following approval, the OWNER/LESSEE shall contract for the work and shall commence and complete all such work and submit all requests for reimbursement to the Planning Director within six months from the date of such approval by the City Council. The OWNER/LESSEE may seek an extension of the deadline, not to exceed 12 months, for completing the work and submitting its request for reimbursement from the Planning Director, however, such request must be made in writing and submitted to the Planning Director prior to the expiration of the initial deadline to complete the work and submit the requests for reimbursement. In the event that the OWNER/LESSEE fails to comply with these requirements the CITY may terminate this Agreement and its obligation to reimburse the applicant.

SECTION 3: The Planning Director shall periodically review the progress of the contractor's work on the façade improvement pursuant to this Agreement. Such inspections shall not replace any required permit inspection by the Building Commissioner and Building Inspectors. All work which is not in conformance with the approved plans, design drawings and specifications shall be immediately remedied by the OWNER/LESSEE and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings and specifications and the terms of this Agreement.

SECTION 4: Upon completion of the improvements and upon their final inspection and approval by the Planning Director, the OWNER/LESSEE shall submit to the CITY a properly executed and notarized contractor statement showing the full cost of the work as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work. In addition, the OWNER/LESSEE shall submit to the CITY proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors. The OWNER/LESSEE shall also submit to the CITY a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The CITY shall, within fifteen (15) days of receipt of the contractor's statement, proof of payment and lien waivers, and the architect's statement, issue a check to the OWNER/LESSEE as reimbursement for one-half of the approved construction cost estimate or one-half of the actual construction cost, whichever is less, and for 100% of architectural services fee, subject to the limitations set forth in Section 1 hereof.

In the alternative, at its sole discretion, CITY may reimburse OWNER/LESSEE in two payments. The first reimbursement may be made only 1) upon completion of work representing 50% or more of the maximum reimbursement specified in Section 1 hereof and 2) upon receipt by CITY of the architect's invoices, contractor's statements, invoices, proof of payment and notarized final lien waivers for the completed work and 3) upon a determination by the Planning Director that the remainder of the work is expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the

OWNER/LESSEE. The second, final reimbursement payment shall be made by CITY only upon submittal of all necessary documents as described herein.

SECTION 5: If the OWNER/LESSEE or his contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings and specifications and the terms of this Agreement, then upon written notice being given by the Planning Director to the OWNER/LESSEE, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the CITY shall cease and become null and void.

SECTION 6: Upon completion of the improvement work pursuant to this Agreement and for a period of ten (10) years thereafter, the OWNER/LESSEE shall be responsible for properly maintaining such improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of ten (10) years following completion of the construction thereof, the OWNER/LESSEE shall not enter into any Agreement or contract or take any other steps to alter, change or remove such improvements, or the approved design thereof, nor shall OWNER/LESSEE undertake any other changes, by contract or otherwise, to the improvements provided for in this Agreement unless such changes are first submitted to the Planning Director, and any additional review body designated by the Director, for approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings and specifications approved pursuant to this Agreement. OWNER/LESSEE shall execute and record a restrictive covenant, in a form substantially the same as Exhibit "II" hereto, at City's request.

SECTION 7: The OWNER/LESSEE releases the CITY from, and covenants and agrees that the CITY shall not be liable for, and covenants and agrees to indemnify and hold harmless the CITY and its officials, officers, employees and agents from and against, any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with directly or indirectly with the façade improvements(s), including but not limited to actions arising from the Indiana Common Construction Wage Act (Ind. Code § 5-16-7 et seq.) The OWNER/LESSEE further covenants and agrees to pay for or reimburse the CITY and its officials, officers, employees and agents for any and all costs, reasonable attorneys' fees, liabilities or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The CITY shall have the right to select legal counsel and to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said façade improvement(s).

SECTION 8: Nothing herein is intended to limit, restrict or prohibit the OWNER/LESSEE from undertaking any other work in or about the subject premises which is unrelated to the façade improvement provided for in this Agreement.

SECTION 9: This Agreement shall be binding upon the CITY and upon the OWNER/LESSEE and its successors, to said property for a period of five (5) years from and after the date of completion and approval of the façade improvement provided for herein. It shall be the responsibility of the OWNER/LESSEE to inform subsequent OWNER(s)/LESSEE(s) of the provisions of this Agreement.

<u>SECTION 10:</u> During the term of this Agreement During the term of this Agreement and during the term of any subsequent contract with a subcontractor performing work under this Agreement, OWNER/LESSEE shall maintain full compliance with the requirements of Indiana's Employment Eligibility Verification as set forth in **Exhibit A** to this Agreement

<u>SECTION 11:</u> OWNER/LESSEE shall be responsible for obtaining all necessary building permits and other approvals from the CITY prior to commencing work on the improvements. OWNER/LESSEE shall be further be responsible for complying with the applicable requirements of the <u>Americans with Disabilities Act ("ADA") in constructing the improvements pursuant to this Agreement.</u>

<u>SECTION 12:</u> As a condition precedent to participating in the CITY's Façade Improvement Program, OWNER/LESSEE may be responsible for conveying certain easement(s) and/or right-of-way to the City. In these circumstances, no OWNER/LESSEE shall be eligible for reimbursement by the CITY until such time as all easement(s) and/or rights-of-way have been conveyed to the CITY. In the event that this Section applies and the OWNER/LESSEE is requested to convey easement(s) and/or right-of-way to the CITY, documentation confirming such conveyance shall be set forth in **Exhibit B** to this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER/LESSEE

CITY OF VALPARAISO

Mayor

ATTEST:____________________
City Clerk

EXHIBIT A - EMPLOYMENT ELIGIBILITY VERIFICATION

OWNER/LESSEE affirms under the penalties of perjury that it does not knowingly employ an unauthorized alien.

OWNER/LESSEE shall enroll in and verify the work eligibility status of all its newly hired employees through the Federal E-Verify program as defined in IC 22-5-1.7-3. OWNER/LESSEE is not required to participate should the Federal E-Verify program cease to exist. OWNER/LESSEE shall not knowingly employ or contract with an unauthorized alien. OWNER/LESSEE shall not retain an employee or contract with a person that OWNER/LESSEE subsequently learns is an unauthorized alien.

OWNER/LESSEE shall require its subcontractors, who perform work under this contract, to certify to CITY that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the Federal E-Verify program. OWNER/LESSEE agrees to maintain this certification throughout the duration of the term of this agreement with the CITY and during the term of any subsequent contract with a subcontractor performing work under this agreement.

The CITY may terminate for default if OWNER/LESSEE fails to cure a breach of this provision no later than thirty (30) days after being notified by the CITY.

Signed: [signature]	Signed:
Printed Name: MICHAEL S. BONCZYK	Printed Name:
Title: OWNER -	Title:
Date: 5/31/19	Date:

Date Application Received
(Office Use Only)

City of Valparaiso Façade Improvement Program

REQUEST FOR DISBURSEMENT FORM

Applicant: DAM FINE Properties

Property Address: 161 Lincolnway Valparaiso, IN 46383

Mailing Address: 202 OXBOW COURT
VAlparaiso, IN 46383

Materials/ Services Purchased	Vendor/Contractor	Invoice/Receipt Number	100% of Cost of Item
Attach more sheets as necessary			
		TOTAL PROJECT COST	$

TOTAL AMOUNT OF REIMBURSEMENT REQUESTED: $______________

Proof of payment for the above listed items must be attached to this form. Please provide all copies of invoices and/or receipts with check number(s) or include a copy of payment check.

I hereby verify under oath and subject to the penalties of perjury that the above items have been completed in accordance with the City of Valparaiso's Façade Improvement Program and the Façade Improvement Agreement and that all contractors, sub-contractors and material suppliers have been paid in full.

OWNER.
Applicant Signature, Title

5/31/19.
Date

NON -COLLUSION AFFIDAVIT

The undersigned bidder or agent, being duly sworn on oath, says that he/she has not, nor has any other member, representative, or agent of the firm, company, corporation or partnership represented by him/her, entered into any combination, collusion or agreement with any person relative to the price to be bid by anyone at such letting nor to prevent any person from bidding nor to induce anyone to refrain from bidding, and that this contractor quote/construction bid is made without reference to any other contractor quote/contractor bid and without any agreement, understanding or combination with any other person in reference to such bidding.

He/she further says that no person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee, gift, commission or thing of value on account of such sale.

OATH AND AFFIRMATION

I affirm under the penalties of perjury that the foregoing facts and information are true and correct to the best of my knowledge and belief.

Dated at 7 this ________ day of July, 2017.

(Name of Organization)

By ______________________________

(Title of Person Signing)

TREVINO
INSURANCE GROUP

DAM FINE PROPERTIES, LLC
202 OXBOW COURT
VALPARAISO, INDIANA 46383

January, 2019 Renewal
Liberty Mutual Insurance

Policies	01/13/18-19		01/13/19-20		Difference	
Commercial Package Policy	$	5,293.00	$	5,947.00	$	654.00
Commercial Umbrella Policy	$	455.00	$	455.00	$	-
Total Annual Account Premium	**$**	**5,748.00**	**$**	**6,402.00**	**$**	**654.00**

1602 North Main St / Mishawaka, IN 46545
574.256.5712 / 800.540.8306 / Fax 574.256.5798
PO Box 54817 / Cincinnati, OH 45254
513.283.2932

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL

THIS FORM HAS BEEN PREPARED FOR USE IN THE STATE OF INDIANA BY LAWYERS ONLY. SELECTING A FORM OF INSTRUMENT, FILLING IN BLANK SPACES, STRIKING OUT PROVISIONS AND INSERTING SPECIAL CLAUSES MAY CONSTITUTE THE PRACTICE OF LAW, WHICH SHOULD BE PERFORMED ONLY BY A LAWYER.

Mail Tax Bills to Grantee's Address:
DAM Fine Properties, LLC
161 W. Lincolnway, Suite D
Valparaiso, IN 46383
Parcel No.64-09-24-315-003.000-004

WARRANTY DEED

THIS INDENTURE WITNESSETH, that ERNEST E. DARR and NANCY J. DARR of Porter County, Indiana, as Grantors, in consideration of the payment of Ten Dollars ($10.00) and all other good and valuable consideration, the receipt of which is hereby acknowledged, do hereby convey and warrant to DAM Fine Properties, LLC, a duly organized limited liability company having its principal place of business in Porter County, Indiana, as Grantee, the following described real estate located in Porter County, Indiana, to-wit:

SEE ATTACHED EXHIBIT "A" LEGAL DESCRIPTION

The conveyance made by Grantors hereunder shall be subject to accrued real estate taxes and assessments not yet due and payable, all easements, covenants, and restrictions of record, and all legal highways, rights-of-way, drains, and sewers.

The conveyance made by Grantors hereunder is further subject to Grantors' express reservation and retention of their existing claim for damages against the City of Valparaiso for the diminishment and value of the real estate conveyed hereunder resulting from the City of Valparaiso's current condemnation of the parking and loading areas previously included in the real estate, as further detailed on the Mutual Acknowledgment attached hereto and incorporated herein.

13-48157

IN WITNESS WHEREOF, and for the purpose of affirming and ratifying the foregoing conveyance, Grantors have hereinafter set their respective hands this 13th day of January, 2014.

ERNEST E. DARR, Grantor

NANCY J. DARR, Grantor

STATE OF INDIANA,)
PORTER COUNTY)SS:

Before me, a Notary Public in and for said County and State, personally appeared Ernest E. Darr and Nancy J. Darr, and acknowledged the execution of the foregoing Warranty Deed, and who, having been duly sworn, stated that any representations therein contained are true.

WITNESS my hand and Notarial Seal this 13th day of January, 2014.

Signature:

Printed Name:

CYNTHIA E. COLVIN
Porter County
My Commission Expires
November 30, 2017

My Commission Expires:
Resident of ______ County, State of Indiana

This Instrument was prepared by Attorney David C. Appel, 2621 Chicago Street, Unit B, Valparaiso, IN 46383 (219-464-3442)
I affirm, under the penalties for perjury, that I have taken reasonable care to redact each and every Social Security Number unless required by law.
David C. Appel
Please return recorded Deed to: Attorney David C. Appel, 2621 Chicago Street, Unit B, Valparaiso, IN 46383 (219-464-3442)

EXHIBIT "A" LEGAL DESCRIPTION TO WARRANTY DEED

PARCEL I:

Lot 1, except the North 1/2 of the East 2/3 thereof; and the East 2/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana.

Parcel II:

The West 1/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, EXCEPT that portion of the North-South alley in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, lying West of and adjacent to Lot 2 and East of and adjacent to Lot 3 in said Block 25, said alley having been vacated by Ordinance No. 49, dated October 14, 1991, recorded October 15, 1991 in Miscellaneous Record 131 page 194.

EXCEPT a portion of Lot 1 and Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, and being more particularly described as follows:

Beginning at the southeast corner of said Lot 1; thence Northerly, along the east line of said Lot 1, a distance of 65.88 feet to the intersection with the north line of the parent tract of land described in Document Number 2010-013937 in said Office of the Recorder; thence Westerly, along the north line of said parent tract, a distance of 43.93 feet to the intersection of a face of building; thence on and along the face of buildings the following 12 courses: 1) Southerly, 20.47 feet; 2) thence Westerly, 22.65 feet; 3) thence Southerly, 0.66 feet; 4) thence Westerly, 1.30 feet; 5) thence Northerly, 0.66 feet; 6) thence Westerly, 18.70 feet; 7) thence Southerly, 0.66 feet; 8) thence Westerly, 1.30 feet; 9) thence Northerly, 0.66 feet; 10) thence Westerly, 21.00 feet; 11) thence Southerly, 31.85 feet; 12) thence Westerly, 23.28 feet to the intersection with the west line of said Lot 2; thence Southerly, along the west line of Lot 2, a distance of 13.13 feet to the southwest corner of said Lot 2; thence Easterly, along the south lines of said Lot 2 and Lot 1, a distance of 131.79 feet to the point of beginning, containing an area of 6,141 square feet, more or less.

SALES DISCLOSURE FORM
State Form 46021 (R11/12-11)

Prescribed by Department of Local Government Finance
Pursuant to IC 6-1.1-5.5

SDF ID | | |
County Year Unique ID
SDF Date:

PRIVACY NOTICE: The telephone numbers and Social Security numbers of the parties on this form are confidential according to IC 6-1.1-5.5-3(d).

PART 1 - To be completed by BUYER/GRANTEE and SELLER/GRANTOR
A. PROPERTY TRANSFERRED - MUST BE CONVEYED ON A SINGLE CONVEYANCE DOCUMENT

1. Property Number	Check box if applicable to parcel	5. Complete Address of Property	6. Complete Tax Billing Address (If different from property address)
A.) 64-09-24-315-003.000-004	☐ 2. Split ☑ 3. Land ☑ 4. Improvement	155-161 West Lincolnway, Valparaiso, IN 46383	202 Oxbow Court Valparaiso, IN 46383-1822
7. Legal Description of Parcel A: SEE ATTACHED LEGAL DESCRIPTION			
B.) 64-09-24-315-003.000-004	☐ 2. Split ☐ 3. Land ☐ 4. Improvement		
7. Legal Description of Parcel B:			

B. CONDITIONS - IDENTIFY ALL THAT APPLY

If condition 1 applies, filer is subject to disclosure and a discharge filing fee.

YES	NO	CONDITION
☑	☐	1. A transfer of real property interest for valuable consideration.
☐	☑	2. Buyer is an adjacent property owner.
☐	☑	3. Vacant land.
☐	☑	4. Exchange for other real property ("Trade").
☐	☑	5. Seller paid points. (Provide the value Table C Item 12.)
☐	☑	6. Change planned in the primary use of the property. (Describe in special circumstances in Table C Item 3.)
☐	☑	7. Existence of family or business relationship between buyer and seller. (Complete Table C Item 4.)
☐	☑	8. Land Contract. Contract term (YY): ______ and contract date (MM/DD/YYYY): ______
☐	☑	9. Personal property included in transfer. (Provide the value Table C Item 5.)
☐	☑	10. Physical changes to property between March 1 and date of sale. (Describe in special circumstances in Table C Item 3.)
☐	☑	11. Partial Interest. (Describe in special circumstances in Table C Item 3.)
☐	☑	12. Easements or right-of-way grants.

If conditions 13-15 apply, filers are subject to disclosure, but no disclosure filing fee.

YES	NO	CONDITION
☐	☑	13. Document for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, judgment, condemnation, or probate.
☐	☑	14. Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
☐	☑	15. Transfer to a charity, not-for-profit organization, or government.

C. SALES DATA - DISCLOSE VALUE OF ITEMS LISTED IN TABLE B ITEMS 1-15

1. Conveyance date (MM/DD/YY): January 13, 2014

2. Total number of parcels: 2

3. Describe any unusual or special circumstances related to this sale, including the specification of any less-than-complete ownership interest and terms of seller financing.

Warranty Deed

YES	NO	CONDITION
☐	☑	4. Family or business relationship existing between buyer and seller? Amount of discount: $ ______

Disclose actual value in money, property, a service, an agreement, or other consideration.

5. Estimated value of personal property:	$
6. Sales price:	$750,000.00

YES	NO	CONDITION
☐	☑	7. Is the seller financing sale? If yes, answer questions (8-13).
☐	☑	8. Is buyer/borrower personally liable for loan?
☐	☑	9. Is this a mortgage loan?

10. Amount of loan:	
11. Interest rate:	%
12. Amount in points:	$
13. Amortization period:	

D. PREPARER

Cindy Colvin
Preparer of the Sales Disclosure Form

Supervisor/Commercial Escrow Officer
Title

1447 S. Lake Park Avenue
Address (Number and Street)

Meridian Title Corporation
Company

Hobart, IN 46342
City, State and Zip Code

219-947-3507 ccovin@meridiantitle.com
Telephone Number *Email*

E. SELLER(S)/GRANTOR(S)

Ernest E. Darr
Seller 1 – Name as appears on conveyance document

702 North 200 East
Address (Number and Street)

Valparaiso, IN 46383
City, State and Zip Code

219-241-9563
Telephone Number *Email*

Nancy J. Darr
Seller 2 – Name as appears on conveyance document

702 North 200 East
Address (Number and Street)

Valparaiso, IN 46383
City, State and Zip Code

219-241-9562
Telephone Number *Email*

Under penalties of perjury, I hereby certify that this Sales Disclosure, to the best of my knowledge and belief, is true, correct and complete as required by law, and is prepared in accordance with IC 6-1.1-5.5, "Real Property Sales Disclosure Act".

Signature of Seller

Ernest E. Darr 01/13/14
Printed Name of Seller *Signed Date (MM/DD/YYYY)*

Signature of Seller

Nancy J. Darr 01/13/14
Printed Name of Seller *Signed Date (MM/DD/YYYY)*

F. BUYER(S)/GRANTEE(S) – APPLICATION FOR PROPERTY TAX DEDUCTIONS – IDENTIFY ALL ITEMS THAT APPLY

DAM FINE PROPERTIES, LLC
Buyer 1 – Name as appears on conveyance document

202 Oxbow Court
Address (Number and Street)

Valparaiso, IN 46383
City, State and Zip Code

847-915-9526
Telephone Number *Email*

Buyer 2 – Name as appears on conveyance document

Address (Number and Street)

City, State and Zip Code

Telephone Number *Email*

THE SALES DISCLOSURE FORM MAY BE USED TO APPLY FOR CERTAIN DEDUCTIONS FOR THIS PROPERTY. IDENTIFY ALL OF THOSE THAT APPLY.

YES	NO	CONDITION
☐	☑	1. Will this property be the buyer's primary residence? Provide complete address of primary residence, including county:
☐	☑	2. Does the buyer have a homestead in Indiana to be vacated for this residence? If yes, provide complete address of residence being vacated, including county:

202 Oxbow Court
Address (Number and Street)

Valparaiso, IN 46383 Porter
City, State and Zip Code *County*

Address (Number and Street)

City, State and Zip Code *County*

YES	NO	CONDITION
☐	☑	3. Homestead
☐	☑	4. Solar Energy Heating/Cooling System
☐	☑	5. Wind Power Devise
☐	☑	6. Hydroelectric Power Device
☐	☑	7. Geothermal Energy Heating/Cooling Device
☐	☑	8. Is this property a residential rental property?
☐	☑	9. Would you like to receive tax statements for this property via e-mail? *(Provide contact information below. Please see instructions for more information. Not available in all counties.)*

Primary property owner contact name *Email*

Under penalties of perjury, I hereby certify that this Sales Disclosure, to the best of my knowledge and belief, is true, correct and complete as required by law, and is prepared in accordance with IC 6-1.1-5.5, "Real Property Sales Disclosure Act". (Note: Spouse information, Social Security and Driver's License/Other numbers are not necessary if no Homestead Deduction is being filed.)

Signature of Buyer

Michael S. Bonczyk, Manager 01/13/14
Printed Legal Name of Buyer 1 *Signed Date (MM/DD/YYYY)*

Last 5 digits of Buyer 1 Driver's License ID/Other Number *State* *Last 5 Digits of Social Security Number*

Signature of Buyer 2/Spouse

Printed Legal Name of Buyer 2/Spouse *Signed Date (MM/DD/YYYY)*

Last 5 digits of Buyer 2/Spouse Driver's License ID/Other Number *State* *Last 5 Digits of Social Security Number*

PART 2 – COUNTY ASSESSOR

The county assessor must verify and complete items 1 through 14 and stamp the sales disclosure form before sending to the auditor.

1. Property	*2. AV Land*	*3. AV Improvement*	*4. Value of Personal Property*	*5. AV Total*	*6. Property Class Code*	*7. Neighborhood Code*	*8. Tax District*	*9. Acreage*
A.)								
B.)								

Assessor Stamp

10. Identify physical changes to property between March 1 and date of sale. ______

YES	NO	CONDITION
☐	☐	11. Is form completed?
☐	☐	12. State sales fee required?

13. Date of Sale *(MM/DD/YYYY)*: ______

14. Date form received *(MM/DD/YYYY)*: ______

Items 15 through 18 are to be completed by the assessor when validating this sale.

15. If applicable, identify any additional special circumstances relating to validation of sale. ______

YES	NO	CONDITION
☐	☐	16. Sale valid for trending?
☐	☐	17. Validation of sale complete?

18. Validated by: ______

PART 3 – COUNTY AUDITOR

Auditor Stamp

1. Disclosure fee amount collected: $ ______
2. Other Local Fee: $ ______
3. Total Fee Collected: $ ______
4. Auditor receipt number: ______
5. Date of transfer (MM/DD/YYYY): ______

YES	NO	CONDITION
☐	☐	6. Is form completed?
☐	☐	7. Is state tax collected?
☐	☐	8. Attachments Complete?

PART 4 – RECEIPT FOR STATEMENT OF DEDUCTION OF ASSESSED VALUATION

SDF ID ______ *SDF Date (MM DD YYYY)* ______

Parcel Number ______

Check all that apply:

☐ Homestead ☐ Solar Energy ☐ Wind Power

☐ Hydroelectric ☐ Geothermal ☐ Rental Property

☐ Electronic Statement (e-mail) ______

Buyer 1 – Name as appears on conveyance document ______

Address of Property (Number and Street) ______

City, State and Zip Code of Property ______

Auditor Signature ______ *Date (MM DD YYYY)* ______

A person who knowingly and intentionally falsifies value of transferred real property, or omits or falsifies any information required to be provided in the sales disclosure form commits a Class C felony.

LEGAL DESCRIPTION OF PARCEL A (From Part 1A, Item 7)

PARCEL I:

Lot 1, except the North 1/2 of the East 2/3 thereof; and the East 2/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana.

PARCEL II:

The West 1/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana,

EXCEPT that portion of the North-South alley in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, lying West of and adjacent to Lot 2 and East of and adjacent to Lot 3 in said Block 25, said alley having been vacated by Ordinance No. 49, dated October 14, 1991, recorded October 15, 1991 in Miscellaneous Record 131 page 194.

ALSO EXCEPT: A portion of Lots 1 and 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, and being more particularly described as follows: Beginning at the Southeast corner of said Lot 1; thence Northerly, along the East line of said Lot 1, a distance of 65.88 feet to the intersection with the North line of the parent tract of land described in Document Number 2010-013937 in said Office of the Recorder; thence Westerly, along the North line of said parent tract, a distance of 43.93 feet to the intersection of a face of building; thence on and along the face of buildings the following 12 courses: 1) thence Southerly, a distance of 20.47 feet; 2) thence Westerly, a distance of 22.65 feet; 3) thence Southerly, a distance of 0.66 feet; 4) thence Westerly, a distance of 1.30 feet; 5) thence Northerly, a distance of 0.66 feet; 6) thence Westerly, a distance of 18.70 feet; 7) thence Southerly, a distance of 0.66 feet; 8) thence Westerly, a distance of 1.30 feet; 9) thence Northerly, a distance of 0.66 feet; 10) thence Westerly, a distance of 21.00 feet; 11) thence Southerly, a distance of 31.85 feet; 12) thence Westerly, a distance of 23.28 feet to the intersection with the West line of said Lot 2; thence Southerly, along the West line of Lot 2, a distance of 13.13 feet to the Southwest corner of said Lot 2; thence Easterly, along the South lines of said Lot 2 and Lot 1, a distance of 131.79 feet to the point of beginning, containing an area of 6,141 square feet, more or less.

General Information

Parcel Number
64-09-24-315-013.000-004

Local Parcel Number
64-09-24-315-013.000-004

Tax ID:

Routing Number

Property Class 447
Office Bldg (1 or 2 Story)

Year: 2017

Location Information

County
Porter

Township
CENTER TOWNSHIP

District 004 (Local 001)
VALPARAISO (CENTER)

School Corp 6560
VALPARAISO COMMUNITY

Neighborhood 01P
COMM--CENTER DOWNTOWN VA

Section/Plat
24

Location Address (1)
161 LINCOLNWAY
VALPARAISO, IN 46383

Zoning

Subdivision
ORIGINAL SURVEY

Lot
2

Market Model
2017 CENTER COMMERCIAL IMP

Characteristics

Topography — **Flood Hazard**
Level

Public Utilities — **ERA**
All

Streets or Roads — **TIF**
Paved, Sidewalk

Neighborhood Life Cycle Stage
Static

Printed Saturday, July 1, 2017

Review Group 2014

Ownership

DAM Fine Properties LLC
161 Lincolnway
Valparaiso, IN 46383-5523

Legal

0 S Valpo W1/3 Lot 2 ex S13.13 Blk 25 .06A

Transfer of Ownership

Date	Owner	Doc ID	Code	Book/Page	Adj Sale Price	V/I
01/13/2014	DAM Fine Properties L		UA	/	$750,000	I
12/13/1985	DARR ERNEST E 1/2		WD	/	$0	I

Commercial

Valuation Records (Work In Progress values are not certified values and are subject to change)

2017	Assessment Year	2017	2016	2015	2014	2014
WIP	Reason For Change	AA	AA	AA	Det/115	AA
03/22/2017	As Of Date	05/12/2017	06/17/2016	06/18/2015	07/10/2015	06/18/2014
Indiana Cost Mod	Valuation Method	Indiana Cost Mod	Indiana Cost Mod	Indiana Cost Mod	Other (external)	Indiana Cost Mod
1.0000	Equalization Factor	1.0000	1.0000	1.0000	1.0000	1.0000
	Notice Required	☐	☑	☑	☑	☑
$114,100	**Land**	**$114,100**	**$114,300**	**$123,000**	**$107,200**	**$121,200**
$0	Land Res (1)	$0	$0	$0	$0	$0
$0	Land Non Res (2)	$0	$0	$0	$0	$0
$114,100	Land Non Res (3)	$114,100	$114,300	$123,000	$107,200	$121,200
$171,200	**Improvement**	**$171,200**	**$172,200**	**$167,000**	**$171,400**	**$171,400**
$0	Imp Res (1)	$0	$0	$0	$0	$0
$65,100	Imp Non Res (2)	$65,100	$65,400	$63,500	$0	$0
$106,100	Imp Non Res (3)	$106,100	$106,800	$103,500	$171,400	$171,400
$285,300	**Total**	**$285,300**	**$286,500**	**$290,000**	**$278,600**	**$292,600**
$0	Total Res (1)	$0	$0	$0	$0	$0
$65,100	Total Non Res (2)	$65,100	$65,400	$63,500	$0	$0
$220,200	Total Non Res (3)	$220,200	$221,100	$226,500	$278,600	$292,600

Land Data (Standard Depth: Res 100', CI 100')

Land Type	Pricing Method	Soil ID	Act Front.	Size	Factor	Rate	Adj. Rate	Ext. Value	Infl. %	Res Elig %	Market Factor	Value
Fci	F		0	20x130	0.99	$6,400	$6,336	$126,720	-10%	0%	1.0000	$114,050

Data Source Tenant **Collector** **Appraiser**

Notes

7/23/2014 General: FOR 2015 ADJUSTED 1ST FLOOR FINISH AND CAP ALLOCATION FOR APARTMENTS

2/6/2014 General: FOR 2014 64-09-24-315-004.000-004 155-159 LINCOLNWAY SPLIT OFF PARKING AREA & 64-09-24-315-003.000-004 161 LINCOLNWAY SPLIT OFF .007 VACANT LAND TO 64-09-24-315-014.000-004. THE NEW PARCEL # FOR 155-159 LINCOLNWAY IS 64-09-24-315-012.000-004 & THE NEW PARCEL # FOR 161 LINCOLNWAY IS 64-09-24-315-013.000-004 RS

5/2/2013 General: MFD:APPLY VALUATION APPROACH OF $206,900 FOR 2012 (315-003)

8/23/2012 General: 2011 Appeal values changed based on income. SMW (315-003)

8/15/2011 General: TOTAL % INCREASE 5% AND GREATER (315-003)

8/16/2010 General: VALUE CHANGED FOR REASSESSMENT (315-003)

5/5/2010 General: PTABOA#64-004-08-0-4-00233:WITHDRAWN FOR 2008 (315-003)

5/5/2010 General: PTABOA#64-004-07-0-4-00214:WITHDRAWN FOR 2007 (315-003)

2/27/2006 General: MFD:2/27/06:SPLIT E1/2 VAC ALLEY ON WEST SIDE TO 01-550837 THIS WAS OLD SPLIT (1991) THAT WAS SEND UP FROM AUDITORS OFFICE FOR 3.1.06 (315-003)

12/4/2001 General: DATAGRAPHICS PRINT SHOP 10.15.91 E1/2 VAC ALLEY ORD#49 BK131P194

Land Computations

Calculated Acreage	0.06
Actual Frontage	0
Developer Discount	☐
Parcel Acreage	0.06
81 Legal Drain NV	0.00
82 Public Roads NV	0.00
83 UT Towers NV	0.00
9 Homesite	0.00
91/92 Acres	0.00
Total Acres Farmland	0.06
Farmland Value	$0
Measured Acreage	0.00
Avg Farmland Value/Acre	0.0
Value of Farmland	$0
Classified Total	$0
Farm / Classifed Value	$0
Homesite(s) Value	$0
91/92 Value	$0
Supp. Page Land Value	
CAP 1 Value	$0
CAP 2 Value	$0
CAP 3 Value	$114,100
Total Value	**$114,100**

64-09-24-315-013.000-004 DARR ERNEST E & NANCY J/H& 161 LINCOLNWAY 447, Office Bldg (1 or 2 Story) COMM--CENTER DOWNTO 2/2

General Information

Occupancy	C/I Building	**Pre. Use**	General Office
Description	C/I Building (776	**Pre. Framing**	Wood Joist
Story Height	2	**Pre. Finish**	Finished Divided
Type	N/A		

	SB	B	1	U
Wall Type		2(281')	2(281')	2(284')
Heating		2538 sqft	2588 sqft	2640 sqft
A/C			2588 sqft	2640 sqft
Sprinkler				

Plumbing RES/CI

	#	TF	#	TF
Full Bath		0		0
Half Bath		0		0
Kitchen Sinks		0		0
Water Heaters		0		0
Add Fixtures		0	7	7
Total	0	0	7	7

Roofing

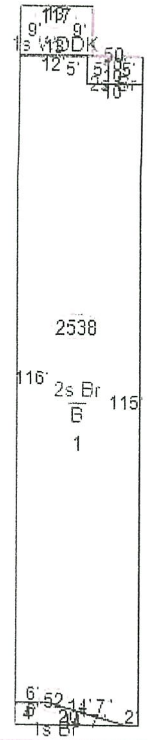
Built Up	Tile	Metal
Wood	Asphalt	Slate
Other		

GCK Adjustments

Low Prof	Ext Sheat	Insulatio
SteelGP	AluSR	Int Liner
HGSR	PPS	Sand Pnl

Exterior Features

Description	Area	Value
Wood Deck	117	$2,400



Floor/Use Computations

Pricing Key	GCM	GCM	GCM
Use	UTLSTOR	GENRET	GENOFF
Use Area	2538 sqft	2588 sqft	2640 sqft
Area Not in Use	0 sqft	0 sqft	0 sqft
Use %	100.0%	100.0%	100.0%
Eff Perimeter	281'	281'	284'
PAR	11	11	11
# of Units / AC	0	0	0
Avg Unit sz|dpth	0	0	0
Floor	B	1	2
Wall Height	7'	14'	12'
Base Rate	**$51.88**	**$134.19**	**$124.07**
Frame Adj	($9.54)	($10.49)	($7.27)
Wall Height Adj	($6.08)	$0.00	$0.00
Dock Floor	$0.00	$0.00	$0.00
Roof Deck	$0.00	$0.00	$0.00
Adj Base Rate	**$36.26**	**$123.70**	**$116.80**
BPA Factor	1.00	1.00	1.00
Sub Total (rate)	**$36.26**	**$123.70**	**$116.80**
Interior Finish	$0.00	($2.82)	$0.00
Partitions	$0.00	($2.94)	$0.00
Heating	$0.00	$0.00	$0.00
A/C	$0.00	$0.00	$0.00
Sprinkler	$0.00	$0.00	$0.00
Lighting	$0.00	$0.00	$0.00
Unit Finish/SR	$0.00	$0.00	$0.00
GCK Adj.	$0.00	$0.00	$0.00
S.F. Price	**$36.26**	**$117.94**	**$116.80**
Sub-Total			
Unit Cost	$0.00	$0.00	$0.00
Elevated Floor	$0.00	$0.00	$0.00
Total (Use)	**$92,028**	**$305,229**	**$308,352**

Special Features

Description	Value

Other Plumbing

Description	Value

Building Computations

Sub-Total (all floors)	**$705,609**	Garages	$0
Racquetball/Squash	$0	Fireplaces	$0
Theater Balcony	$0	**Sub-Total (building)**	**$719,209**
Plumbing	$11,200	Quality (Grade)	$719,210
Other Plumbing	$0	Location Multiplier	1.07
Special Features	$0	**Repl. Cost New**	**$769,553**
Exterior Features	$2,400		

Summary of Improvements

Description	Res Eligibl	Story Height	Construction	Grade	Year Built	Eff Year	Eff Age	Co nd	Base Rate	LCM	Adj Rate	Size	RCN	Norm Dep	Remain. Value	Abn Obs	PC	Nbhd	Mrkt	Improv Value
1: C/I Building (7766sqft)	0%	2	Brick	C	1890	1890	127	A		1.07			$769,553	80%	$153,910	0%	100%	1.00	1.1121	$171,200

Total all pages $171,200

Total this page $171,200

Your Financial Institution

05/03/2019 04:16 PM

Commercial Loan *7565

Balance **$386,905.39**

Available credit **$0.00**

Amount due **$5,468.27**

Next due **05/13/2019**

Apr 4, 2019 - May 3, 2019 30 days

Date	Description		Amount	Balance
05/01/2019	PRINCIPAL ONLY PAYMENT / INTERNET TRANSFER FROM DDA 000101110707		$1,000.00	$386,905.39
		Principal	$1,000.00	
04/30/2019	ESCROW DISTRIBUTION		-$4,200.14	$387,905.39
		Escrow	$4,200.14	
04/30/2019	ESCROW DISTRIBUTION		-$7,257.99	$387,905.39
		Escrow	$7,257.99	
04/15/2019	PAYMENT		$5,468.27	$387,905.39
		Principal	$1,370.92	
		Interest	$2,060.82	
		Escrow	$2,036.53	

2014-001211
STATE OF INDIANA
PORTER COUNTY
FILED FOR RECORD
01/24/2014 1:02 PM
JON MILLER, RECORDER
REC FEE: 36.00
PAGES: 12

80843345
Tx:4024926

RECORDATION REQUESTED BY:
CENTIER BANK
Valparaiso Lending Office
600 East 84th Avenue
Merrillville, IN 46410

WHEN RECORDED MAIL TO:
CENTIER BANK
Valparaiso Lending Office
600 East 84th Avenue
Merrillville, IN 46410

SEND TAX NOTICES TO:
CENTIER BANK
Valparaiso Lending Office
600 East 84th Avenue
Merrillville, IN 46410

MORTGAGE

MAXIMUM LIEN. The lien of this Mortgage shall not exceed at any one time $1,200,000.00.

THIS MORTGAGE dated January 13, 2014, is made and executed between DAM FINE PROPERTIES LLC, AN INDIANA LIMITED LIABILITY COMPANY (referred to below as "Grantor") and CENTIER BANK, whose address is 600 East 84th Avenue, Merrillville, IN 46410 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in PORTER County, State of Indiana:

See EXHIBIT A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as 155-161 WEST LINCOLNWAY, VALPARAISO, IN 46383-5523.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

As more fully described in this mortgage, the Property includes: (a) all extensions, improvements, substitutes, replacements, renewals, and additions to any of the property described; (b) all rents, proceeds, income, and profits from any of the other property described; and (c) all awards, payments, or proceeds of voluntary or involuntary conversion of any of the property described, including insurance, condemnation, tort claims, and other obligations dischargeable in cash.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform

13-48157

7

HOLD FOR MERIDIAN TITLE CORP.

Commercial Code security interest in the Personal Property and Rents.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Grantor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future obligations and advances which Lender may make to Grantor, together with all interest thereon, whether such future obligations and advances arise under the Note, this Mortgage or otherwise; however, in no event shall such future advances (excluding interest) outstanding at any time exceed in the aggregate $1,200,000.00. This Mortgage also secures all modifications, extensions and renewals of the Note, the Mortgage, or any other amounts expended by Lender on Grantor's behalf as provided for in this Mortgage.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Grantor hereby appoints Lender as Grantor's attorney-in-fact for the purpose of executing any documents necessary to perfect or continue the security interest granted in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. With respect to any Grantor who also is personally liable on the Note, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section. Under all circumstances, the

Indebtedness will be repaid without relief from any Indiana or other valuation and appraisement laws.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Indiana without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Indiana.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Lake County, State of Indiana.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means DAM FINE PROPERTIES LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means DAM FINE PROPERTIES LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, including, but not limited to, attorneys' fees, costs of collection and costs of foreclosure, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision, together with all interest thereon and all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means CENTIER BANK, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated January 13, 2014, **in the original principal amount of $600,000.00** from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is January 13, 2024. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

DAM FINE PROPERTIES LLC

By:________________________________
MICHAEL S. BONCZYK, Manager of DAM FINE PROPERTIES LLC

By:________________________________
DANA M. DARR, Manager of DAM FINE PROPERTIES LLC

EXHIBIT A

PARCEL I:
Lot 1, except the North 1/2 of the East 2/3 thereof; and the East 2/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana.

PARCEL II:
The West 1/3 of Lot 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana,

EXCEPT that portion of the North-South alley in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, lying West of and adjacent to Lot 2 and East of and adjacent to Lot 3 in said Block 25, said alley having been vacated by Ordinance No. 49, dated October 14, 1991, recorded October 15, 1991 in Miscellaneous Record 131 page 194.

ALSO EXCEPT: A portion of Lots 1 and 2 in Block 25 in the Original Survey of the Town (now City) of Valparaiso, as per plat thereof, recorded in Deed Record "A" page 13, in the Office of the Recorder of Porter County, Indiana, and being more particularly described as follows: Beginning at the Southeast corner of said Lot 1; thence Northerly, along the East line of said Lot 1, a distance of 65.88 feet to the intersection with the North line of the parent tract of land described in Document Number 2010-013937 in said Office of the Recorder; thence Westerly, along the North line of said parent tract, a distance of 43.93 feet to the intersection of a face of building; thence on and along the face of buildings the following 12 courses: 1) thence Southerly, a distance of 20.47 feet; 2) thence Westerly, a distance of 22.65 feet; 3) thence Southerly, a distance of 0.66 feet; 4) thence Westerly, a distance of 1.30 feet; 5) thence Northerly, a distance of 0.66 feet; 6) thence Westerly, a distance of 18.70 feet; 7) thence Southerly, a distance of 0.66 feet; 8) thence Westerly, a distance of 1.30 feet; 9) thence Northerly, a distance of 0.66 feet; 10) thence Westerly, a distance of 21.00 feet; 11) thence Southerly, a distance of 31.85 feet; 12) thence Westerly, a distance of 23.28 feet to the intersection with the West line of said Lot 2; thence Southerly, along the West line of Lot 2, a distance of 13.13 feet to the Southwest corner of said Lot 2; thence Easterly, along the South lines of said Lot 2 and Lot 1, a distance of 131.79 feet to the point of beginning, containing an area of 6,141 square feet, more or less.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K2 CONSTRUCTION

259 Indiana Av. Valparaiso, IN
Phone (219)531-5353
Fax (219) 531-5354
Customer: Dana B
Address: 161 Licolnway St. Valparaiso, IN. 46383

south elevation

Permit	$0.00
remove signage	$384.00
demolition of doors and windows	$840.00
brick lintel	$238.16
paint removal labor from limestone	$168.00
Tuckpointing as needed	$4,620.17
new doors	$13,920.00
install 1 new exterior light	$360.00
new 2nd Floor Windows	$2,808.00
clean all brick and limestone	$840.00
caulk all exterior as needed	$240.00
paint all steel lintles and beams as needed	$240.00
lighting allowance	$180.00
architectue fees	$600.00

Total $25,438.33

K2 CONSTRUCTION

259 Indiana Av. Valparaiso, IN

Phone (219)531-5353

Fax (219) 531-5354

Customer: Dana B

Address: 161 Licolnway St. Valparaiso, IN. 46383

North elevation

Permit	$888.00
lift	$3,341.54
safty equipment	$2,382.00
remove signage	$384.00
demolition of existing store front	$1,680.00
frameing for lower bulk head for stonework	$1,371.53
brick lintel	$238.16
paint removal labor from limestone	$168.00
Tuckpointing as needed	$5,958.65
new limestone bulkheads	$2,981.41
new door and store front glass	$16,114.50
building date stone,address stone	$587.38
install new electric for gooseneck lights	$1,080.00
new 2nd Floor Windows	$4,920.00
build and install new columns	$2,502.48
clean all brick and limestone	$1,320.00
caulk all exterior as needed	$336.00
paint all steel lintles and beams as needed	$240.00
removal of debri daily	$1,200.00
offsite disposal fees	$432.00
lighting allowance	$840.00
new sign board	$2,520.00
architectue fees	$1,200.00
Total	$52,685.65

MATERIAL FURNISHED and INSTALLED PROPOSAL

Proposal No. 19-14-5151N

Date: 1-Aug-19

G L & ASSOCIATES, INC.

2340 Des Plaines River Rd
Suite #203
Des Plaines, Illinois 60018
Ph. (847) 635-0800
Fax (847) 635-9139

TO:

PROJECT: 161 Lincolnway Front Façade
Location: Valparaiso
Architect:
Location:

Attn:

*We propose to furnish the following material for the above project in accordance with "**Terms and Conditions of Sales and Erection**" appearing at the end of this Proposal:*

Based on Drawings:

Specification Section:

SCOPE OF PROJECT:

A)
- Remove Signage
- Demo of existing storefront
- Tuckpointing entire front façade
- New Dorr and store front glass
- Building date stone address stone
- Electric for Gooseneck lights
- Replace 2nd story windows
- Clean all Brick and limestone
- Lighting allowance
- Caulk exterior
- Install new columns
- New Sign Board
- Debris Removal
- Architectural fees

MATERIAL FURNISHED and INSTALLED PROPOSAL

Proposal No. *19-14-5151*
Date: *1-Aug-19*

GL & ASSOCIATES, INC.

2340 Des Plaines River Rd
Suite #203
Des Plaines, Illinois 60018
Ph. (847) 635-0800
Fax (847) 635-9139

THIS PROPOSAL INCLUDES:

1. Freight to jobsite unloading and hoisting
2. Union Labor
3. Full shop drawings and submittal package

THIS PROPOSAL EXCLUDES:

1. *Any miscellaneous (HORIZONTAL and VERTICAL) structural or reinforcing steel as required for support of our material.*
2. *Any material or accessories not specifically included herein.*
3. *Field Painting*
4. *Wood Blocking*
5. *Changes in scope, arrangement or technical requirements will render this quotation subject to change.*
6. *Mock Up*
7. *Permits*
8. *Dumpsters*
9. *Bond*
10. *Premium Time*
11. *The Repair and Replacement of Material Damaged by Others is Specifically Excluded*
12. *Installed Material will be left in clean condition. Additional/Final Cleaning is Specifically Excluded*

MATERIAL FURNISHED and INSTALLED PROPOSAL

Proposal No. *19-14-5151*
Date: *1-Aug-19*

G L & ASSOCIATES, INC.

2340 Des Plaines River Rd
Suite #203
Des Plaines, Illinois 60018
Ph. (847) 635-0800
Fax (847) 635-9139

Prices are Based on Receipt of Order within Ninety (90) Days and Shipment made Nine (9) Months from Quote Date

Price:	*$65,856.00 Sixty five thousand eight Hundred and fifty six dollars*

ALTERNATES:

NOTES:

TERMS OF PAYMENT

MATERIAL:	*Net fifteen (15) days from the date of invoice.*
INTEREST:	*Interest for late payment on labor and/or materials will be charged at the rate of one and one-half percent (1-1/2%) per month.*
ERECTION:	*Monthly progress payments, less 10% retainer, payable within thirty (30) days from completion of the work herein set forth.*

PROPOSAL ACCEPTANCE:
This Proposal becomes subject to review 30 days from proposal date unless otherwise stated. In the event the Buyer elects to issue his own Purchase Order or Contract based on this Proposal, the conditions contained herein shall be deemed to be incorporated in the said Purchase Order or Contract unless exception is specifically taken thereof.

Accepted: .... **G&L ASSOCIATES, INC.**

By: .... By: ....Steven J. Gouris................

Date: .... Date: ....8/1/19................

Conditons of Sales and Erection

1. ***Definitions*** - The word "***Seller***" as used herein means ***G&L ASSOCIATES, INC.*** and the word "***Buyer***" means the purchaser of material and servies hereunder from the Seller.

2. ***Acceptance of Contracts*** - All contracts are subject to written approval and acceptance by authorized managerial employees of the Seller and are not binding on the Seller until and unless so approved and accepted. Contracts accepted by the Seller may not be cancelled by the Buyer except upon terms acceptable to the Selle

3. ***Credit of Approval*** - Acceptance of contracts and shipments and performance of work hereunder, shall at all times be subject to the Seller's credit approval, and the Seller reservers the right to require full or partial payment in advance if, in the Seller's oponion, the financial condition of the Buyer does not justify continued perfomance on the terms specified.

4. ***Material to be Furnished*** - Drawings furnished by the Seller, when approved by the Buyer or Architect, shall be deemed the correct interpretation of the materials to be furnished.

5. ***Bond***- Unless specifically included in the contract price, the cost of any required surety bond shall be added to the contract price.

6. ***Delivery and Storage***- On all shipments, the Seller reserves the right to ship the cheapest way and determine routing. The Buyer shall pay the additional cost when any other method of transportation or routing is used at his request. The Buyer shall provide safe and adequate storage space for the materials and for the Seller's equipment at no cost to the Seller.

7. ***Delays***- The Seller shall not be liable for any loss or damage due to delay resulting from any cause beyond the Seller's reasonable control, including, but not limited to, acts of God, fires, the elements, accidents, strikes or other labor difficulties, wars, riots or natural emergercies, embargoes, govermental acts, regulations or requests, delays by transportation companies or delays in obtianing from usual sources of supply. The Seller shall not under any circumstances be liable for any special or consequential damages on account of any delay. If any such delay shall prevent performance by the Seller in whole or in part, the Seller may cancel the unperformed portion of the contract.

8. ***Labor Rates and Working Conditions***- The contract price is based on straight time hourly rates prevailing in the area where the erection is to be done. If the Buyer requests overtime work or makes changes in the specifications, the price shall be adjusted accordingly to cover the resulting additional costs, including the actual increase in wages, taxes, insurance, overhead at 15% and profit at 10%. The contract price is further based on the Selller's labor working full time continuously without interruption during regular working hours until completion of the work and the Buyer shall pay all actual additional expense incurred by the Seller for idle time, overtime, traveling and equipment set-up occasioned by interruption within the Buyer's control.

9. ***Insurance and Liability for Damage*** - The Seller carries public liability and workman's compensation insurance and will furnish proof thereof upon request. Loss or damage to materials and work resulting from weather, fire, flood, windstorm, other trades or any other risk not caused by the Seller shall be the Buyer's responsiblility and the Buyer shall indemnify and hold the Seller harmless from loss by reason thereof.

10. ***Penalties and Back Charges*** - There shall be no penalties or liquidated damages except as may be specifically provided for herein. There shall be no back charges to the Seller for reasonable use of water, electricity, telephone, hoisting equipment, watchman service or similar items, nor for labor or materials furnished by oth without Seller's written approval.

11. ***Inspection and Acceptance*** - Upon completion, the Buyer shall promptly inspect the seller's work and materials. Failure of the Buyer to give approval or reject the work within 5 days after completion, stating in detail reasons for the rejection, if any, shall constitute complete and final acceptance.

12. ***Guarantee - Building Panels*** - We warrant the materials, as well as the workmanship in installing these materials against defects and workmanship for a period of one year from date of completion. We agree to repair or replace any materials that may prove defective in workmanship or materials within the one year period, ordina wear and tear and unusual abuse excepted, provided written notice is given to us detailing the non-compliance within the warranty period by the owner or his representati This warranty and the obligations by reason of this warranty are in lieu of any other warranty or obligations.

13. ***Transportation*** - All freight charges are based on current applicable common carrier rates. Unless otherwise specifically provided for herein, should freight rates be increased, such increases will be in addition to the price quoted.

14. ***Price Increases and/or Decreases*** -

15. ***Price Increases and/or Decrease*** -

Transporation: See item 13 above.

Material and Field Labor:The material and field prices shall be firm for a period of 6 months from date of the execution by Buyer of this agreement. Unless otherwise specifically provided for herein and materials not shipped from the Seller's Factory or not installed within 6 months from proposal date is subject to price increas at actual cost to the Seller in accordance with the following:

1. Industry wide increase in factory wage rates affecting the Seller's Plant.
2. Increases in published mill prices of raw materials necessary for the fabrication of finished products included herein.
3. Increases in the Seller's prices of finished products manufactured by others and to be furnished hereunder.
4. Increases in the field labor rates as determined by prevailing Union Agreements for wages, Workman's Compensation, and Insurance.

Should any decreases in published costs under 1,2,3 and/or 4 above occur, the Seller agrees to deduct the actual savings from material and/or field labor.

Initial Acceptance ....

South Shore Framing Co, LLC

Date: 3 Aug 2019 **Proposal no:** 2519

Project Address: 161 Lincolnway, Valpo

Description of project: Exterior facade restoration project.

Work Scope: South Shore proposes to perform the following work as noted.

1. Provide all permits as required for building as well as city facade program paper work.
2. Remove existing signs.
3. Remove old facade, windows on lincolnway and alley.
4. Tuck Point and make necessary repairs to exterior of building as required.
5. Install windows and doors.
6. Install new electrical per drawings on front.
7. Install new signage
8. Remove existing paint from stone base.
9. Install stone base under windows.
10. Construct new columns.
11. Install and maintain pedestrian walkways.
12. Install and maintain lights for panel as requested by owner to the panel.
13. Clean exterior masonry work and caulk all exterior doors, windows as well as all masonary work both new and exciting.
14. All debris to be removed daily as requested.

Total price: 63.655.00

Payment Terms: 50% deposit. will draw schedule to be determined as contract signing.

Changes and Additional add ons: Only with written and signed Change Order.

Sincerely
Dustin S Vibbert

Please sign if you(the Client) agree to the proposed work scope and terms of this Proposal(the Contract) with South Shore Framing as the contractor.

Client sign and date.

Contractor sign and date.

FAC 19-004

VALPARAISO FAÇADE IMPROVEMENT PROGRAM

Application Form

1. Applicant Information

NAME: Mark J. Miller

ADDRESS OF PROPERTY TO BE IMPROVED:
S Lincolnway

NAME OF BUSINESS: S Lincolnway LLC

TAX ID#/SOCIAL SECURITY #: 82.2062799

HOME ADDRESS: 670 Vlasta Ct. Valparaiso, IN 46385

BUSINESS PHONE: 219.309.1873 HOME PHONE: ____________

FAX: ____________ EMAIL: [illegible].com

2. Project Information

BUILDING LOCATION: S Lincolnway

BUSINESS(ES) LOCATED IN BUILDING:
1st Floor - Vacant 2nd Floor - Professional Offices
3rd Floor - Professional Offices

BUILDING AGE: 130 years BUILDING LOCATED IN HISTORIC DISTRICT? Yes

BUILDING ZONED AS: CBD PIN NUMBER: 64-09-24-338-011.000-04

OWNER OF RECORD: S Lincolnway LLC

IF LEASED: Lease Expires ____________ Renewal Term ____________

3. **Project Description**

Describe in detail the proposed scope of work including design firm and/or contractor(s) selected. In describing project, be sure to differentiate between interior renovations vs. exterior façade improvements to be undertaken. Use separate sheet(s) if necessary.

See attached drawings

Anticipated Construction
Start Date: 11/19 Completion Date: 5/20 Total Project Cost: ± 50,000

4. **Mortgage Information**

Is there a current Mortgage on the property: YES ✓ NO ____

If YES, Holder of Mortgage 1st Source Bank

Date of Mortgage: 10/2017

Original Amount: 352K Current Balance: 322K

Are there any other loans, liens, deed restrictions on the property:

YES ____ NO ✓

If YES, please list:

5. **Building Information**

Will project result in a change of use for the building? YES ____ NO ✓

Uses of the building after completion of the façade project:

1st Floor:

Restaurant

2nd Floor: Professional Office

3rd Floor: Professional Office

Other:

6. **Other Required Documentation**

   a. Property deed with legal description of property
   b. Proof that all property taxes are paid and current
   c. Proof of property and liability insurance
   d. Signed mortgage note
   e. Copies of any leases associated with property
   f. Project budget
   g. Three (3)-contractor quotes/construction bids for total façade project
   h. Photographs of proposed project site

I/We certify that all information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the Valparaiso Façade Improvement Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the City of Valparaiso.

The applicant further certifies that he/she has read and understands the Valparaiso Façade Improvement Program Guidelines. If a determination is made by the Planning Commission that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the City of Valparaiso and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all Valparaiso Façade Improvement Program funding commitments are contingent upon the availability of program funds.

Signed this 23rd day of September, 20 19

By: ______________________

Michael J. Miller

City of Valparaiso
Façade Improvement Agreement

THIS AGREEMENT, entered into this _____ day of __________, 20__, between the City of Valparaiso, Indiana (hereinafter referred to as "CITY") and the following designated OWNER/LESSEE, to wit:

Owner/Lessee's Name: Mark J. Miller

Name of Business: 5 Lincolnway, LLC

Tax ID#/Social Security # 82-2062799

Address of Property to be Improved:

5 Lincolnway

____

PIN Number: 64-09-24-338-011.000-04

WITNESSETH:

WHEREAS, the CITY has established a Façade Improvement Program for application within the Valparaiso Façade Improvement Business District ("District"); and

WHEREAS, said Façade Improvement Program is administered by the CITY with the advice of the Plan Commission and is funded from the general fund for the purposes of controlling and preventing blight and deterioration within the District; and

WHEREAS, pursuant to the Façade Improvement Program CITY has agreed to participate, subject to its sole discretion, 1) in reimbursing Owners/Lessees for the cost of eligible exterior improvements to commercial establishments within the District up to a maximum of one-half (1/2) of the approved contract cost of such improvements and 2) in reimbursing Owners/Lessees for 100% of the cost of the services of an architect for such façade improvements up to a maximum of $4,000 per building, as set forth herein, but in no event shall the total CITY participation exceed twenty five thousand dollars ($25,000) per façade, as defined herein, for eligible improvements to the front and/or side of a building, and ten thousand ($10,000) per building for eligible rear entrance improvements, with a maximum reimbursement amount of twenty five thousand dollars ($25,000) per building; and

WHEREAS, in limited circumstances a building that is used in whole or part for commercial purpose and has a rear public entrance that is visible from a public street, public park or parking lot (public/private) maybe eligible to receive up to an additional $25,000 in reimbursement for rear entrance improvements. The Planning Director has the sole discretion to determine if a property is eligible to receive up to an additional $25,000 reimbursement for rear entrance improvements.

WHEREAS, the OWNER/LESSEE's property is located within the Façade Improvement Business District, and the OWNER/LESSEE desires to participate in the Façade Improvement Program pursuant to the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements obtained herein, the CITY and the OWNER/LESSEE do hereby agree as follows:

SECTION 1:

A. With respect to façade improvements to the front and side of a building and related eligible improvements, the CITY shall reimburse OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE'S property at the rate of fifty percent (50%) of such cost, and shall reimburse OWNER/LESSEE for 100% of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of

$4,000 per building as defined herein, provided that the total reimbursement for improvements to the front and side of a building and related eligible improvements and architectural services shall not exceed twenty five thousand dollars ($25,000) per façade as defined herein. As provided herein certain buildings that are used in whole or part for commercial purposes and have a rear public entrance that is visible from a public street, public park or parking lot (public/private) maybe eligible to receive up to an additional $25,000 and reimbursement for rear entrance improvements.

B. With respect to improvements to rear entrance(s) of a building and related eligible improvements, the CITY shall reimburse OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE's property at the rate of fifty percent (50%) of such cost, and shall reimburse OWNER/LESSEE for 100% of the cost of fees for architectural services pertaining to such improvements, up to a maximum amount of $4,000 per building, provided that reimbursement for landscaping materials and installation shall not exceed $1,000 per building, and provided that the total reimbursement for rear entrance and related eligible improvements and architectural services shall not exceed ten thousand dollars ($10,000) per building.

The actual total reimbursement amounts per this Agreement shall not exceed $25,000 for façade improvements to the front, side, and rear entrance(s) of a building and related eligible improvements. Total reimbursable expenses shall not exceed $25,000. The improvement costs that are eligible for City reimbursement include all labor, materials, equipment and other contract items necessary for the proper execution and completion of the work as shown on the plans, design drawings, specifications and estimates approved by the City. Such plans, design drawings, specifications and estimates are attached hereto as Exhibit I.

SECTION 2: No improvement work shall be undertaken until its design has been submitted to and approved by the City Council. Following approval, the OWNER/LESSEE shall contract for the work and shall commence and complete all such work and submit all requests for reimbursement to the Planning Director within six months from the date of such approval by the City Council. The OWNER/LESSEE may seek an extension of the deadline, not to exceed 12 months, for completing the work and submitting its request for reimbursement from the Planning Director, however, such request must be made in writing and submitted to the Planning Director prior to the expiration of the initial deadline to complete the work and submit the requests for reimbursement. In the event that the OWNER/LESSEE fails to comply with these requirements the CITY may terminate this Agreement and its obligation to reimburse the applicant.

SECTION 3: The Planning Director shall periodically review the progress of the contractor's work on the façade improvement pursuant to this Agreement. Such inspections shall not replace any required permit inspection by the Building Commissioner and Building Inspectors. All work which is not in conformance with the approved plans, design drawings and specifications shall be immediately remedied by the OWNER/LESSEE and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings and specifications and the terms of this Agreement.

SECTION 4: Upon completion of the improvements and upon their final inspection and approval by the Planning Director, the OWNER/LESSEE shall submit to the CITY a properly executed and notarized contractor statement showing the full cost of the work as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work. In addition, the OWNER/LESSEE shall submit to the CITY proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors. The OWNER/LESSEE shall also submit to the CITY a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The CITY shall, within fifteen (15) days of receipt of the contractor's statement, proof of payment and lien waivers, and the architect's statement, issue a check to the OWNER/LESSEE as reimbursement for one-half of the approved construction cost estimate or one-half of the actual construction cost, whichever is less, and for 100% of architectural services fee, subject to the limitations set forth in Section 1 hereof.

In the alternative, at its sole discretion, CITY may reimburse OWNER/LESSEE in two payments. The first reimbursement may be made only 1) upon completion of work representing 50% or more of the maximum reimbursement specified in Section 1 hereof and 2) upon receipt by CITY of the architect's invoices, contractor's statements, invoices, proof of payment and notarized final lien waivers for the completed work and 3) upon a determination by the Planning Director that the remainder of the work is expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the

OWNER/LESSEE. The second, final reimbursement payment shall be made by CITY only upon submittal of all necessary documents as described herein.

SECTION 5: If the OWNER/LESSEE or his contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings and specifications and the terms of this Agreement, then upon written notice being given by the Planning Director to the OWNER/LESSEE, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the CITY shall cease and become null and void.

SECTION 6: Upon completion of the improvement work pursuant to this Agreement and for a period of ten (10) years thereafter, the OWNER/LESSEE shall be responsible for properly maintaining such improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of ten (10) years following completion of the construction thereof, the OWNER/LESSEE shall not enter into any Agreement or contract or take any other steps to alter, change or remove such improvements, or the approved design thereof, nor shall OWNER/LESSEE undertake any other changes, by contract or otherwise, to the improvements provided for in this Agreement unless such changes are first submitted to the Planning Director, and any additional review body designated by the Director, for approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings and specifications approved pursuant to this Agreement. OWNER/LESSEE shall execute and record a restrictive covenant, in a form substantially the same as Exhibit "II" hereto, at City's request.

SECTION 7: The OWNER/LESSEE releases the CITY from, and covenants and agrees that the CITY shall not be liable for, and covenants and agrees to indemnify and hold harmless the CITY and its officials, officers, employees and agents from and against, any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with directly or indirectly with the façade improvements(s), including but not limited to actions arising from the Indiana Common Construction Wage Act (Ind. Code § 5-16-7 et seq.) The OWNER/LESSEE further covenants and agrees to pay for or reimburse the CITY and its officials, officers, employees and agents for any and all costs, reasonable attorneys' fees, liabilities or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The CITY shall have the right to select legal counsel and to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said façade improvement(s).

SECTION 8: Nothing herein is intended to limit, restrict or prohibit the OWNER/LESSEE from undertaking any other work in or about the subject premises which is unrelated to the façade improvement provided for in this Agreement.

SECTION 9: This Agreement shall be binding upon the CITY and upon the OWNER/LESSEE and its successors, to said property for a period of five (5) years from and after the date of completion and approval of the façade improvement provided for herein. It shall be the responsibility of the OWNER/LESSEE to inform subsequent OWNER(s)/LESSEE(s) of the provisions of this Agreement.

SECTION 10: During the term of this Agreement During the term of this Agreement and during the term of any subsequent contract with a subcontractor performing work under this Agreement, OWNER/LESSEE shall maintain full compliance with the requirements of Indiana's Employment Eligibility Verification as set forth in **Exhibit A** to this Agreement

SECTION 11: OWNER/LESSEE shall be responsible for obtaining all necessary building permits and other approvals from the CITY prior to commencing work on the improvements. OWNER/LESSEE shall be further be responsible for complying with the applicable requirements of the Americans with Disabilities Act ("ADA") in constructing the improvements pursuant to this Agreement.

SECTION 12: As a condition precedent to participating in the CITY's Façade Improvement Program, OWNER/LESSEE may be responsible for conveying certain easement(s) and/or right-of-way to the City. In these circumstances, no OWNER/LESSEE shall be eligible for reimbursement by the CITY until such time as all easement(s) and/or rights-of-way have been conveyed to the CITY. In the event that this Section applies and the OWNER/LESSEE is requested to convey easement(s) and/or right-of-way to the CITY, documentation confirming such conveyance shall be set forth in **Exhibit B** to this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER/LESSEE

CITY OF VALPARAISO

____

____
Mayor

ATTEST:______________________
City Clerk

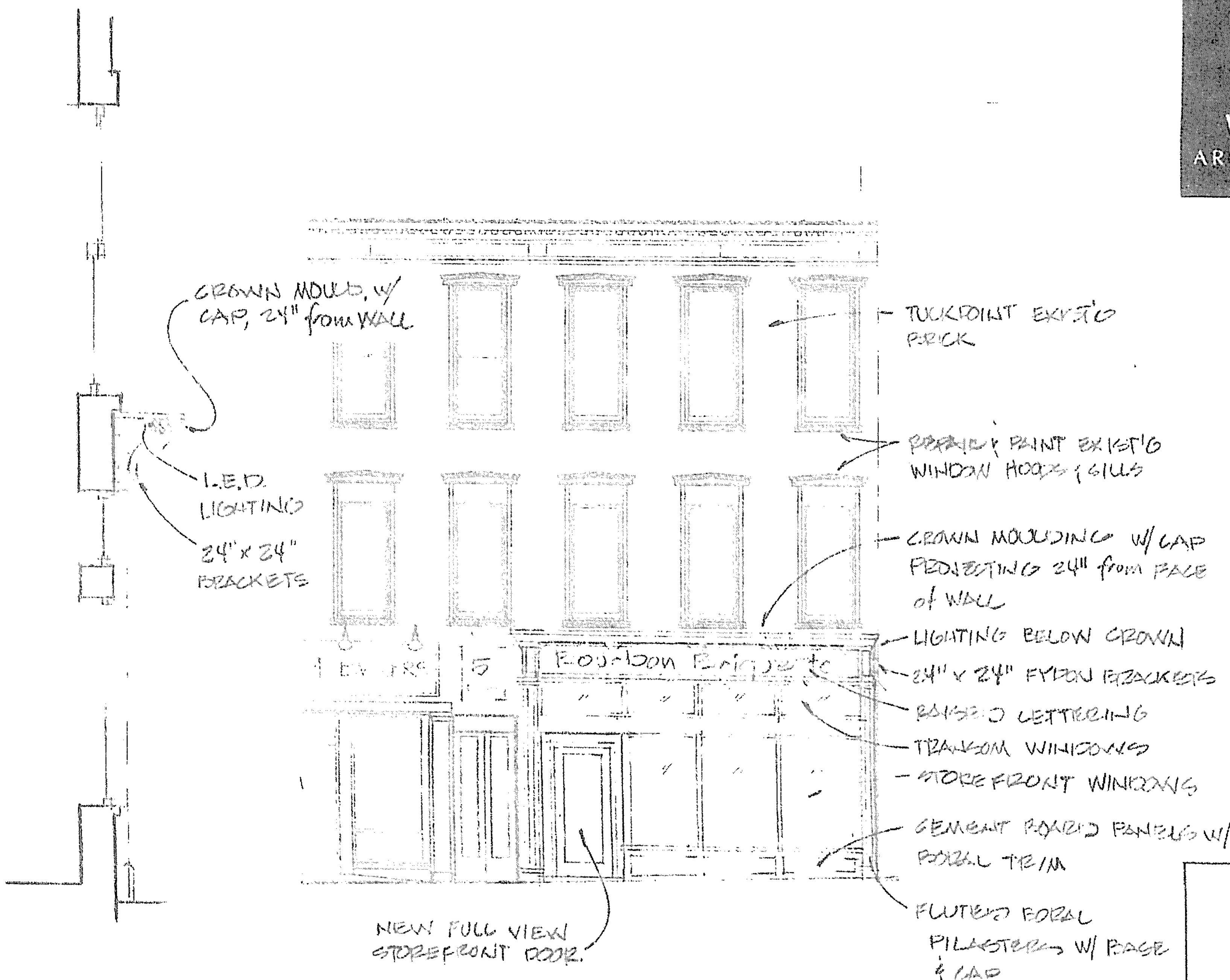
Project Score Sheet

All projects are to be scored by the applicant based on the project score criteria.

Eligible Improvements	Exit Doors	Painting	Shutters and Awnings	Signs	Stairs, Porches, Railings	Wall Repair	Arch. Detail	Windows	Roof s	Walkways	Landscaping	Lighting	
Points Allowed	1	1	1	1	1/2	1	1	1	1/2	1/2	1/2	1	
Applicants Score	1	1		1		1	1	1				1	7
Staff Score													
													Total Points Required /3

A minimum of 3 points are required for projects to be eligible for the Façade Program. The following eligible improvements are worth one point each; Exit Doors, Painting, Shutters, Awnings, Signs Wall Repair, Windows, Architectural Detail or Ornamentation and Lighting. Stairs, Porches, Railings, Exits, Roofs, Walkways, and landscaping shall be worth ½ point each. The applicant shall score the project based on the criteria eligible improvements on page 3 of the façade program description. City staff will review the applicants scores to ensure that the criteria is meet for the minimum required 3 points.

WAGNER ARCHITECTURE



WALL SECT.

SCALE 1/4" = 1'-0"

SOUTH ELEVATION

SCALE 1/8" = 1'-0"

FACADE IMPROVEMENTS

5 LINCOLNWAY

VALPARAISO INDIANA

1

6 SEPTEMBER 2019

Google Maps ~~3~~ 5 Lincolnway

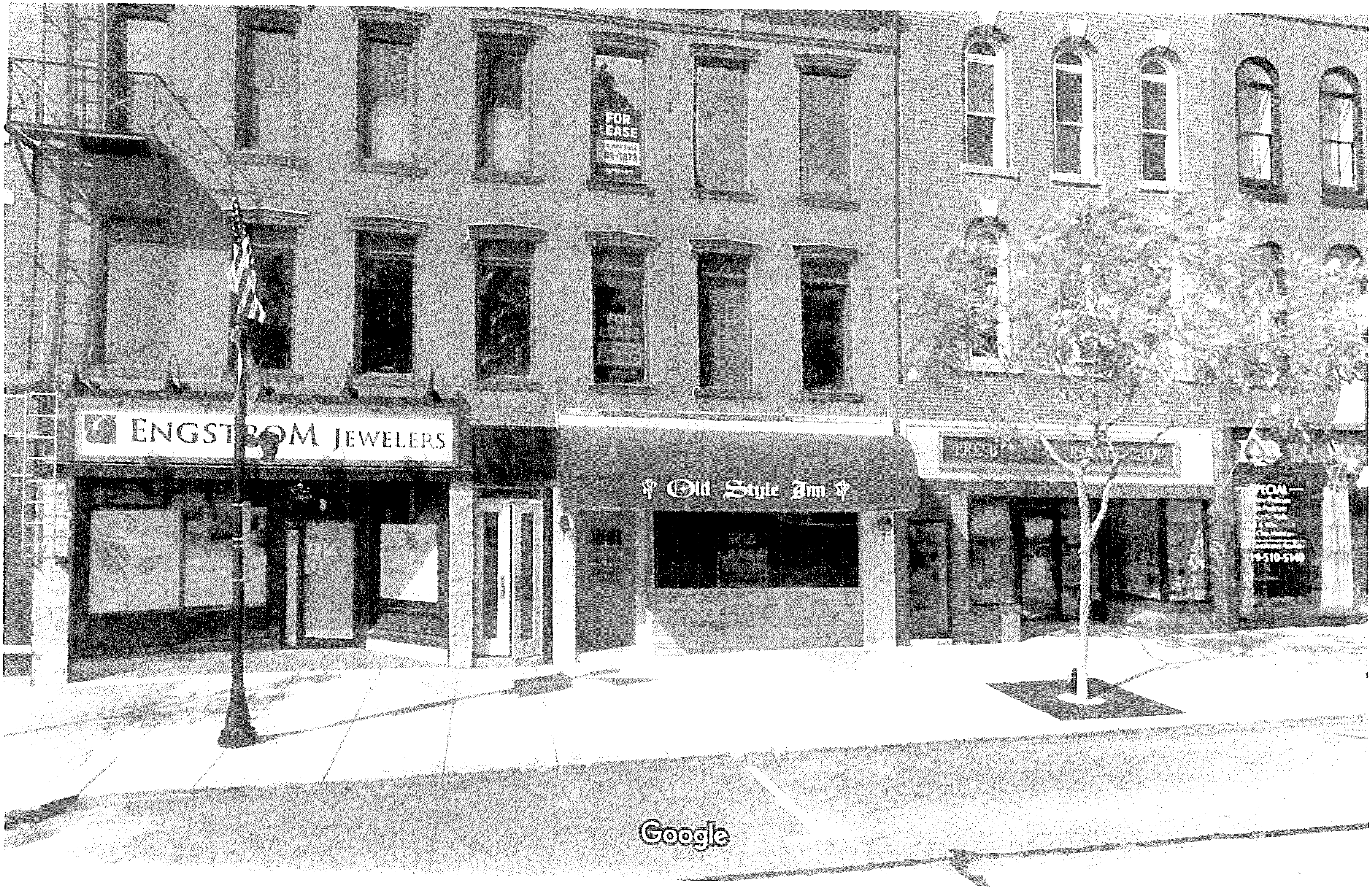


Image capture: Aug 2018 © 2019 Google

EXHIBIT A - EMPLOYMENT ELIGIBILITY VERIFICATION

OWNER/LESSEE affirms under the penalties of perjury that it does not knowingly employ an unauthorized alien.

OWNER/LESSEE shall enroll in and verify the work eligibility status of all its newly hired employees through the Federal E-Verify program as defined in IC 22-5-1.7-3. OWNER/LESSEE is not required to participate should the Federal E-Verify program cease to exist. OWNER/LESSEE shall not knowingly employ or contract with an unauthorized alien. OWNER/LESSEE shall not retain an employee or contract with a person that OWNER/LESSEE subsequently learns is an unauthorized alien.

OWNER/LESSEE shall require its subcontractors, who perform work under this contract, to certify to CITY that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the Federal E-Verify program. OWNER/LESSEE agrees to maintain this certification throughout the duration of the term of this agreement with the CITY and during the term of any subsequent contract with a subcontractor performing work under this agreement.

The CITY may terminate for default if OWNER/LESSEE fails to cure a breach of this provision no later than thirty (30) days after being notified by the CITY.

Signed: [signature]	Signed: ______
Printed Name: Mark E. Miller	Printed Name: ______
Title: Owner	Title: ______
Date: 10-3-19	Date: ______

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TAX ID NUMBER	DUPLICATE NUMBER		
64-09-24-338-011.000-004	917738	2018 Payable 2019	**Add 5% penalty after May 10, 2019, if there is no delinquent amount; add 10% penalty after June 9, 2019.**
PARCEL NUMBER	TAXING UNIT NAME		
64-09-24-338-011.000-004	Valparaiso Corporation -004		

Original Survey E1/3 Lot 5 Blk 18

Net Property Tax Spring:	5,463.54
Delinquent Tax:	0.00
Delinquent Penalty:	0.00
Penalty & Fees:	0.00
Other Assessments	
Current Tax:	20.00
Delinquent Tax:	0.00
Delinquent Penalty:	0.00
Less Spring Payments:	5,483.54
*** See Copy B ***	**0.00**

5 Lincolnway LLC
c/o Mark Miller
670 Vlasta Ct
Valparaiso IN 46385-8906

0000917738 000000000000

Reprinted: 9/23/2019 11:24 AM LowTaxInfo.com

TAX ID NUMBER	DUPLICATE NUMBER		
64-09-24-338-011.000-004	917738	2018 Payable 2019	**Add 5% penalty after November 12, 2019, if there is no delinquent amount; add 10% penalty after December 12, 2019.**
PARCEL NUMBER	TAXING UNIT NAME		
64-09-24-338-011.000-004	Valparaiso Corporation -004		

Original Survey E1/3 Lot 5 Blk 18

Net Property Tax Fall:	5,463.54
Penalty & Fees:	0.00
Other Assessments	
Current Tax:	20.00
Less Fall Payments:	0.00
Amount Due By 11/12/2019:	**5,483.54**

5 Lincolnway LLC
c/o Mark Miller
670 Vlasta Ct
Valparaiso IN 46385-8906

0000917738 000000548354

Reprinted: 9/23/2019 11:24 AM LowTaxInfo.com

TAX ID NUMBER	DUPLICATE NUMBER		PROPERTY TYPE	BILLED MORTGAGE COMPANY	
64-09-24-338-011.000-004	917738	2018 Payable 2019	Real		
PARCEL NUMBER	TAXING UNIT NAME		TOTAL TAX RATE	LIT 1% RATE	
64-09-24-338-011.000-004	Valparaiso Corporation -004		n/a	n/a	

Property Address: 5 Lincolnway, Valparaiso IN 46383

Total Net Property Tax:	10,927.08
Delinquent Tax:	0.00
Delinquent Penalty:	0.00
Penalty & Fees:	0.00
Other Assessments	
Current Tax:	40.00
Delinquent Tax:	0.00
Delinquent Penalty:	0.00
Less Payments Received:	5,483.54
Current Account Balance:	**5,483.54**

5 Lincolnway LLC
c/o Mark Miller
670 Vlasta Ct
Valparaiso IN 46385-8906

ACORD®

EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY): 9/23/2019

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY — PHONE (A/C, No, Ext): (219)464-3511 General Insurance Services 407 E. Lincolnway P.O. Box 1818 Valparaiso IN 46383	COMPANY Cincinnati Insurance PO Box 145496 Cincinnati OH 45250-5496
FAX (A/C, No): (219)531-9446 — E-MAIL ADDRESS: dlong@genins.com	
CODE: 13263 — SUB CODE:	
AGENCY CUSTOMER ID #: 00063285	
INSURED 5 Lincolnway LLC 670 Vlasta Court Valparaiso IN 46385	LOAN NUMBER: — POLICY NUMBER: ECP0552484 EFFECTIVE DATE: 10/3/2019 — EXPIRATION DATE: 10/3/2020 — ☐ CONTINUED UNTIL TERMINATED IF CHECKED THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Loc# 00001/Bldg# 00001
5 Lincolnway
Valparaiso, IN 46383

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building, Replacement Cost, Special	1,000,000	2,500
General Liability $1M Occurrence/$2M Aggregate		

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

City of Valparaiso
166 Lincolnway
Valparaiso, IN 46383

☐ MORTGAGEE ☐ ADDITIONAL INSURED
☐ LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE

Donald Long/SMILE

64-09-24-338-011.000-004 | **5 Lincolnway LLC** | **5 LINCOLNWAY** | **430, Restaurant, Cafeteria or Bar** | **COMM--CENTER DOWNTO** | 1/2

General Information

Parcel Number
64-09-24-338-011.000-004

Local Parcel Number
01-000532947

Tax ID:
64-09-24-338-007.000-004

Routing Number

Property Class 430
Restaurant, Cafeteria or Bar

Year: 2019

Location Information

County
Porter

Township
CENTER TOWNSHIP

District 004 (Local 001)
VALPARAISO (CENTER)

School Corp 6560
VALPARAISO COMMUNITY

Neighborhood 01P
COMM--CENTER DOWNTOWN VA

Section/Plat
24

Location Address (1)
5 LINCOLNWAY
VALPARAISO, IN 46383

Zoning

Subdivision
ORIGINAL SURVEY

Lot
E1/3 5

Market Model
2019 CENTER COMMERCIAL IMP

Characteristics

Topography Level
Flood Hazard ☐

Public Utilities All
ERA ☐

Streets or Roads Paved, Sidewalk
TIF ☑

Neighborhood Life Cycle Stage
Static

Printed Monday, April 15, 2019

Review Group 2019

Ownership

5 Lincolnway LLC
c/o Mark Miller
670 Vlasta Ct
Valparaiso, IN 46385-8906

Legal

Original Survey E1/3 Lot 5 Blk 18

Transfer of Ownership

Date	Owner	Doc ID	Code	Book/Page	Adj Sale Price	V/I
10/10/2017	5 Lincolnway LLC	2017-024903	WD	/	$460,000	V
08/12/2016	Great Development LL		WD	/	$730,000	V
07/12/2004	Tsoutsouris James V T		UA	2005/2005	$0	I
01/01/1900	TSOUTSOURIS JAME		WD	/	$0	I

Notes

8/15/2011 2011 5% or more: TOTAL % INCREASE 5% AND GREATER

9/16/2010 : PTABOA#64-004-07-0-4-00079:CHANGE THIRD FLOOR FROM GEN OFFICE TO UTILITY STORAGE

8/16/2010 : VALUE CHANGED FOR REASSESSMENT

7/8/2001 : OLD STYLE INN #3199 1.22.90 20M REMODEL. 3.1.90 NO START CPT 3/1/91 NOVALUE CHG

Commercial

Valuation Records (Work In Progress values are not certified values and are subject to change)

2019		2019	2018	2017	2016	2015
2019	**Assessment Year**	2019	2018	2017	2016	2015
WIP	**Reason For Change**	AA	AA	AA	AA	AA
03/15/2019	**As Of Date**	03/22/2019	05/23/2018	05/12/2017	06/17/2016	06/18/2015
Indiana Cost Mod	**Valuation Method**	Indiana Cost Mod	Indiana Cost Mod	Indiana Cost Mod	Indiana Cost Mod	Indiana Cost Mod
1.0000	**Equalization Factor**	1.0000	1.0000	1.0000	1.0000	1.0000
	Notice Required	☐	☑	☐	☑	☑
$140,800	**Land**	**$140,800**	**$140,800**	**$140,800**	**$141,100**	**$136,700**
$0	Land Res (1)	$0	$0	$0	$0	$0
$0	Land Non Res (2)	$0	$0	$0	$0	$0
$140,800	Land Non Res (3)	$140,800	$140,800	$140,800	$141,100	$136,700
$221,600	**Improvement**	**$221,600**	**$221,600**	**$221,200**	**$222,600**	**$215,600**
$0	Imp Res (1)	$0	$0	$0	$0	$0
$0	Imp Non Res (2)	$0	$0	$0	$0	$0
$221,600	Imp Non Res (3)	$221,600	$221,600	$221,200	$222,600	$215,600
$362,400	**Total**	**$362,400**	**$362,400**	**$362,000**	**$363,700**	**$352,300**
$0	Total Res (1)	$0	$0	$0	$0	$0
$0	Total Non Res (2)	$0	$0	$0	$0	$0
$362,400	Total Non Res (3)	$362,400	$362,400	$362,000	$363,700	$352,300

Land Data (Standard Depth: Res 100', CI 132' Base Lot: Res 0' X 0', CI 66' X 132')

Land Type	Pricing Method	Soil ID	Act Front.	Size	Factor	Rate	Adj. Rate	Ext. Value	Infl. %	Res Elig %	Market Factor	Value
Fci	F		0	22x132	1.00	$6,400	$6,400	$140,800	0%	0%	1.0000	$140,800

Land Computations

Calculated Acreage	0.07
Actual Frontage	0
Developer Discount	☐
Parcel Acreage	0.07
81 Legal Drain NV	0.00
82 Public Roads NV	0.00
83 UT Towers NV	0.00
9 Homesite	0.00
91/92 Acres	0.00
Total Acres Farmland	0.07
Farmland Value	$0
Measured Acreage	0.00
Avg Farmland Value/Acre	0.0
Value of Farmland	$0
Classified Total	$0
Farm / Classifed Value	$0
Homesite(s) Value	$0
91/92 Value	$0
Supp. Page Land Value	
CAP 1 Value	$0
CAP 2 Value	$0
CAP 3 Value	$140,800
Total Value	**$140,800**

Data Source N/A **Collector** **Appraiser**

64-09-24-338-011.000-004 5 Lincolnway LLC

5 LINCOLNWAY

430, Restaurant, Cafeteria or Bar

COMM--CENTER DOWNTO 2/2

General Information

Occupancy	C/I Building	**Pre. Use**	Dining/Lounge
Description	C/I BUILDING	**Pre. Framing**	Wood Joist
Story Height	3	**Pre. Finish**	Finished Divided
Type	N/A	**# of Units**	0

	SB	B	1	U
Wall Type		2(310')	2(310')	2(408')
Heating			2872 sqft	3520 sqft
A/C				
Sprinkler			2872 sqft	3520 sqft

Plumbing RES/CI

	#	TF	#	TF
Full Bath		0		0
Half Bath		0	4	8
Kitchen Sinks		0		0
Water Heaters		0		0
Add Fixtures		0	6	6
Total	0	0	10	14

Roofing

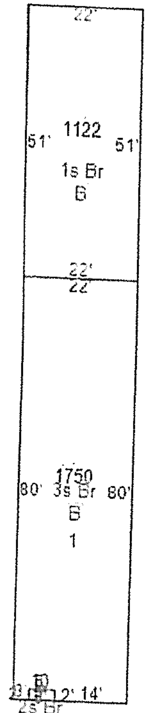
☐ Built Up ☐ Tile ☐ Metal
☐ Wood ☐ Asphalt ☐ Slate
☐ Other

GCK Adjustments

☐ Low Prof ☐ Ext Sheat ☐ Insulatio
☐ SteelGP ☐ AluSR ☐ Int Liner
☐ HGSR ☐ PPS ☐ Sand Pnl

Exterior Features

Description	Area	Value



Special Features

Description	Value
Can, CT 10sqft	$270

Other Plumbing

Description	Value

Building Computations

Sub-Total (all floors)	**$934,441**	Garages	$0
Racquetball/Squash	$0	Fireplaces	$0
Theater Balcony	$0	**Sub-Total (building)**	**$957,111**
Plumbing	$22,400	Quality (Grade)	$957,112
Other Plumbing	$0	Location Multiplier	1.04
Special Features	$270	**Repl. Cost New**	**$995,395**
Exterior Features	$0		

Floor/Use Computations

Pricing Key	GCM	GCM	GCM	GCM
Use	UTLSTOR	GENRET	GENOFF	GENOFF
Use Area	2872 sqft	2872 sqft	1760 sqft	1760 sqft
Area Not in Use	0 sqft	0 sqft	0 sqft	0 sqft
Use %	100.0%	100.0%	100.0%	100.0%
Eff Perimeter	310'	310'	204'	204'
PAR	11	11	12	12
# of Units / AC	0	0	0	0
Avg Unit sz|dpth	-1	0	-1	0
Floor	B	1	2	3
Wall Height	8'	14'	10'	10'
Base Rate	**$54.57**	**$137.09**	**$137.08**	**$137.08**
Frame Adj	$0.00	($10.39)	($7.20)	($7.20)
Wall Height Adj	($3.32)	$0.00	($8.74)	($8.74)
Dock Floor	$0.00	$0.00	$0.00	$0.00
Roof Deck	$0.00	$0.00	$0.00	$0.00
Adj Base Rate	**$51.25**	**$126.70**	**$121.14**	**$121.14**
BPA Factor	1.00	1.00	1.00	1.00
Sub Total (rate)	**$51.25**	**$126.70**	**$121.14**	**$121.14**
Interior Finish	$0.00	$0.00	$0.00	$0.00
Partitions	$0.00	$0.00	$0.00	$0.00
Heating	($1.06)	$0.00	$0.00	$0.00
A/C	$0.00	$0.00	$0.00	$0.00
Sprinkler	$0.00	$0.00	$0.00	$0.00
Lighting	$0.00	$0.00	$0.00	$0.00
Unit Finish/SR	$0.00	$0.00	$0.00	$0.00
GCK Adj.	$0.00	$0.00	$0.00	$0.00
S.F. Price	**$50.19**	**$126.70**	**$121.14**	**$121.14**
Sub-Total				
Unit Cost	$0.00	$0.00	$0.00	$0.00
Elevated Floor	$0.00	$0.00	$0.00	$0.00
Total (Use)	**$144,146**	**$363,882**	**$213,206**	**$213,206**

Summary of Improvements

Description	Res Eligibl	Story Height	Construction	Grade	Year Built	Eff Year	Eff Age	Co nd	Base Rate	LCM	Adj Rate	Size	RCN	Norm Dep	Remain. Value	Abn Obs	PC	Nbhd	Mrkt	Improv Value
1: C/I BUILDING	0%	3	Brick	C	1890	1890	129	A		1.04		9,264 sqft	$995,395	80%	$199,080	0%	100%	1.000	1.1129	$221,600

Total all pages $221,600

Total this page $221,600

REAL ESTATE MORTGAGE AND SECURITY AGREEMENT

WHEN RECORDED RETURN TO:

1ST SOURCE BANK
Commercial Loan Services
P.O. Box 1602
South Bend, Indiana 46634

THIS REAL ESTATE MORTGAGE AND SECURITY AGREEMENT is dated October 2, 2017.

1. 5 Lincolnway, LLC, whose address is 670 Vista Court, Valparaiso, IN 46383, ("Mortgagor") hereby

MORTGAGES AND WARRANTS TO 1ST SOURCE BANK

a financial institution with principal offices located at 100 North Michigan Street, South Bend, Indiana 46601, its successors and assigns ("Bank"), the real estate more particularly described on Exhibit A which is attached to and incorporated into this Mortgage located in Porter County, State of Indiana including the buildings, structures, improvements, easements, appurtenances, accessions and fixtures now or hereafter attached to or used in connection with that real estate together with all rents, income, profits and proceeds therefrom, including without limitation insurance proceeds and proceeds from any condemnation or eminent domain actions, and together with all mineral, oil and gas rights (all called the "Property").

2. Mortgagor grants to Bank a security interest in and mortgages and warrants to Bank, all fixtures and all other personal property of every kind, nature and description located upon the Property and owned by the Mortgagor. All of the fixtures are deemed to be part of the real estate.

3. Mortgagor grants this Mortgage in consideration and to secure payment and performance of the Obligations, which Mortgagor promises to pay. The term "Obligations" means all existing and future indebtedness, liabilities and obligations of every kind, nature and description which are at any time owed to Bank by Mortgagor, as Borrower, including but not limited to future advances up to a maximum of $352,000.00, whether direct or indirect, absolute or contingent, and whether now due and owing or hereafter due and owing from time to time, including all existing and future indebtedness under the instrument(s) and/or agreement(s) more particularly described on attached Exhibit B or evidenced by any promissory note(s), loan agreement(s) or lease(s) now or hereafter executed and delivered by Mortgagor to Bank and any and all amendments, renewals, extensions or modifications thereof (collectively, the "Agreement"). Any provision for future advances contained herein shall not be interpreted as a commitment to lend such amount by Bank. Bank will base future lending decisions on many factors, including but not limited to Mortgagor's financial condition at the time of any such future advance request.

4. The terms, provisions and conditions of the Agreement shall govern this Mortgage in all respects, except as specifically otherwise provided in this Mortgage. In addition, all capitalized terms in this Mortgage which are not defined in this Mortgage shall bear the meanings ascribed to them in the Agreement. This Mortgage is, by its terms, made a part of the Agreement.

5. The Property shall constitute Collateral under the Agreement.

6. As additional security for the payment of the Obligations and the performance of the covenants, terms and conditions contained herein and in any other instrument securing or evidencing the Obligations, Mortgagor does hereby assign, mortgage and warrant to Bank, all rents, income and profits of the Property and all present and future leases pertaining thereto and all guarantees of the tenant's obligations thereunder, together with the right in Bank to take

JN00250

 HOLD FOR GREATER INDIANA TITLE COMPANY

REAL ESTATE MORTGAGE
AND SECURITY AGREEMENT

WHEN RECORDED RETURN TO: 1ST SOURCE BANK
Commercial Loan Services
P.O. Box 1602
South Bend, Indiana 46634

THIS REAL ESTATE MORTGAGE AND SECURITY AGREEMENT is dated October 2, 2017.

1. 5 Lincolnway, LLC, whose address is 670 Vlasic Court, Valparaiso, IN 46383, ("Mortgagor") hereby

MORTGAGES AND WARRANTS TO 1ST SOURCE BANK

a financial institution with principal offices located at 100 North Michigan Street, South Bend, Indiana 46601, its successors and assigns ("Bank"), the real estate more particularly described on Exhibit A which is attached to and incorporated into this Mortgage located in Porter County, State of Indiana including the buildings, structures, improvements, easements, appurtenances, accessions and fixtures now or hereafter attached to or used in connection with that real estate together with all rents, income, profits and proceeds therefrom, including without limitation insurance proceeds and proceeds from any condemnation or eminent domain actions, and together with all mineral, oil and gas rights (all called the "Property").

2. Mortgagor grants to Bank a security interest in and mortgages and warrants to Bank, all fixtures and all other personal property of every kind, nature and description located upon the Property and owned by the Mortgagor. All of the fixtures are deemed to be part of the real estate.

3. Mortgagor grants this Mortgage in consideration and to secure payment and performance of the Obligations, which Mortgagor promises to pay. The term "Obligations" means all existing and future indebtedness, liabilities and obligations of every kind, nature and description which are at any time owed to Bank by Mortgagor, as Borrower, including but not limited to future advances up to a maximum of $352,000.00, whether direct or indirect, absolute or contingent, and whether now due and owing or hereafter due and owing from time to time, including all existing and future indebtedness under the instrument(s) and/or agreement(s) more particularly described on attached Exhibit B or evidenced by any promissory note(s), loan agreement(s) or lease(s) now or hereafter executed and delivered by Mortgagor to Bank and any and all amendments, renewals, extensions or modifications thereof (collectively, the "Agreement"). Any provision for future advances contained herein shall not be interpreted as a commitment to lend such amount by Bank. Bank will base future lending decisions on many factors, including but not limited to Mortgagor's financial condition at the time of any such future advance request.

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[illegible]

 HOLD FOR GREATER INDIANA TITLE COMPANY

possession of the Property and every part thereof, and to collect the rents and profits and to apply the same, as hereinafter provided. However, notwithstanding the assignment and until a default under this Mortgage (but not thereafter), Mortgagor shall have the right to collect the rents, profit and income of the Property. In addition:

(a) Mortgagor shall not, without the prior written consent of Bank accept any prepaid rent under any lease of the Property except for the then current month; nor shall Mortgagor enter into any new lease of the Property or any part thereof except in accordance with a form of lease approved in advance by Bank. Mortgagor shall not take or suffer any actions which would effectuate a merger of a lease with a fee so as to terminate the lessee's obligations. Any act in violation of this paragraph shall be void and of no effect.

(b) Mortgagor shall perform all of the material obligations of the lessor under all leases of the Property or any part thereof in accordance with the terms and provisions thereof and shall not suffer or permit any impairment of the security thereof. Mortgagor shall manage the Property and every part thereof in accordance with sound business practices. Mortgagor shall promptly take such actions as are reasonable and prudent to enforce the lessee's obligations under any lease. Bank shall have no obligation, responsibility or liability of lessor under any lease assigned hereby, and shall have no obligation to account for any security deposit unless the same has been actually deposited with Bank. If because of Mortgagor's default under any lease Bank cures the same, Mortgagor shall reimburse Bank on demand with interest at the Default Rate.

(c) Mortgagor shall deliver to Bank within ten (10) days after written request from Bank a statement in writing setting forth the names of the tenants of the Property, the expiration dates of the leases, and the amounts of rents and any other sums due thereunder, and together therewith shall furnish to Bank copies of all such leases. Mortgagor shall, upon written request, execute and deliver to Bank such other and further documents as may be reasonably appropriate to confirm the assignment of rents, profits, and leases made hereby.

(d) Upon a default under this Mortgage, Bank may, pursuant to the assignment herein contained, and in addition to exercising any and all other rights and remedies provided by this Mortgage or by law, including the appointment of a receiver (to which appointment Mortgagor consents), or by any other document or instrument now or hereafter executed in connection with the transaction contemplated hereby, with or without foreclosure or entry upon the Property, demand, collect, sue for, receive, compromise, and compound all rents, income and arrears of rent as may then or thereafter be due and owing from the tenants, occupiers, lessees or assignees of any lessees of the Property and Mortgagor hereby authorizes and directs the tenants, occupiers, lessees or assignees of any lessees of the Property to make payment to Bank of rent and any other sums then due and to become due under the leases upon receipt of written demand therefor by Bank, without liability for the determination of Bank's rights thereto. In such event, Bank shall have the power, either directly or through a rental agent selected by Bank, to operate, maintain and repair the Property, and to amend any lease and to exercise any and all rights of Mortgagor with respect to any lease; and out of the rents and income thus received, after the payment of all costs and expenses of Bank, to retain all sums then or thereafter due hereunder, and also a commission of six (6%) percent upon all such rents and income thus collected as compensation for its services in making such collections. The rights and powers of Bank under this paragraph are contractual in nature and shall survive foreclosure of this Mortgage and shall continue and remain in full force and effect until all amounts due Bank hereunder, including any deficiency resulting from foreclosure sale, are paid in full, and shall continue after commencement of foreclosure and after foreclosure sale and until expiration of any applicable period of redemption, notwithstanding the sale of the Property to a purchaser other than Bank. Bank shall not be liable to Mortgagor or anyone claiming under or through Mortgagor by reason of anything done or left undone by Bank hereunder, except for damage resulting from willful misconduct of Bank.

(e) Mortgagor covenants and warrants to Bank that Mortgagor has not executed any prior assignment of the leases of the Property, or of the rents, profits and income of the Property which have not been released except to Bank and Mortgagor covenants it will not hereafter execute any assignment in connection with the loan until such time as all Obligations secured hereby is fully paid and satisfied.

(f) Upon the occurrence of an event of default hereunder or in the Obligations then the rents, profits and income of the Property shall not be available to pay the costs of the defense of any action, proceeding or claim brought by Bank against the Borrower, the Mortgagor, its partners or members or the Property (including the fees and expenses of the Borrower's, the Mortgagor's or its general partner's attorney in defending against such action, proceeding or claim) and upon the occurrence of a voluntary or involuntary bankruptcy or other proceeding with respect to the Borrower, the Mortgagor or its partners or members under the Bankruptcy

Code, the rents, profits and income from the Property shall not be available to pay administrative expenses of the bankruptcy estate where such administrative expenses constitute fees and expenses of the Borrower's, the Mortgagor's or its partners or members attorneys, representatives or agents.

(g) Mortgagor hereby unconditionally assigns, transfers and sets over to Bank all of Mortgagor's claims and rights to the payment of damages arising from any rejection by any lessee of any lease of the Property under the Bankruptcy Code, 11 U.S.C. §101 et seq (the "Bankruptcy Code"). Bank shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of such lease, including, without limitation the right to file and prosecute, to the exclusion of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of such lessee under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Any amounts received by Bank as damages arising out of rejection of a lease shall be applied first to all costs and expenses of Bank (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Section and then as provided in the Note.

(h) If a petition under the Bankruptcy Code is filed by or against the Mortgagor, and the Mortgagor, as lessor under the leases of the Property, determines to reject the leases of the Property (or any of them) pursuant to Section 365(a) of the Bankruptcy Code, the Mortgagor shall give Bank not less than ten (10) days prior notice of the date during which Bank shall have the right, but not the obligation, to serve upon the Mortgagor, within such 10-day period, a notice stating that (i) Bank demands that the Mortgagor assume and assign the leases to Bank pursuant to Section 365 of the Bankruptcy Code and (ii) Bank covenants to cure or provide adequate assurance of future performance under the lease. If Bank serves upon the Mortgagor the notice described in the preceding sentence, the Mortgagor shall not seek to reject the leases (or any of them) and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Bank of the covenant provided for in clause (ii) of the preceding sentence.

7. Mortgagor represents that:

(a) Mortgagor owns the Property and has good and marketable title to the Property free and clear of all liens and encumbrances except liens and encumbrances granted to Bank, the lien of non-delinquent real estate taxes, utility easements and restrictive covenants acceptable to Bank, and those liens and encumbrances otherwise acceptable to and accepted by Bank.

(b) (i) there have not been, and will not be, released into, or deposited upon or below the surface of or into any water systems on or below the surface of, the Property any toxic or hazardous substance, waste, or material or any pollutant (collectively called "Hazardous Substance"), and no building, structure or improvement, including storage tanks of any sort, on the Property or any appurtenance, accession, or fixture thereto contains or will contain any Hazardous Substance in excess of any limit allowed under federal or state law or is constructed or will be constructed of any material which is a Hazardous Substance; (ii) no enforcement actions have been commenced or threatened and no notices have been received by Mortgagor in any way relating to the environment or discharges into the environment, and Mortgagor has forwarded and will promptly forward to Bank copies of all notices and documents with respect to the Property sent to or received from federal or state environmental agencies; (iii) Mortgagor shall defend, indemnify and hold Bank harmless from any and all loss, cost, expense, damage or claim, of whatever nature, including but not limited to, attorneys' fees, legal assistants' fees, legal expenses and cleanup costs paid or incurred by Bank, or its directors, officers, employees or agents, which arise out of any misrepresentation or inaccuracy contained in or breach of this Section 7(b) or out of any environmental claim brought against Mortgagor or Bank pertaining to the Property, and including, but not limited to, all costs of realizing upon and enforcing this indemnification; and (iv) this indemnification and hold harmless agreement shall include, but not be limited to, any liability arising out of environmental impairment, pollution or contamination of or to the Property or the soils or groundwater thereof, the disposition of any Hazardous Substances on or off the Property, any claims in the nature of toxic tort, fear of illness or other health related claims and any claim relating to potentially responsible party status at any disposal, storage, recycling or reclamation site to which soils or other materials were taken during or after operations conducted on the Property, and any expenses of clean-up, disposition of any hazardous waste or hazardous substance, removal of any underground storage tanks and the disposition of the same whether such expenses are incurred prior to or after an order is entered against the Property or Mortgagor by any administrative agency or court. The indemnification contained herein is contractual and shall survive payment and discharge of this Mortgage and shall be a continuing indemnity of Mortgagor for the benefit of Bank as to all damage and loss sustained by Bank if the representations of this paragraph are not true and correct or because Mortgagor has permitted or suffered Hazardous Substances on this Property.

8. Mortgagor will, at its own cost and expense as applicable:

   (a) maintain full and complete books of account and other records reflecting the results of its operations of the Property, in accordance with its normal accounting policies and practices consistently applied;

   (b) on Bank's request, provide a written statement identifying any leases on the Property then in effect including, without limitation and with respect to each, the term, the space occupied, the rental and any security deposit paid;

   (c) pay, when due, all taxes, assessments, insurance premiums and other charges (all called the "Charges") relating to the Property including all water and sewer charges before the same become delinquent and will deliver to Bank satisfactory evidence of payment,

   (d) upon request by Bank, each month, in addition to any payments required to be paid by Borrower or Mortgagor on the Obligations, pay a sum equal to one-twelfth of the amount estimated by Bank from time to time to be sufficient to enable Bank to pay the Charges (calculated on an annual basis);

   (e) pay, when due and before delinquency, all water and sewer charges relating to the Property;

   (f) at least thirty (30) days before they shall become due and upon demand by Bank, Mortgagor will pay such additional sums required to make up any deficiency in the amount necessary to enable Bank to fully pay such Charges when due;

   (g) maintain the Property in good condition and repair; not commit or suffer any waste; not remove, demolish, or substantially alter any building, structure, improvement, or fixture without the prior written consent of Bank; comply with all laws and regulations of any authority applicable to the Property; and promptly pay when due all charges for utilities and other services to the Property; and

   (h) cause all buildings, structures, improvements, fixtures and other insurable parts of the Property including, if requested by Bank the rents of the Property, to be insured at all times against loss or damage by fire, windstorm and such other hazards in accordance with the provisions of the Agreement; and cause each renewal of each such policy to be delivered to Bank at least fifteen (15) days prior to its expiration. Upon foreclosure of this Mortgage, or other transfer of the Property in full satisfaction of the Obligations, all right, title and interest of Mortgagor in and to any insurance policies then in force, including the right to any premium refund thereon, shall vest in the purchaser or grantee

9. Any funds paid to Bank under Section 8(d) above may be commingled with the general funds of Bank, and no interest shall be payable to Mortgagor with respect thereto. Bank shall have rights in respect of such funds as provided in the Agreement

10. In the event of any loss of or damage to the Property, Mortgagor will give immediate notice to Bank and Bank shall have the right to make proof of such loss or damage, if Mortgagor does not promptly do so. All proceeds payable under any insurance policy, whether or not endorsed payable to Bank, shall be payable directly to Bank. Bank is authorized to settle, adjust, or compromise any claims for loss or damage under any such policy

11. In addition to the other insurance coverage required under the provisions of the Agreement or this Mortgage, Mortgagor agrees that if Bank determines at any time that any portion of the Property is located in an area designated as a flood hazard area under the National Flood Insurance Program of the U.S. Department of Housing and Urban Development's Federal Insurance Administration, then Bank may require at any time that flood insurance be obtained and thereafter kept in force and maintained by Mortgagor in accordance with the National Flood Insurance Act of 1968 as amended by the Flood Disaster Protection Act of 1973. Mortgagor agrees to immediately purchase and thereafter keep in force, pay for and maintain such insurance during the term of this Mortgage upon request of Bank in an amount equal to the unpaid principal balance of the Obligations secured hereby or the maximum amount of coverage available, whichever is less. Mortgagor shall immediately give to Bank written notice of any notice that it receives that the Property is in any way affected by the National Flood Insurance Program of the Department of

Housing and Urban Development's Federal Insurance Administration, or such similar program as may hereafter exist.

12. Mortgagor's failure to pay the Charges when due, or to procure and maintain insurance, or to perform any other applicable obligations under the Agreement or this Mortgage, shall constitute waste and shall entitle Bank to the appointment by a court of competent jurisdiction of a receiver of the Property for the purpose of preventing such waste, which receiver, subject to the order of the court, may collect the rents, income and profits from the Property and exercise such control over the Property as the court shall order.

13. If all or any part of the Property is taken, whether temporarily or permanently, under power of eminent domain or by condemnation, the entire proceeds of the award or other payment in relief therefor shall be paid directly to Bank. In the event of the payment to Bank, of any rents, income, profits, proceeds of insurance, condemnation or eminent domain awards, or from sale of the Property at foreclosure, or otherwise coming to Bank under the provisions of this Mortgage, Bank shall have the right to apply such payment in such amounts and proportions as Bank shall in its sole discretion determine, to full or partial satisfaction of any or all of the Obligations, including any contingent or secondary obligations, whether or not the same shall then be due and payable by the primary obligor. In lieu of such application to the Obligations, Bank shall have the right, but not the obligation, to require all or part of the proceeds of insurance or condemnation or eminent domain award to be used to repair, restore or rebuild any part of the Property damaged or destroyed by reasons of the occurrence which gave rise to such payment.

14. Mortgagor will be in default under this Mortgage if any one or more of the following events takes place:

(a) Mortgagor fails to perform any obligation under this Mortgage, provided, however, that, to the extent any such obligation, other than a payment or insurance obligation, can still be performed, such failure continues for more than ten (10) business days after delivery by Bank of a written demand to perform;

(b) a default exists under the Agreement, or there is a failure to pay any of the Obligations as agreed;

(c) Mortgagor, without the written consent of Bank, sells, conveys, or transfers the Property, or any portion of the Property, or any interest in the Property, or any rents, income or profits from the Property, or creates or suffers to exist any lien or other encumbrance or any writ of attachment, garnishment, execution, or other legal process to be placed upon the Property, or any portion of the Property, or any interest in the Property, or any rents, income or profits from the Property, except in favor of Bank, or if any part of the Property shall be transferred by operation of law,

(d) all or any material part of the Property is damaged or destroyed by fire or other casualty, regardless of insurance coverage therefor, or is taken by condemnation or power of eminent domain; or

(e) any enforcement action or other proceeding is commenced or notice is received by Mortgagor in any way relating to the environment or discharges into the environment, or any claim is instituted against Mortgagor in the nature of torts in any way relating to the environment or discharges into the environment, including but not limited to toxic torts, fear of illness or other health related claim or claim relating to potentially responsible party status at any disposal, storage, recycling or reclamation site to which soils or other materials were taken during or after operations conducted on the Property, or any order in any way relating to the environment or discharges into the environment is entered against the Mortgagor or the Property by any administrative agency or court

15. After a default under this Mortgage, Bank shall have all rights and remedies provided for in the Agreement, this Mortgage or otherwise permitted by law or in equity, including without limitation all of the rights and remedies of a secured party under the applicable Uniform Commercial Code statutes to the extent such statutes are applicable. In addition, without limiting the foregoing, upon the occurrence of an event of default defined above, Bank shall have the right and is hereby authorized:

(a) To take possession of the Property, and, to the extent permitted by law, to have a receiver appointed (to which appointment Mortgagor consents) with such powers as the court shall confer, to collect and receive all rents, income and profits, and other amounts that are due or shall hereafter become due under the terms of any leases, or other agreements, now or hereafter in effect, by which Mortgagor is, or shall be, leasing or selling the Property or any portion thereof or any interest therein, and to exercise any other right or remedy of Mortgagor under any such lease, or other agreement, provided, that Bank shall have no obligation to make any demand or inquiry as to the nature or sufficiency of any payment received, or to present or file any claim, or take any other action to collect or enforce the payment of any amounts to which Bank may become entitled hereunder, nor shall Bank be liable for any of the Mortgagor's obligations under any such lease or other agreement.

(b) To cause the abstract of title, lien searches, tax histories, and federal tax lien and bankruptcy and judgment searches with respect to the Property to be certified to current date, or to procure new searches in case none was furnished to Bank, or to procure title insurance in the event that title insurance was furnished to Bank, and all sums expended therefor shall be part of the Obligations and shall bear interest per annum at the Default Rate.

(c) To foreclose this Mortgage by action pursuant to applicable laws, and all expenses including attorneys' and legal assistants' fees and legal expenses of foreclosure shall be additional Obligations secured hereby. Bank shall also have all remedies of a secured party under the Indiana Uniform Commercial Code including, without limitation the right to take possession of the fixtures and of any other personal property and Bank may enter upon the Property or any part thereof for such purposes and hold the fixtures and personal property upon the Property without charge. Bank also has the right to display the fixtures or personal property either upon the Property or to remove the same to such other place or places as Bank shall determine. Upon demand by Bank, Mortgagor shall assemble the fixtures and personal property and make them available to Bank at the Property. Any requirement of notice under the Indiana Uniform Commercial Code shall be met as such notice is given to Mortgagor at least ten (10) days before the event with respect to which the notice is required. Bank shall be entitled to recover all expenses incurred by it and retaking, holding, preparing for sale, selling and/or collecting the fixtures or personal property together with attorneys' fees and other expenses in protecting and enforcing its rights and remedies.

(d) In the event of a sheriff sale of the Property, to petition the Court for the sale of the Property in one parcel.

(e) To visit the Property and perform or cause to be performed environmental site investigations and assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could result in any liability, cost or expense to the owner or occupier of the Property. Such Site Assessments may include both above and below the ground testing as may be necessary to properly conduct the Site Assessments in the opinion of the persons conducting the Site Assessments (the "Site Reviewers"). Mortgagor hereby covenants to supply to the Site Reviewers such historical and operational information regarding the Property as may be requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The cost of performing all Site Assessments shall become part of the Obligations and shall be paid by Mortgagor within five days after demand by Bank, and thereafter shall bear interest at the Default Rate.

(f) To take possession of the rents and proceeds of the Property as more specifically provided in Section 6.

16. Bank, at its option, may extend the time for the payment of the Obligations, or reduce the payment thereon, or accept a renewal note or notes therefor, without the consent of any junior lien holder and without the consent of Mortgagor if Mortgagor has conveyed title to the Property. Any such extension, reduction or renewal shall not affect the priority of this Mortgage or impair the security hereof in any manner. Any part of the Property may be released by Bank without affecting the lien and security interest hereby granted as to the remainder, and the security of this Mortgage shall not affect or be affected by any other security for the Obligations nor shall the taking of additional security release or impair the security hereof or the liability of Borrower or Mortgagor for the Obligations.

17. Mortgagor waives any and all right to have the Property and estates comprising the Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety or in parcels.

18. If any part of this Agreement is determined to be contrary to any law or otherwise defective, then the other provisions of this Agreement shall not be affected thereby, but shall continue in full force and effect.

19. This Mortgage shall run with the Property and inure to the benefit and bind Bank and Mortgagor, their successors, assigns, heirs, and personal representatives. This Mortgage constitutes and is effective as a Uniform Commercial Code fixture filing.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of October 5, 2017

5 LINCOLNWAY, LLC

By ______________________________
Mark J. Miller, Member

By ______________________________
Josef R. Saniga, Member

STATE OF Indiana)
) SS
COUNTY OF Porter)

The foregoing Mortgage was acknowledged before me this 5th day of October, 2017, by Mark J. Miller, Member, and Josef R. Saniga, Member, of 5 LINCOLNWAY, LLC, an Indiana limited liability company, on behalf of the limited liability company.

[SEAL]

CYNTHIA E. COLVIN
Porter County
My Commission Expires
November 30, 2017

____
(Signature) Notary Public
____
(Print Name)
Res. Of ______________ County,
My Commission Expires: __

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law, Tara Canner, Assistant Vice President.

This instrument prepared by Tara Canner, Assistant Vice President, on behalf of 1st Source Bank, 100 N. Michigan Street, South Bend, Indiana 46601

EXHIBIT A

Legal Description of Real Estate

The land referred to in this Real Estate Mortgage is located in the County of Porter State of Indiana and described as follows:

THE EAST 1/3 OF LOT 5, BLOCK 18, IN THE ORIGINAL SURVEY OF THE TOWN, NOW CITY OF VALPARAISO, AS PER PLAT THEREOF, RECORDED IN DEED RECORD 'A', PAGE 13, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY INDIANA.

Commonly known as 5 Lincolnway, Valparaiso, IN 46383

Customer Name: 5 LINCOLNWAY, LLC
624707

Key#64-09-24-388-011.000-004

EXHIBIT B

Indebtedness

Date	Original Principal Amount	Due Date of Last Installment
October, 201[illegible]	$352,000.00	April, 2023

WE HEREBY CERTIFY THAT THIS
IS A TRUE AND ACCURATE COPY
OF THE ORIGINAL INSTRUMENT.

GREATER INDIANA TITLE COMPANY
BY: ______________

WARRANTY DEED

THIS INDENTURE WITNESSETH, that Great Development LLC (AGrantor@), conveys and warrants to 5 Lincolnway, LLC (AGrantee@), for the sum of One Dollar ($1.00) and other valuable consideration, the receipt of which is hereby acknowledged, the following real estate in Lake County, in the State of Indiana, to-wit:

THE EAST 1/3 OF LOT 5, BLOCK 18, IN THE ORIGINAL SURVEY OF THE TOWN, NOW CITY OF VALPARAISO, AS PER PLAT THEREOF, RECORDED IN DEED RECORD "A", PAGE 13, IN THE OFFICE OF THE RECORDER OF PORTER COUNTY, INDIANA.

Tax ID No. 64-09-24-338-011.000-004.

Commonly known as: 5 Lincolnway, Valparaiso, IN 46383

Subject to: leases, grants, easements, right-of-ways of record, party wall rights pursuant to a deed in Deed Record 312, page 20, Recorded August 1, 1978, and municipal resolutions regarding development.

Grantor represents and warrants that this transfer and the real estate which is the subject thereof is not subject to the requirements of the Indiana Responsible Property Transfer Law, I.C 13-25-3-1, *et seq.*

Signed this 4th day of October 2017

GRANTOR:

GREAT DEVELOPMENT LLC

By ______________
Gregory Engstrom, Manager

HOLD FOR GREATER INDIANA TITLE COMPANY

IN002250

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public residing in said County and State, personally appeared Gregory Engstrom, over the age of eighteen (18) years, who acknowledged the execution of the foregoing Warranty Deed, and who having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this 4th day of October, 2017

Notary Public

My Commission Expires:
County of Residence:

CYNTHIA E COLVIN
Porter County
My Commission Expires
November 30, 2017

I affirm, under penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law.

Paul R. Chael

SEND TAX STATEMENTS TO: 5 Lincolnway, LLC, c/o Mark Miller, 670 Vista Court Valparaiso, IN 46385

J LINCOLN WAY LLC

COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT [illegible] made [illegible] day [illegible] 20[illegible] by and between [illegible] and [illegible] the following [illegible] as follows:

1. THE LEASED PREMISES

[illegible] lease [illegible] Landlord [illegible] certain commercial premises [illegible] known as [illegible] building [illegible] in a [illegible] which premises [illegible] approximately [illegible] sq. ft. (herein the Leased Premises). The Leased Premises shall additionally include [illegible] exclusive right of use in the existing ingress and [illegible] the [illegible] parking but shall not [illegible] parking [illegible]

CONDITION OF PREMISES

Landlord represents that it owns fee simple title to the [illegible] and is [illegible] entitled to lease the Leased Premises [illegible] Tenant acknowledges it has inspected the Leased Premises including the common areas [illegible] and that the same are accepted [illegible] expressly subject to Landlord [illegible] properly completing all those improvements detailed [illegible] Schedule of Improvements attached hereto and incorporated herein [illegible] as this Lease Agreement has been fully signed between Landlord and Tenant on or before [illegible] 2019 and except for [illegible] circumstances beyond the control of Landlord, all improvements as detailed on the attached Schedule of Improvements shall be fully completed [illegible] the commencement [illegible] of the Lease [illegible]

Landlord and Tenant mutually acknowledge that the Landlord has [illegible] the cost of the improvements listed on the attached Schedule of Improvements at [illegible]

[illegible] that amount shall be due and payable from Tenant to Landlord at [illegible] this Lease [illegible] is signed and an additional [illegible] shall be payable from Tenant to Landlord in equal monthly installments [illegible] the first two (2) years of the Lease Term. All [illegible] and expenses associated with completing the improvements listed on the attached Schedule of Improvements [illegible] the sole [illegible] of Landlord.

TERM OF LEASE

The term of this Lease [illegible] shall be [illegible] commencing [illegible] the 1st [illegible] 2019 and ending [illegible] of March 202[illegible] [illegible] renewal or extension of this Commercial Lease [illegible] prior to the expiration of the Lease Term, Landlord [illegible] have [illegible] advertise the availability of the Leased Premises for rental, and to show the Leased Premises to prospective tenants at reasonable times, provided that such showings [illegible] Tenant [illegible]

4. POSSESSION OF THE LEASED PREMISES

[illegible] and [illegible] mutually acknowledge that [illegible] possession of the Leased Premises [illegible]

[illegible] possession of the Leased Premises [illegible] [illegible] [illegible]

RENT

During the first [illegible] [illegible] the Lease Term [illegible] [illegible] additional [illegible] [illegible] shall be payable in advance on the first day of each month [illegible] first [illegible] shall be due and payable upon the signing of this [illegible] [illegible] [illegible] which rent shall be payable in advance on the first day of each month during the [illegible] of the Lease Term. Tenant shall make [illegible] [illegible] shall be payable in advance on the first day of each month. [illegible] the monthly installment shall be assessed by Landlord and paid by [illegible] monthly installments [illegible] within [illegible] days of the due date. Beginning on the [illegible] day following the due date [illegible] installment shall thereafter bear interest at [illegible] per annum [illegible] paid.

INSURANCE

Landlord shall maintain adequate fire and casualty insurance on the professional commercial building housing the Leased Premises in an amount equal to [illegible] of the fair market value of such building. Additionally, Landlord shall maintain extended general public liability coverage on the entirety of the above-described real estate in an amount not less than that required of Tenant hereinafter below. Such insurance coverages shall be maintained by Landlord at its sole expense.

Tenant shall be solely responsible for maintaining fire and casualty insurance on all property, whether owned by Tenant or by some third party, which is utilized, maintained or stored upon the Leased Premises by Tenant in connection with Tenant's occupancy of the Leased Premises. Landlord shall have no liability to Tenant or to any other party for [illegible] damage to any such property, nor shall Landlord have any liability for any incidental or consequential damages sustained by Tenant or by any other party as a result of damage to such property. Tenant shall also maintain extended general public liability coverage upon the Leased Premises, which coverage shall further extend to any claim of casualty or injury upon any portion of the real estate upon which the Leased Premises is located, where such claim in any manner relates to either the business activities conducted by Tenant upon the Leased Premises or to the personal activities of Tenant, its employees and agents, or invitees and acquaintances thereof. The extended general public liability [illegible] insured [illegible] Landlord and Tenant [illegible] shall be carried in the following minimal amounts:

Personal injury or death per person	$1,000,000.00
[illegible] injury or death per [illegible]	1,000,000.00
Property damage	250,000.00
[illegible]	[illegible],000.00

Tenant shall name Landlord as an additional insured [illegible] [illegible] [illegible] Tenant shall provide Landlord with an appropriate Certificate of Insurance evidencing such coverage at least annually, and at [illegible] time upon receipt of [illegible] days advance written notification from Landlord. Such Certificate of Insurance shall further evidence [illegible] [illegible] days advance notice from the insurer [illegible] [illegible] [illegible] overlap in the extended [illegible] liability [illegible] Landlord and Tenant [illegible] insurance coverage of the Tenant shall be the one primary for any [illegible] death, injury or property damage which [illegible] out of or relates to the business or other activities conducted by Tenant upon the Leased Premises, or which in any manner relate to the activities of Tenant, its employees, agents and [illegible].

TA[illegible]S

[illegible] Tenant [illegible] Leased [illegible] thereof [illegible] against the [illegible] Premises [illegible]

8. [illegible] TO RENEW

[illegible] Tenant shall [illegible] notice thereof [illegible] at least [illegible]

[illegible]

[illegible] SECURITY DEPOSIT

[illegible] acknowledge [illegible] of a security deposit [illegible] amount [illegible] which shall [illegible] payable to Landlord upon the signing of this Lease Agreement, which security deposit shall thereafter be held by Landlord as security for the full performance of Tenant's obligations hereunder, with any unused portion thereof to be returned by Landlord [illegible] thirty [illegible] days [illegible] of the Lease Term.

USE

Tenant shall [illegible] use the Leased Premises for the operation of [illegible] integrated marketing business specializing in [illegible] and program[illegible] website [illegible] marketing campaigns [illegible] and [illegible] designs, copywriting and branding [illegible] and for all other related purposes as are [illegible] necessary and incident thereto. Tenant shall otherwise comply with all applicable federal, state and local statutes and ordinances [illegible] applicable administrative rules and regulations during Tenant's use of the Leased Premises. In [illegible] Leased Premises, Tenant shall also diligently comply with any rules and regulations which shall from time to time be [illegible] established by Landlord for both Tenant and other tenants [illegible] Tenant shall [illegible] any type of cell phone [illegible] communication [illegible] products [illegible]

[illegible] ALTERATIONS AND FIXTURES

Tenant may [illegible] structural [illegible] alterations or modifications [illegible] the Leased Premises as may be reasonably [illegible] business [illegible] by Tenant from the Leased Premises [illegible] with the advance written approval of Landlord, which approval shall not be unreasonably withheld. [illegible] Leased Premises. Tenant shall [illegible] trade fixtures [illegible] and related [illegible] of the Lease Term [illegible] that Tenant fails [illegible] such items, Landlord may [illegible] such removal at Tenant's expense [illegible] enumerated items. Tenant shall be required to restore the Leased Premises to the condition [illegible] commencement of the Lease Term at Tenant's [illegible] expense [illegible] Leased Premises [illegible] all reasonable [illegible] Landlord [illegible]

[illegible] Premises [illegible] Landlord [illegible]

REPAIRS AND MAINTENANCE

[illegible] all [illegible] Tenant [illegible] the Leased Premises [illegible] and habitable condition throughout the [illegible] excepting only [illegible] wear and tear [illegible] throughout the Lease [illegible] shall maintain the Leased Premises [illegible] and shall [illegible] Leased Premises [illegible] upon the Leased Premises and shall [illegible] and shall [illegible] with all environmental regulations, [illegible] statutes and [illegible] and [illegible] dispose of [illegible] waste products generated by Tenant's business [illegible] Tenant shall not [illegible] on the Leased Premises [illegible]

[illegible] repairs and maintenance [illegible] the Leased Premises [illegible] of the electrical, plumbing, HVAC and utility and communication systems servicing the Leased Premises, shall be the sole responsibility of Tenant and at Tenant's sole expense, excepting only those problems [illegible] the sewer and water utilities between the exterior of the Leased Premises and the municipal tap [illegible] which such problem is not due to the negligence of the [illegible] shall be the sole responsibility of and at the sole cost of the Landlord. Tenant shall have the HVAC system serviced at least once each calendar year and shall [illegible] proof of such servicing to the Landlord. Landlord shall, however, ensure that the electrical, plumbing, and HVAC systems and hot water heater are in good working order at the commencement of the original Lease [illegible]

[illegible] the foregoing, in the event that any single major repair and/or replacement [illegible] for the plumbing, electrical or HVAC systems shall exceed FIVE HUNDRED DOLLARS ($500), the amount in excess of [illegible] shall be equally divided between Landlord and Tenant. In any such case, Landlord and Tenant shall discuss and agree upon the contractor to provide the necessary repair and/or replacement required, and [illegible] shall make payment to Landlord or Tenant [illegible] that expense prior to the work being performed.

Landlord shall be solely and [illegible] responsible [illegible] repairs and maintenance required to either the exterior of the Leased Premises [illegible] the structural portions of the Leased Premises, excepting only where such repair and/or maintenance is required as a result of the negligent [illegible] conduct of the Tenant or Tenant's agents or invitees, in which case such repair or maintenance shall be at the Tenant's sole expense. Notwithstanding Landlord's general obligation for the repair and maintenance [illegible] of the Leased Premises, Landlord shall have no responsibility for the repair and maintenance of any windows, plate glass, or exterior doors within the Leased Premises. [illegible] repair and maintenance [illegible] shall be the sole responsibility of Tenant.

Landlord shall be solely and [illegible] responsible [illegible] properly maintaining the common [illegible] servicing the Leased Premises.

ASSIGNMENT and SUBLETTING

Tenant [illegible] all or any part of [illegible] the Landlord [illegible] Tenant shall [illegible] sublet all or any part of the Leased Premises without the [illegible] of the Landlord [illegible] Landlord may thereafter [illegible] rent from any assignee or sublet tenant and apply the rent amount [illegible] the rent obligation of the Tenant under the Lease Agreement [illegible] shall [illegible] sublet tenant [illegible] enforce the [illegible] hereunder [illegible] assignee or sublet tenant shall not, however [illegible] Landlord [illegible] an acceptance by Landlord of the assignee or sublet tenant [illegible] release of Tenant [illegible] performance of all terms and conditions of this Lease Agreement. The Landlord's consent to [illegible] sublet [illegible] not be construed [illegible] subletting [illegible] said Premises without [illegible]

[illegible] specified in this [illegible]

[illegible] UTILITIES

[illegible] responsible [illegible] supplied [illegible] Tenant's [illegible] Tenant shall indemnify and hold [illegible]

SURRENDER OF POSSESSION

At the expiration of the Lease [illegible] Tenant shall [illegible] the Leased Premises [illegible] Landlord [illegible] condition [illegible] reasonable wear and tear and damage by the elements excepted [illegible] Tenant shall [illegible] the Leased Premises [illegible] in the event [illegible] this Lease Agreement [illegible] Landlord prior to the expiration of the Lease Term, when such termination is made in accordance with the provisions of Paragraph [illegible] hereof.

6. INDEMNIFICATION

Tenant shall indemnify Landlord and all other tenants leasing space within the professional, commercial building housing the leased premises from any claim of property damage, personal injury or death arising out of any action or incident alleged to have occurred upon the leased premises during the term of this Lease [illegible] including the reasonable costs and attorney fees incurred by any such indemnitee [illegible] either [illegible] willful wrongdoing on the part of the Landlord [illegible] act of negligence on the part of Landlord which falls within the scope of the insurance coverage maintained by Landlord upon the Leased Premises pursuant to Paragraph 6 of this Lease Agreement. Landlord covenants and warrants to Tenant [illegible] of all other [illegible] within said professional [illegible] building. Landlord will affirmatively require all other tenants therein to indemnify and hold [illegible] harmless [illegible] such comparable claim for property damage, personal injury, or death occurring within their respective leased premises, including costs and [illegible] fees reasonably incurred in connection therewith. As to any and all other claims for property damage, personal injury or death not expressly covered by the preceding terms and conditions of this Lease Agreement, Landlord and Tenant [illegible] and warrant to each other [illegible] in the application of their respective insurance coverages to the [illegible] such claim. Tenant does additionally indemnify and hold Landlord and the property of Landlord including the Leased Premises harmless from any claim [illegible] to perform any provisions of the Lease Agreement.

DEFAULT

[illegible] the [illegible]

[illegible] day [illegible] date [illegible]

[illegible] the [illegible]

[illegible] other [illegible] Tenant [illegible] written [illegible]

Tenant shall be deemed to have breached this Lease Agreement and [illegible] in default thereunder. Upon the occurrence [illegible] Landlord [illegible] the other remedies [illegible]

[illegible] Landlord shall [illegible] Tenant's right of possession [illegible] Leased [illegible] Landlord shall be entitled [illegible] the rent [illegible] payable [illegible] Lease Agreement [illegible]

[illegible] and [illegible] any [illegible] the Leased Premises [illegible] any remaining portion of it [illegible]

[illegible] and other costs [illegible] as [illegible] may result of Tenant's failure to perform [illegible] obligations under this Lease Agreement including all reasonable [illegible] incurred by Landlord [illegible] connection with the enforcement of this Lease Agreement.

The remedies [illegible] Landlord under this paragraph shall [illegible] shall be cumulative and in addition to all other remedies now or hereafter allowed by law [illegible] provided for elsewhere in this Lease Agreement. The [illegible] Landlord of any breach by Tenant of any of the provisions of this Lease Agreement shall constitute neither a continuing waiver nor a waiver of any subsequent breach by Tenant of the same or another provision of this Lease Agreement.

8. RIGHT OF ENTRY AND INSPECTION

Tenant shall permit Landlord, or its employees or agents, to enter upon the Leased Premises at all reasonable times for the purpose of inspecting the [illegible] and for the purpose of maintaining or making repairs or alterations in the [illegible] shall [illegible] be [illegible] twenty-four (24) hour advance notification to Tenant, except in the event of an emergency, in which case no advance notification shall be required.

9. DESTRUCTION OF LEASED PREMISES

Should the leased premises or any portion of the building containing the Leased Premises be partially destroyed by any cause not the fault of the Tenant or of a person in or about the Leased Premises with the consent of the Tenant, then the [illegible] repair [illegible] building [illegible] Premises [illegible] accomplished [illegible] laws and ordinances within sixty (60) working days of the date of the [illegible] the [illegible] value of the building housing the [illegible] Landlord may [illegible] and [illegible] option either:

A. [illegible] this Lease Agreement in full force and effect [illegible] and [illegible] the Leased [illegible]

B. [illegible] terminate this Lease Agreement by giving [illegible] of such termination.

[illegible] election [illegible] issued [illegible] Landlord within [illegible]

[illegible] Landlord [illegible] the Leased Premises [illegible] such [illegible] as [illegible] provided [illegible]

[illegible] period [illegible] shall be abated [illegible]

In the event [illegible] cause [illegible] Landlord [illegible] has [illegible]

Any cost [illegible] the building [illegible] the leased [illegible] Landlord [illegible] applied [illegible] building [illegible] Leased Premises [illegible] condition [illegible]

20. CONDEMNATION

If the Leased [illegible] the date [illegible] Leased Premises shall [illegible] the date [illegible] and all condemnation award shall [illegible] Landlord.

21. SUBORDINATION

This Lease Agreement shall be subject and subordinate at all times to the lien of existing mortgages and/or mortgages which hereinafter may be made a lien on the Leased Property by the Landlord. Although no instrument or act on the part of the Tenant shall be necessary to effectuate such subordination, the Tenant will nevertheless execute and deliver such further instruments subordinating this Lease Agreement to the lien of any such mortgages as may be desired by the mortgagee. The Tenant hereby appoints the Landlord its attorney-in-fact, irrevocably, to execute and deliver any such document for the Tenant.

22. EXCULPATION OF THE LANDLORD

If Landlord shall [illegible] the Leased Premises or the building [illegible] Leased Premises pursuant to a sale or exchange of property, Landlord shall have no further liability to Tenant or any immediate or remote successor of Tenant as to any claim or action arising from and after the date of such conveyance.

23. NOTICES

For the purpose of providing notice under the terms and conditions of this Lease Agreement, the following addresses shall be used unless written notice of a change of address is provided by one party to the other. Notices contemplated [illegible] writing [illegible] delivered [illegible]

LANDLORD:

5 LINCOLNWAY LLC
Attn: Mark Miller, Authorized Member
[illegible] Calumet Avenue #[illegible]
Valparaiso, IN [illegible]

TENANT

The Grossbauer Group, Inc.
Attn: Susan Grossbauer, President & CFO
PO Box [illegible]
Chesterton, IN [illegible]

24. TENANT'S LIMITED RIGHT TO ACCESS SUITE

[illegible] will [illegible] Suite [illegible] Leased Premises [illegible] door and [illegible] the limited purpose of moving large furniture or other large objects into [illegible] the Leased Premises and [illegible] purpose [illegible] Tenant acknowledges and agrees that [illegible]

[illegible] 7 [illegible]

[illegible] Paragraph 24, and [illegible] agrees and covenants [illegible] promptly and properly repair any damage [illegible] may be [illegible] this Paragraph 24 [illegible]

25. BINDING EFFECT

This [illegible] their respective [illegible]

26. CONTROLLING LAW

For purposes [illegible] laws of the State of [illegible]

27. CONSTRUCTION OF LEASE AGREEMENT

This Lease Agreement shall be construed so as [illegible] intentions of Landlord and Tenant [illegible] Landlord and Tenant mutually acknowledge that this Lease Agreement is the result of negotiation between Landlord and Tenant, and in the [illegible] herein, the same shall not be construed against either party.

28. SEVERABILITY

If any provision of this Lease Agreement [illegible] invalid or unenforceable, the remainder of this Lease Agreement shall continue in full force and effect.

29. ENTIRE AGREEMENT/MODIFICATION

This Lease Agreement [illegible] the entire agreement between Landlord and Tenant and the executory agreement hereafter made between Landlord and Tenant shall be ineffective to change or modify this Lease Agreement in whole or in part unless such [illegible] agreement is in writing and signed by the party to be charged therewith.

30. ATTORNEY FEES.

In the event that either Landlord or Tenant has [illegible] breach of the terms of this Lease Agreement and [illegible] litigation is instituted, the prevailing party shall be entitled to [illegible] reasonable [illegible] attorney fees in connection [illegible] In the event that the court having jurisdiction over any such dispute determines that there is an element of breach on the part of both parties, the court may allocate costs and attorney fees on proportionate basis.

31. EXCUSE

Neither Landlord [illegible] shall be required to perform [illegible] covenant in this Lease Agreement, so long as such performance is delayed or prevented by any act of God [illegible] lockout [illegible] the [illegible] governmental [illegible] authority or statute, ordinance, regulation thereof [illegible] to prevent [illegible] whether similar or [illegible]

IN WITNESS WHEREOF ... purpose of this ... [illegible] ... this date and ... AGREEMENT ... [illegible] ... 20

LANDLORD:
5 LINCOLNWAY LLC

[signature]

MARK MILLER ... Authorized Member

TENANT:
THE GROSSBAUER GROUP, INC.

[illegible] ... President

Deborah Wright
Seal
Notary Public - State of Indiana

County of Porter
State of Indiana

Before me a Notary Public in ... personally appeared MARK MILLER, as Authorized Member of 5 Lincolnway, LLC and acknowledged the execution of the ... and who ... subscribed ... affixed ... seal.

Resident of ______ ... [illegible]

... [illegible]

County of Porter
State of Indiana

Before me a Notary Public in ... 2019 ... personally appeared SUSAN GROSSBAUER, as President of The Grossbauer Group, Inc. ... acknowledged the execution of ... Agreement ... has ... subscribed ... and ... official seal.

My commission expires: ... [illegible]

Signature of Notary Public

... [illegible]

... [illegible]

[illegible] 9 ... 9

STATEMENT OF IMPROVEMENTS

[illegible] Group, Inc. Commercial Lease Agreement

ATTACHMENT

1. Re[illegible]

2. Remove [illegible] walls [illegible] between [illegible]

3. Remove [illegible] carpet and [illegible] replace [illegible] similar [illegible] as was used on [illegible] [illegible]

4. [illegible] existing [illegible] baseboard

5. Remodel current bathroom [illegible] second bathroom adjacent [illegible]

6. Paint [illegible] frame

7. Finish stairwell walls and replace banister handrail

8. Paint [illegible] walls and [illegible]

9. Install three [illegible] or four (4) electrical [illegible] above [illegible] drop power [illegible] to desk cluster

[illegible]

8. RIGHT OF ENTRY AND INSPECTION

[illegible]

DESTRUCTION OF LEASED PREMISES

[illegible]

...NDEMNIFICATION

...NOTIFICATION OF THE LANDLORD

LANDLORD:

[illegible] LINCOLNWAY, LLC
Attn: Mark Miller, Authorized Member
[illegible] Calumet Avenue [illegible]
Valparaiso, IN [illegible]

TENANT:

[illegible]Treatment, LLP
Attn: Stephanie Madden, General Partner
[illegible] Lincolnway, Suite 2
[illegible]paraiso, IN [illegible]

LANDLORD'S [illegible] CONSENT

LAND[illegible]
[illegible]

[illegible]
INT[illegible]

[illegible]
Notary Public - State of Indiana
Porter County
[illegible] Apr 24 [illegible]

[illegible]

[illegible] CONSIDERATION [illegible]

ALL OF WHICH IS SO ACKNOWLEDGED and AGREED

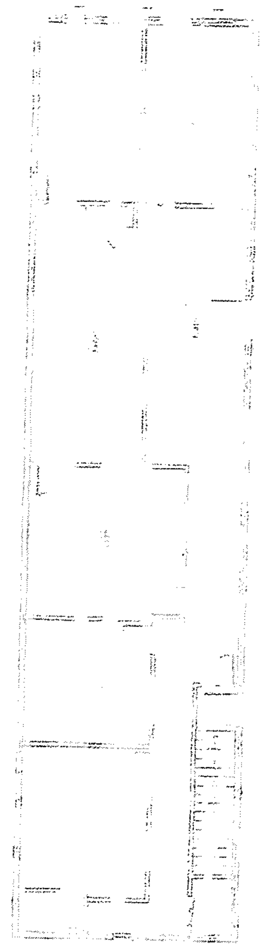


EXHIBIT 1

TO [illegible] LEASE AGREEMENT

WAGNER

ARCHITECTURE

54 INDIANA AVENUE
VALPARAISO, IN 46383

TEL 219.531.2468 ◆ www.WagnerArchitecture.net ◆ FAX 219.531.0008

Mark Miller, President
5 Lincolnway LLC
670 Vlasta Court
Valparaiso, IN 46385

30 September 2019

Here is an itemized listing of the exterior elements and associated estimated costs, for 5 Lincolnway that are in need of Renovation. The list reflects the elements identified in the Architectural Drawings dated 9/23/19. These drawings have been submitted to the City Planner, and City Planning Commission for their consideration.

5 Lincolnway
Exterior Renovation Costs

South Elevation	**Vendor/Contractor**	**Cost**	
Demolition of Existing Limestone, Glass, Wood Façade, Canopy & Framing, Dumpster	G.C. provide	3,500.00	
Brick Repair / Tuck-point	Nichols Masonry	2,700.00	
Repair Window Sills/ Heads	Nichols Masonry	1,200.00	
New Storefront Framing	G.C. provide	2,600.00	
New Storefront, Entry Door, Transom Glazing	Trout Glass	12,500.00	
Add Accordion Windows	Trout Glass	8,300.00	
New Finish Storefront Carpentry- Pilasters, Brackets, Sign Band Light Valance, Panels, Door & Window Trim	G.C. provide	7,800.00	
New LED Valance Lighting	NC Lighting/Elec Sub.	1,200.00	
Cornice & Trim Painting	Budget est.	1,500.00	
Caulking & Sealants	Budget est.	600.00	
Subtotal West Elevation Costs			$41,900.00
General Contractor Overhead & Profit at 18%			$7,600.00
Total Exterior Elevation Costs			**$49,400.00**

Summary of
Façade Improvement Program
Reimbursable Costs

Construction Costs	$49,400.00	x	0.5	=	$24,700.00
Architectural Costs	$3,600.00	x	1.0	=	$3,600.00
Total Eligible Expenses					**$28,300.00**
Program Maximum Eligible Reimbursement					**$25,000.00**

TACK Building Services, LLC
3300 E 84 Th Place
Merrillville, IN 46410
Phone: 219-730-4610
Email Anthonytsikouris@yahoo.com

PROPOSAL

DATE: 10/3/19

SUBMITTED TO:
Wagner Architecture
54 Indiana Avenue
Valparaiso IN 46383

JOB LOCATION:

5 LINCOLNWAY

We, hereby propose to supply the material and labor necessary to complete the following improvements:

- Supply local permits
- Install Temporary construction wall
- Demo and remove all debris off site
- Supply scaffolding
- Tuckpoint existing brick Note no replacement or structural repair Included
- Repair Existing cornice and window trims Note no structural or replacement included
- Prime Paint and patch exterior Brick and trims
- Construct entryway as per plan A1 dated 9/23/19
- Dailey clean up
- Supervision of project
- Option Center Sliding Window Add $ 8, 980.00

We propose to furnish material and labor in accordance with the above specifications for the sum of:
Sixty-one thousand six hundred, dollars------------------------00/100 ($61,600.00)

Payments to be made as follows: ___30% at Start_________ Balance per billings --------------------

All material is guaranteed to be as specified. All work to be completed in a workmanship manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. In the event I/we fail to make payment to you as herein provided and suit becomes necessary to collect same, I/we agree to pay your reasonable attorney fees and court costs.

Respectfully Submitted by______________________ 10-3-19

Tack Building Services, LLC **Date**

Approved by______________________ ____________

Date

Ocean Life Construction

Ocean Life Construction
3 Sheffield Drive
Valparaiso, IN 46383

Insured:	MJ Miller Investment	Home:	(219) 309-1873
Property:	5 Linclonway Valparaio, IN 46383	E-mail:	mark@tricorpwireless.com

Claim Number: RETAIL **Policy Number:** **Type of Loss:** <NONE>

Date of Loss:		Date Received:	
Date Inspected:		Date Entered:	10/3/2019 11:35 AM

Price List:	INMC8X_OCT19 Restoration/Service/Remodel
Estimate:	2019-10-03-1135

Hello Mark,

It was a pleasure meeting with you the other day about your project. Here is the estimate based on what we discussed and Wagners Architects Drawings. Will add in any permit fees once we have a dollar amount. Please let me know if you have any question.

Have a great day,

Jeff Anselm
Ocean Life Construction

Ocean Life Construction
3 Sheffield Drive
Valparaiso, IN 46383

Summary for Dwelling

Line Item Total	53,390.25
Material Sales Tax	0.40
Subtotal	53,390.65
Overhead	6,406.89
Profit	6,406.89
Replacement Cost Value	**$66,204.43**
Net Claim	**$66,204.43**

TRITON BUILDERS INC
BID STATEMENT

Brad Schacki Pres.
237 south marcliffe drive unit 10
Valparaiso in 465[illegible]5
(219) 405-1419 Office

5 Lincolnway Facade Remodel:

Once plan approval is done obtain building and street permits

Demo existing awning, glass and framing and haul away

Build temp wall, plywood and install door to secure building

Cut down existing block wall to height and use all treated lumber to rough frame
Out new rough openings for windows, door and transom windows use treated plywood
To sheet entire exterior

Rent large scissor lift to go from top of building to lower brick course and clean and tuck point
And replace any bad or damaged brick. Once done seal exterior facade brick

Use lift to remove and replace caulk between brick and wood window trim
Scrape and sand wood trim and cast-iron sills and lintels and repaint

Install aluminum storefront windows, transoms and doors as speced out in plans with all painted
Matching flashing

Install all new façade trim boards and panels as speced out in print Fypon, Boral & Azek exterior
Trim products as in architects design, caulk and paint everything to approved colors

Total cost for complete job as designed and described in architects' drawings
Including all material labor and subcontractors' costs $59,840.00

Add $8,300.00 for folding storefront windows

Brad Schacki

10/3/19
Date

PETITION #: SP19-001
(staff use only)

FILED

SEP 3 2019

Sharon Emerson Swihart
Clerk-Treasurer

R# 48696
DKC
CK: 31220

VALPARAISO PLAN COMMISSION
PETITION FOR PUBLIC HEARING

The undersigned applicant respectfully petitions the City of Valparaiso Plan Commission:

(CHECK ALL THAT APPLY)

PUBLIC HEARING REQUIRED – See Items #8 and #9 in Application Checklist

____To rezone said property from the _____zoning district to ____zoning district
____To approve a Primary Plat
____To approve a Planned Unit Development (PUD)
____To approve a Major Planned Unit Development Amendment
____To annex property into the City of Valparaiso, Indiana – Checklist item #10
____To vacate alley
____To appeal the decision of the Plat Committee

NO PUBLIC HEARING REQUIRED

____To approve a Minor Subdivision (Lot Split)
✓ To approve a Final Plat
____To approve a Plat Amendment
____Design/Architectural Approval in ________________________Overlay District

Please provide the following information:
(print or type)

Pepper Cove Development LLC 8051 Wicker Ave. Suite A St John, IN 46373 219.558.8080
Owner of property Address Phone

Jeff Yatsko 219.613.5166 jyatsko@olthofhomes.com
Contact person Phone Email

Applicant is (check one): __Sole Owner __Joint Owner __Tenant __ Agent X Other

Olthof Homes 8051 Wicker Ave, Suite A St John, IN 46373 219.558.8080
Petitioner Address Phone

Address or description of location of property: SW Corner of Froberg & Vale Park Road

Parcel/Tax Duplicate Number 64-09-15-100-019.000-004

Subdivision (if Applicable) Pepper Cove - Phase 2

This property is located on the West side of Froberg Street/Road between (streets) 375 N and 400 N

Current Zoning of Property GR Proposed Zoning of Property ____________

Zoning of Adjacent Properties: North UR/CN South GR

East GR/CN West GR Other __________

Other information:

Dimensions of property: Frontage 1048' Depth 660'

Property Area (sq. ft./acres) 15.2

Present use of property:

VACANT

Proposed use of property:

RESIDENTIAL

Proposed Variances or Waivers (PUD or Subdivision Plats)

Legal description for property: (Exhibit # A)

ATTACHED

ALL OWNERS OF RECORD OF THE ABOVE-REFERENCED PROPERTY MUST SIGN THE PETITION FOR PUBLIC HEARING. The owner(s), by signing this Petition for Public Hearing, represent to the City of Valparaiso – Plan Commission, that he/she/it has the necessary legal authority to request action to be taken on the above-referenced property. If the name of the Petitioner is different from the property owner, the Plan Commission shall accept the requests and representations of the Petitioner and the property owner shall be bound by such requests and representations via the Attached Affidavit of Consent of Property Owner.

PETITION FEES (CHECK ALL THAT APPLY)

______	Rezoning:	$150	
______	Subdivision Primary Plat:	$150 + $10 per lot	___ Lots X $10 = _____
______	Subdivision Amendment	$100 + $5 per lot	___ Lots X $5 = _____
______	Planned Unit Development (PUD):	$500 + $10 per lot	___ Lots X $10 = _____
______	Major PUD Amendment	$250 + $5 per lot	___ Lots X $5 = _____
______	Minor Subdivision (Lot Split)	$150	
✓	Subdivision Final Plat	$100 + $5 per lot	37 Lots X $5 = 285.00
______	Minor PUD Amendment	$150	
______	Annexation:	$500 + Cost of Fiscal Plan***	
______	Design/Architectural Approval ____________ Overlay District	$150	
______	Special Meeting Fee	$1500	
______	Text Amendment	$250	
______	Comprehensive Plan Amendment	$250	
______	Vacation	$100	
______	Plat Committee Appeal	$200	

TOTAL FEE $285.00

***The Plan Commission requires that all fiscal plans be prepared by a municipal advisor firm approved by the Planning Department. The applicant is solely responsible for the cost of the preparation of the fiscal plan. The fiscal plan must be submitted together with the applicant's petition for public hearing. The fiscal plan must comply with the requirements of Ind. Code § 36-4-3-13(d).

[signature] 8/15/19

Signature of owner/Petitioner Date

JEFF YATSKO

Printed name

Subscribed and sworn to before me this 15th day of August, 2019.

[signature]

Notary Public

Laura B. Van Nevel, Notary Public
SEAL
Lake County, State of Indiana
My Commission Expires June 1, 2023

My Commission Expires:

June 1, 2023

2018-013289
STATE OF INDIANA
PORTER COUNTY
FILED FOR RECORD
06/21/2018 10:06 AM
JON MILLER, RECORDER
REC FEE: 25.00
PAGES: 50

AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PEPPER COVE VILLAS

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pepper Cove Villas is made this 18th day of June, 2018 by Pepper Cove Development LLC ("Declarant").

WITNESSETH:

WHEREAS, the Declarant is the Owner of certain real property located in Valparaiso, Porter County, Indiana, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference ("Property"), and the Declarant desires to subject such Property to the provisions of this Declaration and to provide a flexible and reasonable method for the administration and maintenance of such Property;

WHEREAS, the Declarant entered into the Declaration of Covenants, Conditions and Restrictions for Pepper Cove Villas on November 28, 2017 and recorded on November 30, 2017 as Document No. 2017-028762 in the Office of the Recorder of Porter County, Indiana ("Original Declaration") and desires to amend and restate the Original Declaration in its entirety as set forth herein, and the Original Declaration is replaced with this Declaration effective upon the recording of this Declaration; and

WHEREAS, as hereinafter provided in this Declaration, the Declarant has retained and reserved the right, privilege, and option to submit to the provisions of this Declaration at a later time and from time to time as a part of the residential community described herein, all or any portion of the Property described in Exhibit B attached hereto and incorporated herein by this reference, and such other Property as the Declarant may acquire from time to time and/or wish to subject to the terms of this Declaration; and

NOW, THEREFORE, the Declarant hereby declares that all of the Property described in Exhibit A and any additional property described in Exhibit B as may by subsequent amendment hereto be subjected to this Declaration shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions which are for the purpose of protecting the desirability of and which shall touch and concern and run with title to the real property subjected to this Declaration, and which shall be binding on all parties having any right, title, or interest in the described properties or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner thereof and where provided herein, shall benefit the Property on which certain Community Areas are located.

ARTICLE I
DEFINITIONS

1.01 Definitions. When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

(a) "Additional Property" shall mean and refer to the real property described in Exhibit B attached hereto and all improvements thereon, together with such other additional property and all improvements thereon as Declarant shall acquire from time to time and shall desire to subject to the terms of this Declaration and by amendment to Exhibit B hereto recorded in the Office of the Recorder of Porter County, Indiana, included within the property described in Exhibit B.

(b) "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Pepper Cove Community Association, Inc., an Indiana nonprofit corporation, as amended from time to time.

(c) "Association" shall mean and refer to Pepper Cove Community Association, Inc., an Indiana nonprofit corporation.

(d) "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

(e) "By-Laws of the Association" or the "By-Laws" shall mean and refer to those By-Laws of Pepper Cove Community Association, Inc., which govern the administration and operation of the Association, as the same may be amended from time to time, a copy of which is attached to the Community Declaration.

(f) "Community Area" shall mean and refer to all real and personal property now or hereafter owned and/or maintained by the Association for the common use and enjoyment of the Owners within the Property, or this Neighborhood. The legal description of the Community Area existing as of the date hereof is attached hereto as Exhibit C and such additional parcels of land as may be subjected to the terms of this Declaration in accordance with Article II.

(g) "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

(h) "Community Area" shall mean and refer to all real and personal property now or hereafter owned and/or maintained by the Association for the common use and enjoyment of the Owners within the Property, or this Neighborhood. The legal description of the Community Area existing as of the date hereof is attached hereto as Exhibit D and such additional parcels of land as may be subjected to the terms of this Declaration in accordance with Article II.

(i) "Community Association" shall mean or refer to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pepper Cove Community dated June 18, 2018 and recorded on June 21, 2018 as Document No. ________ in the Office of the Recorder of Porter County, Indiana.

(j) "Declarant" shall mean and refer to Pepper Cove Development LLC, its successors and assigns.

(k) "Declarant Rights" shall mean any and all rights, powers and privileges reserved, granted or otherwise provided for herein which may be exercised by, or which benefit only, the Declarant.

(l) "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pepper Cove Villas and all amendments thereof filed for record in the Office of the Recorder of Porter County, Indiana.

(m) "Development", with an initial capital letter, shall mean and refer to the Property and all improvements located or constructed thereon, and any portion of the Additional Property submitted to the provisions hereof pursuant to Section 2.02.

(n) "Dwelling", with an initial capital letter, shall mean and refer to any improved property intended for use as a single-family detached dwelling located within the Development.

(o) "Foreclosure" shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of a judicial foreclosure.

(p) "Lease" shall mean and refer to any lease, sublease, or rental contract, whether oral or written.

(q) "Lot" shall mean and refer to any land portion of the Property (and a subdivided Lot of record) upon which it is intended that a Dwelling (or Dwellings, in the event condominium units are constructed) shall be constructed.

(r) "Member" shall mean an Owner who holds Membership in the Association pursuant to Section 4.01 of this Declaration.

(s) "Mortgage", with an initial capital letter, shall mean and refer to a security deed, deed of trust, mortgage, installment land sales contract or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot or Dwelling.

(t) "Mortgagee", with an initial capital letter, shall mean and refer to the holder of a Mortgage.

(u) "Neighborhood" shall mean and refer to any portion of the Property, designated by Declarant, which is intended to be a distinct community within the Property and which may have a separate association responsible for maintenance and administration, and within which it is intended that there will be constructed Dwellings, and if there is no separate association, the Association shall maintain and administer same.

(v) "Neighborhood Committee" shall mean and refer to a committee of the Association whose members are comprised entirely of Owners of Dwellings within a Neighborhood, including Pepper Cove Villas and Pepper Cove Paired Cottages, which committee shall make recommendations to the Board with respect to issues that solely relate to that Neighborhood.

(w) "Neighborhood Declaration" shall mean and refer to any instrument or document, and any amendments thereto, which is recorded in the Office of the Recorder of Porter County, Indiana, with respect to any Neighborhood and which imposes covenants, conditions, easements and restrictions with respect to such Neighborhood, and this Declaration constitutes a Neighborhood Declaration for Pepper Cove Villas.

(x) "Occupant" shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant, or family member of an Owner, occupying or otherwise using a Dwelling within the Development.

(y) "Owner", with an initial capital letter, shall mean and refer to one (1) or more persons, including Declarant, who or which owns fee simple title to any Lot or Dwelling, excluding, however, those persons having such an interest under a Mortgage. In the event that there is recorded in the Office of the Recorder of Porter County, Indiana, any installment land sales contract covering any Lot or Dwelling, the Owner of such Lot or Dwelling shall be the purchaser under said contract and not the fee simple title holder. An installment land sales contract shall be an instrument whereby the purchaser is required to make payment for a Lot or Dwelling for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to such Lot or Dwelling until all such payments are made, although the purchaser is given use of such Lot or Dwelling.

(z) "Person" shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

(aa) "Property," with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit A together with all improvements thereon, including the Community Area, utility systems, drainage systems, and other improvements serving the Lots and Dwellings, and, upon submission to the provisions of this Declaration, the tracts or parcels of land described in Exhibit B, or any portion thereof, or any tracts or parcels of land hereafter added thereto, together with all improvements thereon.

(bb) "Record" or "place of record" means to record a document in the Office of the Recorder of Porter County, Indiana.

(cc) "Unit Membership" shall mean the Membership in the Association which is appurtenant to a member's Dwelling or Lot as provided in Section 4.01 of this Declaration.

ARTICLE II
DEVELOPMENT

2.01 Development of Property. Except as otherwise set forth in Section 10.01, all Lots within the Development shall be and are hereby restricted exclusively to residential use and shall be subject to the standards and restrictions set forth in Article X hereof. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option (as defined in Section 2.02) to submit Additional Property to the terms of this Declaration and to make improvements and changes to all Community Area and to any other portion of the Property owned by Declarant, including, without limitation, (i) installation and maintenance of any improvements in and to the Community Area, (ii) changes in the location of the boundaries of any Lots or Dwellings owned by Declarant or of the Community Area, (iii) installation and maintenance of any water, sewer, and other utility systems and facilities, and (iv) installation of security and/or refuse facilities. Any and all improvements or changes made, as aforesaid, shall not result in an encroachment on Lots not owned by Declarant.

2.02 Development of Additional Property. Declarant hereby reserves the option, to be exercised in its sole discretion, to submit from time to time the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property. This option may be exercised by Declarant in accordance with the following rights, conditions, and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Development:

(a) The option may be exercised from time to time during a period of fifteen (15) years from the date of this Declaration; provided, however, that Declarant reserves the right to terminate such option at any time prior to the expiration of such fifteen (15) year period by executing and filing an agreement evidencing such termination in the Office of the Recorder of Porter County, Indiana, and, except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of such fifteen (15) year period.

(b) The legal description of the Additional Property as of the date hereof is set forth on Exhibit B, portions of the Additional Property (together with additions thereto made in accordance herewith) may be added to the Development and to the terms of this Declaration at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence, or location in which nay of such portions may be added to the Development. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property.

(c) If the Additional Property or any portion thereof is added to the Development, Declarant reserves the right to designate the boundaries of the Lots and Dwellings, as well as the Community Area, if any, to be added to the Development in connection therewith.

(d) Should the option to add the Additional Property, or any portion thereof, not be exercised within the term specified herein or be terminated by Declarant, such option shall in all respects expire and be of no further force and effect.

(e) The option reserved by Declarant to cause all, or any portion of, the Additional Property to become part of the Development shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Development or to construct thereon any improvements of any nature whatsoever.

The option reserved under this Section 2.02 may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed in the Office of the Recorder of Porter County, Indiana, together with a legal description of the Additional Property or such portion or portions thereof as are being added to the Development by such amendment. Simultaneously therewith, Declarant may, at its option, convey to the Association the Community Area, if any, contained within the Additional Property, or such portion thereof so submitted, such conveyance to be subject to the lien of taxes not yet due and payable, all easements and restrictions of record, utility easements serving or otherwise encumbering the Property and/or the Additional Property, and any exceptions which would be disclosed by survey or physical inspection of such parcel(s). Any such amendment shall expressly submit the Additional Property or such portion thereof to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as provisions embracing the real property described in Exhibit A and the Additional Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements located thereon. In no event shall Declarant be obligated to submit the Additional Property, or any portion thereof, to the provisions of this Declaration or to impose upon the Additional Property, or any portion thereof, any covenants, conditions, or restrictions whatsoever.

2.03 Interest Subject to Plan of Development. Every purchaser of a Lot or Dwelling shall purchase such Lot or Dwelling and every Mortgagee and lienholder holding an interest therein shall take title, or hold such security interest with respect thereto, subject to Declarant's right to add the Additional Property, or any portion or portions thereof, to the Development as hereinabove provided, and to convey to the purchaser thereof the title to the Lot or Dwelling and its appurtenant Membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions set forth in this Article II may not be abrogated, modified, rescinded, supplemented, or amended in whole or in part without the prior written consent of Declarant.

2.04 Subdivision Plat. Declarant reserves the right to record, modify, amend, revise, and add to, at any time and from time to time, a subdivision plat setting forth such information as Declarant may deem necessary with regard to the Development, including, without limitation, the locations and dimensions of the Lots, Dwellings, Community Area, Additional Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions.

ARTICLE III
PROPERTY RIGHTS

3.01 General. Each Lot and Dwelling shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive Ownership and possession of his Lot or Dwelling, subject to the provisions of this Declaration, including, without limitation, the provisions of this Article III. If any chutes, flues, ducts, conduits, wires, pipes, plumbing, or any other apparatus or facilities for the furnishing of utilities or other services to a Lot or Dwelling lie partially within and partially outside of the designated boundaries of the Lot or Dwelling in question, any portions thereof which serve only such Lot or Dwelling shall be deemed to be a part of such Lot or Dwelling, and any portions thereof which serve more than one (1) Lot or Dwelling, or any portion of the Community Area, shall be deemed to be a part of the Community Area. The Ownership of each Lot and Dwelling shall include, and there shall pass with each Lot and Dwelling as an appurtenance thereto, Membership in the Association.

Each Owner shall automatically become a member of the Association and shall remain a member thereof until such time as his Ownership ceases for any reason, at which time his Membership in the Association shall automatically pass to his successor-in-title to his Lot or Dwelling. Lots shall not be subdivided, and, except as otherwise provided hereunder, the boundaries between Lots shall not be relocated, unless the relocation thereof is made with the consent of at least a majority of the Owners in the Development and of Declarant, so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development. Notwithstanding the foregoing, nothing herein shall prohibit the combination of two (2) or more Lots into a larger parcel in order to create a Dwelling site larger than one (1) Lot nor shall the prohibition against the subdivision of Lots and relocation of boundaries between Lots apply to the Declarant. In the event of such combination, any assessment obligation shall be imposed on the original pre-combined Lots.

3.02 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board in accordance with the By-Laws and the terms hereof, every Owner, his family, tenants, and guests shall have a non-exclusive right, privilege, and easement of use and enjoyment in and to the Community Area, such easement to be appurtenant to and to pass and run with title to each Lot and Dwelling, subject to the following provisions:

(a) The right of the Association to borrow money (i) for the purpose of improving the Community Area, or any portion thereof, (ii) for acquiring additional Community Area, (iii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Community Area, or (iv) for providing the services authorized herein, and, subject to the provisions of Section 8.03 hereof, to give as security for the payment of any such loan a mortgage deed or other security instrument conveying all or any portion of the Community Area; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(b) The rights and easements reserved to Declarant in this Declaration.

(c) The right of the Association to grant and accept easements as provided in this Declaration hereof and to dedicate or transfer fee simple title to all or any portion of the Community Area to Valparaiso, Indiana or to any other public agency or authority, public service district, public or private utility, or other person, provided that any such transfer of the fee simple title must be approved by a majority of those present in person or by proxy at a duly held meeting of the Association and by Declarant, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

(d) The rights and easements reserved in Section 3.07 hereof for the benefit of the Association, its directors, officers, agents, and employees.

(e) The rights and easements reserved in Section 3.09 hereof for the benefit of the Additional Property.

(f) The rights of the holder (and its successors and assigns) of any Mortgage which is prior in right or superior to the rights, interests, options, licenses, easements, and privileges herein reserved or established.

(g) The right of the Association to have reasonable rules and regulations.

(h) The right of the Association to suspend the use of any facilities located upon the Community Area by a Member for the period of time during which any assessment against his or her Lot remains unpaid and for an additional reasonable period for any infraction of its rules and regulations.

(i) The right of the Association to charge reasonable admissions and other fees for the use of any facilities situated upon any Community Area.

(j) The right of the Association to dedicate or transfer all or any part of the Community Area to any public agency, authority, corporation, or utility for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer, signed by fifty percent (50%) of all of the Owners then existing, has been recorded in the Public Records of Porter County, Indiana.

(k) The right of the Association to limit the number of guests of Members for use of the Community Areas.

(l) The right of the Association to levy assessments as provided in this Declaration.

3.03 <u>Access.</u> All Owners, by accepting title to Lots or Dwellings conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Lot or Dwelling and acknowledge and agree that such access, ingress, and egress shall be limited to roads, sidewalks, walkways, and trails located within the Development from time to time, provided that pedestrian and vehicular access to and from all Lots and Dwellings shall be provided at all times.

3.04 Easements for Declarant. During the period that Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Community Area and Lots for the purpose of constructing Dwellings and other improvements in and to the Lots and within the Additional Property and for installing, maintaining, repairing, and replacing such other improvements to the Property (including any portions of the Community Area) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article II hereof, and for the purpose of doing all thing reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing. In addition to the other rights and easements set forth herein and regardless of whether Declarant at that time retains Ownership of a Dwelling or Lot or has the right to submit the Additional Property or any portion thereof to the Development, Declarant shall have an alienable, transferable, and perpetual right and easement to have access, ingress, and egress to the Community Area and Lots and improvements thereon for such purposes as Declarant deems appropriate, provided that Declarant shall not exercise such right so as to unreasonably interfere with the rights of Owners in the Development to the use of the Community Area and Lots.

3.05 Changes in Boundaries: Additions to Community Area. Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Community Area, any Lots or Dwellings owned by Declarant and the realignment of boundaries between adjacent Lots and/or Dwellings owned by Declarant. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property, such real property to be conveyed to the Association as an addition to the Community Area and subject to the title exceptions set forth in Section 2.02 hereof. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey by quit-claim deed to the Association at any time and from time to time, as an addition to the Community Area, such other portion of the Development owned by Declarant as it, in its discretion, shall choose.

3.06 Easements for Utilities and Public Services.

(a) There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power and obligation to grant and accept easements to from Valparaiso, Indiana or any other public authority or agency, public service district, public or private utility, or other person, upon, over, under, and across (i) all or any portion of the Community Area, and (ii) all portions of all Lots owned by Declarant, as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and al utilities, including, but not limited to, storm sewers, drainage systems, and retention ponds and facilities for the Development or any portion thereof, and electrical, gas, telephone, water, and sewer lines, provided that such easements shall not unreasonably affect the developability, of any such Lot or Dwelling. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board, provided, however, that notwithstanding anything contained herein to the contrary, the Board shall not have any rights to grant any easements over any portion of any Lots. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacements, and use of such utilities and systems; provided, however, that such utility company or other supplier or servicer shall take reasonable actions to repair any damage caused by such utility company or other supplier or servicer during the exercise of any rights conveyed under any easement granted hereunder.

(b) Declarant hereby grants to the relevant governmental authority or agency, as shall from time to time have jurisdiction over the Development with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Community Area for purposes of performing such duties and activities related to law enforcement and fire protection in the Development as shall be required or appropriate from time to time by such governmental authorities under applicable law.

3.07 <u>Easements for Association.</u> There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot, Dwelling, or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner, or Occupant of the Lot or Dwelling directly affected thereby.

3.08 <u>Sales and Construction Offices.</u> Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and its successors and assigns the alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, construction offices, business offices, and model Dwellings, together with such other facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion, improvement, and/or sale of Lots, Dwellings, Community Area, or the Additional Property, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

3.09 Easements for Additional Property. There is hereby reserved in Declarant, and its successors, assigns, and successors-in-title to the Additional Property (if said rights are granted by Declarant to such successors, assigns, and successors-in-title), for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for (i) pedestrian and vehicular ingress, egress, and parking, across, within, and on all roads, sidewalks, trails and parking facilities, from time to time located within the Community Area or within easements serving the Community Area, (ii) the installation, maintenance, repair, replacement, and use within the Community Area and those portions of Lots and Dwellings encumbered pursuant to Section 3.06 hereof of security systems and utility facilities and distribution lines, including, without limitation, drainage systems, storm sewers, and electrical, gas, telephone, water, sewer, and master television antenna and/or cable system lines, and (iii) drainage and discharge of surface water onto and across the Property, provided that such drainage and discharge shall not materially damage or affect the Property or any improvements from time to time located thereon.

3.10 Maintenance Easement. Subject to the terms of Section 5.02(c) hereof, there is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement to enter upon any Lot and upon unimproved portions of any Dwelling for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety, and appearance within the Development, provided that such easements shall not impose any duty or obligation upon Declarant or the Association to perform any such actions.

3.11 Environmental Easement. There is hereby reserved for the benefit of Declarant, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement on, over, and across all portions of the Community Area for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Board or by any governmental entity, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to maintain any and all wetland areas on the Property, the right to drain standing water, and the right to dispense pesticides.

3.12 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

3.13 Burden upon the Property. Declarant hereby declares that this Declaration and the covenants, restrictions and easements established herein shall be covenants to run with the land. Said covenants and restrictions shall inure to the benefit of and be binding upon each and every Owner, and his or here respective heirs, representatives, successors, purchaser, lessees, grantees and mortgagees. By the recording or acceptance of the conveyance of a Lot or Dwelling or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration and the By-Laws of the Association.

3.14 Nonseverability of Rights. The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of any portion of the Property as more specifically set forth herein and may not be severed or alienated from such Ownership.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION: BOARD OF DIRECTORS OF THE ASSOCIATION

4.01 Membership. Every Owner of a Dwelling or Lot (including the Declarant) is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from Ownership of such Owner's Dwelling or Lot. Each such Owner, by acceptance of a deed or other conveyance of a Dwelling or Lot, thereby becomes a Member, whether or not this Declaration or such membership is made a part of, incorporated by reference in, or expressed in said deed or conveyance. There shall be one (1) membership allocable to each Dwelling or Lot (herein called a "Unit Membership") and any Member who is the Owner of more than one (1) such Dwelling or Lot shall have the number and type of Unit Memberships equal to the number of such Dwellings or Lots. If the record Ownership of a Dwelling or Lot shall be in more than one (1) person, or if an Owner of a Dwelling or Lot is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the Unit Membership and be responsible for the obligations attributable thereto, shall be designated by such Owner or Owners in writing.

4.02 Method of Voting. The total number of votes which may be cast on any matter requiring assent of a class of Members of the Association shall be equal to the total number of Unit Memberships for such class at the time of any such vote. Unless this Declaration or the Articles of Incorporation or By-Laws of the Association, or any law, shall specify a greater vote, all Association matters requiring action by Members shall be decided by a majority of the votes cast by Members of the respective class voting at a meeting at which a quorum (as defined in the By-Laws) is present. In the event of a tie, the tie shall be broken by a mediator chosen by the Members. Should the Members be unable to reach an agreement on the selection of a mediator, the current Administrator (Manager) of Valparaiso Building Department shall choose a mediator.

4.03 Board of Directors.

(a) The Association shall be governed by its Board of Directors ("board") comprised of six (6) persons duly appointed or elected as provided herein and in the Articles of Incorporation and By-Laws of the Association. The initial Board shall be comprised of three (3) persons duly appointed by the Declarant pursuant to its rights under Section 4.04 hereof, until such time as the Initial Meeting to elect the first Board occurs. After the period of Declarant control ceases, the Board shall consist of three (3) persons representing each Neighborhood, Pepper Cove Villas and Pepper Cove Paired Cottage, for a total of six (6) directors.

(b) The Board shall administer the Community Area in accordance with the terms and provisions of this Declaration, and in accordance with the Articles of Incorporation and By-Laws of the Association. All matters requiring action by the Board shall be decided by the majority vote of the Board, except as otherwise provided herein or in the By-Laws.

(c) Prior to the appointment of the first Board of the Association pursuant to Paragraph 4.06 hereof, Declarant (or its beneficiary or designees) may exercise all rights, powers and privileges of the Board and may perform all of its functions, including its functions under Article IV of this Declaration.

4.04 Appointment of Directors by Declarant. Notwithstanding any other provisions of this Declaration or the Articles of Incorporation or By-Laws of the Association, the first and each subsequent Board shall consist of, and vacancies on the Board shall be filled by, such persons as Declarant shall from time to time appoint, until the first to occur of any one of the following events: (i) Declarant surrenders such authority by an express amendment to this Declaration executed and recorded by Declarant; or (ii) upon the sale and conveyance of all Lots and Dwellings in the Development to persons other than the Declarant or builders holding title for purposes of development and sale. For purposes of this Section 4.04, "Dwellings in the Development" shall refer to all Dwellings within or contemplated to be within the Property and Additional Property. Such right of Declarant to appoint directors to the Board shall be to the exclusion of the right of the Members so to do. The Owners or Members shall not, without the prior written consent of Declarant, have the right to amend, modify or change the Articles of Incorporation or By-Laws of the Association to in any way diminish the authority of the Board during the period that Declarant has the right to appoint any Members of the Board.

Declarant may, from time to time, by written notice to the Association, voluntarily terminate its right to appoint one (1) or more Directors, and continue to exercise its right to appoint the remaining Members of the Board for the period hereinabove specified. Declarant's election to terminate its right to appoint any number of Members of the Board or to terminate its control of the Association, shall not affect the right of Declarant to participate in the Association as a Member thereof. All directors who are not subject to appointment by Declarant shall be elected in accordance with the provisions of Paragraphs 4.05 and 4.06 hereof.

4.05 Initial Meeting of Members to Elect Directors. Upon receipt by the President of the Association of a copy of the written notice of Declarant to voluntarily terminate its control of the Association, described in Paragraph 4.04(i), or of any other appropriate evidence of the termination of Declarant's right to appoint all the directs of the Board, he shall promptly convene a meeting of the Members for the purpose of electing a new Board or to elect those directors who no longer are to be appointed by Declarant.

4.06 Election of Directors. Upon termination of Declarant's right to appoint any of or all the directors of the Board, pursuant to Paragraph 4.04 hereof, those directors not subject to appointment by Declarant shall be selected by vote of the Members in accordance with the provisions of this Article. Notwithstanding such election, any director theretofore appointed by Declarant who does not elect to resign may stay in office for the balance of his unexpired term and until his successor is elected and qualified.

4.07 Informal Action by Directors. Unless specifically prohibited by the Articles of Incorporation or By-Laws of the Association, any action required by this Declaration to be taken by the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors of the Board shall have the same effect as a unanimous vote.

4.08 Informal Action by Members. Any action required by this Declaration to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Members.

4.09 Board Liability. The Declarant (and its beneficiary), its directors, officers, shareholders, partners, employees or agents, the Board, Members of the Board, officers of the Association, and the agents and employees of any of them (all of the above hereinafter referred to as the "Protected Parties"), shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions which shall occur subsequent to the date of the recording of this Declaration, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend any and all of the Protected Parties against all claims, suits, losses, damages, costs and expenses, including, without limitation, attorneys' fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. Each Owner shall be entitled to a right of contribution from every other Owner in respect of said indemnity to the end that, to the extent possible, the burden of any such indemnity shall be borne by the Owners at the time the loss, cost, damage or expense is incurred in the proportion that the number of Dwellings or Lots in the Property owned by each respective Owner bears to the total number of Dwellings or Lots in the Property at the time the loss, cost, damage or expense is incurred. The Board shall assess each Owner for his share of the cost of such indemnification, and such assessment shall be collectible and enforceable in mode and manner as set forth in Article IX hereof. To the extent possible the obligation of the Owners for indemnification and the Board's liability hereunder shall be insured by means of appropriate contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

4.10 Nonprofit Purposes of Association. Nothing herein shall be construed to give the Association authority to conduct an active business for profit on its own behalf or on behalf of the Members, or on behalf of the Declarant.

4.11 Governing Law. Except as otherwise provided in this Declaration, the Association, the Board, officers and Members shall be governed by the Indiana Nonprofit Corporation Act.

4.12 Board as Representative of Owners. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Community Area or more than one (1) Dwelling or Lot, on behalf of the Owners as their interest may appear.

ARTICLE V
MAINTENANCE

5.01 Responsibilities of Owners. Unless specifically identified herein, all maintenance and repair of Lots and Dwellings, together with all other improvements thereon or therein, grounds on and within a Lot or Dwelling shall be the responsibility of the Owner of such Lot or Dwelling. Unless otherwise provided, the maintenance and repair of all Community Areas (including all landscaping and grounds and all recreational facilities and other improvements) shall be the responsibility of the Association. Each Owner shall be responsible for maintaining his or its Lot or Dwelling, as the case may be, in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures. All exterior cedar wood trim or other finishes that are not maintenance free shall be repainted or restained the original color at least every five (5) years, and pre-approval from the Architectural Control Committee is necessary to change colors. Each Owner must providence evidence of such maintenance upon request. As provided in Section 5.02(c) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge.

5.02 Association's Responsibility.

(a) The Association shall maintain and keep in good repair the following: (i) driveways and parking areas located on the Lots, that shall include sealing of asphalt; (ii) sidewalks within the Development that the Declarant constructs for the use of the public, if any; (iii) trees and landscaping installed by Declarant on Lots; and (iv) lawns on Lots.

(b) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Community Area, which responsibility shall include the maintenance, repair, and replacement of (i) all walks and trails (if any), the gazebo, landscaped area, facilities, and other improvements made by Declarant or the Association situated within the Community Area or within easements encumbering Lots or Dwellings pursuant to Section 3.03 hereof, (ii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Community Area and which are not maintained by a public authority, public service district, public or private utility, or other person, and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon the Community Area, and (iv) entry monuments and parks situated within the Property. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Community Area, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Community Area or any other portion of the Property. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of the Owner.

(c) In the event that Declarant or the Board determines that: (i) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, shall give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost shall be added to and become a part of the assessment to which such Owner and his Lot or Dwelling are subject and shall become a lien against such Lot or Dwelling shall be added to and become a part of the assessments for all Owners and shall become a lien against such Owners' Lots or Dwellings. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

ARTICLE VI
CASUALTY LOSSES

6.01 Damage or Destruction to Community Area. Immediately after the damage or destruction by fire or other casualty to all or any part of the Community Area covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article VI, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Community Area, Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board may levy a special assessment against all Owners, such special assessment to be in an amount sufficient to provide funds to pay such excess costs of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied or as one lump sum payment, and additional assessments may be made at any time during or following the completion of any repair or reconstruction. Any and alliums paid to the Association under and by virtue of such assessments shall beheld by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Community Area damaged or destroyed by fire or other casualty shall be cleared and the Community Area left in a clean, orderly, safe, and sightly condition.

6.02 Damage or Destruction to Lots or Dwellings. In the event of damage or destruction by fire or other casualty to any Lots or Dwellings, and in the further event that either the Owner of such Lot or Dwelling responsible for the repair and replacement of such elects not to repair or rebuild the damaged or destroyed Lot or Dwelling, such Owner making such election shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Lot or Dwelling in a clean, orderly, safe, and sightly condition. Should such Owner elect to repair or rebuild such Lot, Dwelling, or other improvements, such Owner shall repair or rebuild such Lot, Dwelling, or other improvements to substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provisions of this Declaration (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building, and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

6.03. Insurance. The insurance which may be carried upon the Community Area and personal property shall be governed by the following provisions:

(a) Authority to Purchase. All insurance policies upon the Community Area and personal property shall be purchased by the Association for the benefit of the Members of the Association. If the insurance companies issuing said policies agree, such policies shall provide that the insurer waives its rights of subrogation as to any claims against Owners, the Association, the Members thereof and their respective servants, agents and guests. Such policies and endorsements shall be deposited with the Association and held as part of the records of the Association.

(b) Policies to be Secured by the Association. The policies to be secured by the Association are as follows:

(1) Casualty. The buildings and other insurable improvements upon the Community Area and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against:

(a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement;

(b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the building, including, but not limited to, vandalism, malicious mischief, windstorm and water damage;

(2) Errors and Omissions. Public liability, officers, directors and employees liability for errors and omissions, and Property damage in such amounts and such forms as may be required by the Association.

(3) Workmen's Compensation. Workmen's Compensation policy to meet the requirements of law.

(4) General Liability. Liability insurance to cover liabilities of the Association.

(c) Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as Common Expenses.

(d) Beneficiary of Policies. All insurance policies purchased by the Association shall be for the benefit of the Association and shall provide that all proceeds payable as a result of losses thereunder shall be paid to the Association. Proceeds received from insurance policies shall be used by the Association to repair or replace the Property damaged. In the event the proceeds are insufficient, the Association may levy assessments to cover such deficiency.

(e) Disposal of Proceeds. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance after payment of all costs of the reconstruction or repair for which the proceeds of the policies were received, such balance shall be retained by the Association and regarded as miscellaneous revenue to the Association.

(f) Insurance Adjustments. Each Member shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association.

(g) Lots and Dwellings. Each Owner of a Lot or Dwelling shall be responsible to procure all insurance relating to the Lot and/or Dwelling and any and all personal property of the Owner.

ARTICLE VII

CONDEMNATION

7.01 Condemnation of Community Area. Whenever all or any part of the Community Area shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the agreement of at least seventy-five percent (75%) of the total vote of the Association (which conveyance may only occur with the approval of Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development), the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

(a) If the taking or sale in lieu thereof involves a portion of the Community Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Community Area which are available therefore, in accordance with the plans approved by the Board, the Architectural Control Committee, and by Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.04 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, or as a lump sum payment, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

(b) If the taking or sale in lieu thereof does not involve any improvements to the Community Area, or if there are net funds remaining after any such restoration or replacement of such improvements is completed, then such award, proceeds, or net funds shall be retained by and for the benefit of the Association.

(c) If the taking or sale in lieu thereof includes all or any part of a Lot or Dwelling and also includes any part of the Community Area, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners of any Lot or Dwelling taken for their interest in such Lot or Dwelling; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board, (ii) the Owners of all Lots or Dwellings wholly or partially taken or sold, together with the Mortgagees for each such Lot or Dwelling, and (iii) Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

7.02 Condemnation of Lots or Dwellings.

(a) In the event that all or any part of a Lot or Dwelling is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such Lot or Dwelling responsible for the maintenance and repair of such Lot or Dwelling, then such Owner making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such Lot or Dwelling and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such Lot or Dwelling remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the Lot or Dwelling (at no cost to the Association) as a part of the Community Areas, and thereafter any such Owner shall not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further assessments imposed by the Association and payable after the date of such deeding.

(b) In the event that any part of a Lot or Dwelling is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner of such Lot or Dwelling responsible for the maintenance and repair of such Lot or Dwelling elects to restore the remainder of the Lot or Dwelling, such Owner making such election shall restore such remainder of such Lot or Dwelling as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

ARTICLE VIII
ADMINISTRATION

8.01 Community Area. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Community Area and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Furthermore, the Association may be responsible to maintain dedicated areas if such maintenance is required by the applicable governmental authority. Except to the extent otherwise required by the provisions of the laws of Indiana relating to nonprofit corporations, this Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Owners.

8.02 Duties and Powers. The duties and powers of the Association shall be those set forth in the provisions of the laws of Indiana relating to nonprofit corporations, this Declaration, the By-Laws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the laws of Indiana, this Declaration, the By-Laws, or the Articles of Incorporation, the provisions of the laws of Indiana, this Declaration, and the By-Laws, in that order, shall prevail, and each Owner of a Lot or Dwelling, by acceptance of a deed or other conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association shall include, but shall not be limited to, the power to purchase one (1) or more Lots and/or Dwellings to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to Lots and Dwellings, to furnish trash collections, water, sewer, and/or security service for the Community Area and/or the Lots and Dwellings. Notwithstanding the foregoing provisions of this Section 8.03 or any other provisions of this Declaration to the contrary, for so long as Declarant shall own any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Community Area.

8.03 Agreements. Subject to the prior approval of Declarant for so long as Declarant shall have the right to appoint the Board pursuant to Section 4.06 hereof, all agreements and determinations lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development; and in performing its responsibilities hereunder, the Association, through the Board, shall have the authority to delegate to persons if its choice such duties of the Association as may be determined by the Board. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or Members of the Association by this Declaration or the By-Laws. Such manager may be an individual, corporation, or other legal entity, as the Board shall determine, and may be bonded in such a manner as the Board may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Association may pay for, and the Boar may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

8.04 Management Agreement. The Declarant or the Board shall engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Members is held ("Transfer Date"). Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board provided, however, that if the Association, Declarant or Board shall enter into an agreement or agreements for the professional management of the Property before the Transfer Date, such agreement or agreements shall be terminable by the Association without cause at any time after the Transfer Date and shall not require the payment of any penalty by the Association and shall not require advance notice of termination of more than ninety (90) days. Any management fees incurred pursuant to this Section 8.05 shall be paid from the assessments collected pursuant to Article IX hereof.

8.05 Personal Property and Real Property for Common Use. The Association, through action of the Board, may acquire and hold tangible and intangible personal property and real property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association. The undivided interest of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner, except to the extent that a transfer of the Ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot or Dwelling.

8.06 Rules and Regulations. The Association, through the Board, may make and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, and Community Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

8.07 Indemnification. The Association shall indemnify every officer and director of the Association against any and all expenses, including court costs and reasonable attorney fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board) to which he may be made a party by reason of being or having been an officer or director at the time such expenses are incurred. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract o commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall as a Common Expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

ARTICLE IX
COVENANTS FOR MAINTENANCE ASSESSMENTS

9.01 Creation of the Lien and Personal Obligations. Each Owner of a Dwelling or Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance for each Dwelling or Lot owned by such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association such assessments as are levied pursuant to the provisions of this Declaration and the By-Laws of the Association. Such assessments, together with interest thereon and cost of collection, if any, as hereinafter provided, shall be a charge and continuing lien upon the Dwelling or Lot against which such assessment is made. Each such assessment, together with such interest and costs, shall also be the personal obligation of the Member who was the Owner of such Dwelling or Lot at the time when the same fell due.

9.02 Purpose of Assessments. The assessments for Common Expenses levied by the Association (or by Declarant acting on its behalf pursuant to Section 4.03(c) hereof) shall be used for the purpose of promoting the recreation, health, safety and welfare of the Members of the Association and in particular, without limiting the foregoing: (i) for the improvement and maintenance of the services and facilities devoted to the use and enjoyment of the Community Area, (ii) for the making of repairs, replacements and additions to the Community Area, defraying the cost of labor, equipment, and material required for the maintenance of the Community Area, (iii) for the operation, care, upkeep, maintenance, replacement and of any Community Areas, (iv) for trash removal on a regular basis; and (v) in general for carrying out the duties of the Board as set forth in this Declaration and the By-Laws of the Association; and for carrying out the purposes of the Association as stated herein and in its Charter.

9.03 Assessment Procedures.

(a) Preparation of Estimated Budget. Each year on or before November 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services, fees, supplies and other items which, in the judgment of the Board, will be required to be provided to the Association or required to meet the Association's obligations during the ensuing calendar year to effect the purposes of the Association, a copy of which estimated budget shall be provided to all Owners at least thirty (30) days prior to its adoption by the Board. The annual budget shall take into account any estimated net operating income or deficit which may result from the operation of the Community Area during such year and income from user charges to be received pursuant to Section 9.03 hereof. Said estimated cash requirement shall be allocated among and assessed to Members in accordance with the provisions of Section 9.06 hereof. The Board shall give written notice, mailed or delivered, to each Owner no less than ten (10) and no more than thirty (30) days prior to any meeting of the Board concerning the adoption of any proposed budget or any increase or establishment of an assessment.

(b) Date Payments Due. On or before January 1 of the ensuing year, each Member shall be personally obligated to pay, in the manner prescribed by Sections 9.06, 9.07 and 9.08 hereof, such Member's annual assessment, together with all user charges incurred by such Member during the preceding year. The Board shall be entitled to bill on a monthly basis if it so determines. If the actual expenditures paid or provided for by the Board during said year shall be more or less than said estimated cash requirement, any net shortage or excess shall be applied as an adjustment to the installments under the current year's estimate falling due after the amount of such net shortage or excess for the preceding year has been determined.

(c) Commencement of Assessments. The assessments provided for herein shall commence for the Dwelling or Lots within the Property upon the conveyance by the Declarant of the Dwelling or Lot to a third party for occupancy, except as otherwise provided in Section 9.03(d) hereof. The Board shall fix the amount of the assessment against each Dwelling or Lot at least thirty (30) days in advance of each assessment period and in lieu thereof, the amount of the prior year's assessment shall be the fixed amount. An Owner shall first be liable for payment of the assessment on the date of the conveyance of title to him, prorated through the end of the calendar year. The Association shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified Dwelling or Lot have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

(d) Assessment on Declarant-Owned Lots. Declarant shall not be obligated to pay any assessments of the Association with regard to any Lots owned by Declarant.

(e) Adjustments to Estimated Budget. If any "estimated cash requirement" proves inadequate for any reason (including nonpayment of any Member's assessment), the Board may at any time levy a further assessment. The board shall serve notice of such further assessment on all Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Members shall be personally liable for and obligated to pay their respective adjusted amount.

(f) Failure to Prepare Annual Budget. The failure or delay of the Board to prepare an annual or an adjusted estimated budget shall not constitute a waiver or release in any manner of any Member's obligation to pay his share of the estimated cash requirement as herein provided, whenever the same shall be determined and in the absence of any annual estimate or adjusted estimate, each Member shall continue to pay the charge at the then existing rate established for the previous record.

9.04 Special Assessments for Capital Improvements. In addition to the annual assessment authorized by Section 9.03, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction or purchase of a specified capital improvement upon or to the Community Area, and the necessary fixtures and personal Property related thereto; provided, however, that, except for special assessments which shall not exceed in any one (1) year the sum of Five Hundred Dollars ($500.00) per assessed Dwelling or Lot, any such special assessment shall first be approved at a meeting of the Members by the affirmative votes of Members entitled to cast at least sixty-seven percent (67%) of all votes cast at a meeting called and held in accordance with the provisions of Section 9.05. The provisions of this Section 9.04 shall not limit the power of the Board, without such prior approval, to levy assessments to reconstruct, replace or restore any portion of the Community Area. The Board shall segregate and maintain a special reserve account (the "Master Fund") to be used solely to make capital expenditures in connection with the Community Area. Notwithstanding anything contained herein to the contrary, the Declarant shall not be responsible for the payment of any special assessments or contributions. The Developer with regard to any portion of the Property shall have the same rights and obligations as the Declarant as contained in this Section 9.04 with regard to any Lots owned or controlled by such Developer.

9.05 Specific Assessments. Any other expenses benefiting less than all of the Lots and/or Dwellings shall be specifically assessed equitably among all of the Lots and/or Dwellings that benefited. Any other expense occasioned by the conduct of less than all of those entitled to occupy the Lots and/or Dwellings or by occupants, licensees or invitees of any such Lot and/or Dwelling shall be specifically assessed against the Lot and/or Dwelling, conduct of any occupant, licensee, or invitee of which occasioned any such expense.

9.06 Notice and Quorum. Written notice of any meeting called for the purpose of authorizing any special assessments requiring approval pursuant to Section 9.04 hereof shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the opening of such meeting, the presence in person or by proxy of Members entitled to cast at least sixty percent (60%) of all the votes shall constitute a quorum; provided, that if Members entitled to cast sixty percent (60%) of all votes do not attend, a second meeting may be called with the same notice requirements as herein provided, except that the quorum therefor shall be reduced to Members entitled to cast thirty percent (30%) of all votes.

9.07 Allocation of Assessments Among Members. Assessments for Common Expenses attributable to the Community Areas shall be allocated equally among the Members by apportioning to each Member an amount equal to that proportion of the total assessment which the number of Unit Memberships held by such Member bears to the total number of Unit Memberships in the Association.

9.08 Payment of Assessments.

(a) Each such Member shall pay the assessment levied by the Association to the Association upon demand.

(b) Upon written demand of an Owner or a Mortgagee at any time, the Association shall furnish such Owner or Mortgagee a written dated certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's Dwelling or Lot. Such Certificate shall be conclusive evidence of payment of any assessments theretofore levied and not stated therein as unpaid.

(c) The Declarant or Board may provide that the assessments may be paid in full the first day of the calendar year until otherwise provided.

9.09 Nonpayment of Assessments.

(a) Any installment of an assessment which is not paid to the Association within fifteen (15) days after the due date shall be delinquent and a late charge of Twenty-Five Dollars ($25.00) shall be added to it. The assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum and the Association may bring an action against the Member personally obligated to pay assessments and recover the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action; and the Association may enforce and foreclose any lien it has or which may exist for its benefit.

(b) No Member shall be relieved of personal liability for the assessments and for other amounts due as provided herein by nonuser of the Community Area or abandonment or transfer of Ownership of his Dwelling or Lot, provided that upon transfer of Ownership of a Dwelling or Lot, the transferor shall not be responsible for assessments accruing after the date of transfer.

(c) The lien of the assessments provided for in Section 9.01 hereof shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the earlier of the date the holder of said mortgage takes possession of the Dwelling or Lot, accepts a conveyance of any interest in the Dwelling or Lot or has a receiver appointed in a suit to foreclose his lien. Such taking of possession, conveyance or appointment shall not relieve the holder of said mortgage from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. Except for the foregoing, the lien for assessments provided for in Section 9.01 shall not be affected by any sale or transfer of a Dwelling or Lot.

9.10 Closing Costs/Working Capital.

(a) At the initial closing of a Dwelling, the purchaser shall assume purchaser's prorata share of the assessment attributable to the Dwelling for the assessment period during which the closing occurs.

(b) At the initial closing of a Dwelling, the purchaser shall pay a working capital fee in an amount equal to two (2) times the monthly assessment for the Villas Neighborhood as determined by the Association. Said working capital fee is nonrefundable and is not a pre-payment of monthly assessments.

(c) At the closing of a Dwelling, the purchaser shall pay a community working capital fee in an amount equal to one (1) times the yearly assessment fee for the Community and Community Areas as determined by the Association. Said working capital fee is non-refundable and is not a pre-payment of monthly assessments.

(d) At the initial closing of a Dwelling, the purchaser shall pay two (2) monthly assessments for the Villas Neighborhood as a prepayment for two (2) months of assessments.

ARTICLE X
USE RESTRICTIONS

10.01 Use of Lots and Dwellings. Except as permitted by Section 10.03 hereof, each Lot and Dwelling shall be used for residential purposes only, for single-family occupancy and no trade or business of any kind may be carried on therein, except as provided for by ordinance by the City, if any. No more than one (1) Dwelling shall be located on any Lot, except for those Lots upon which multi-family structures are constructed. The use of a portion of a Dwelling as an office by an Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic. The use of a Dwelling or a portion thereof for business meetings, entertainment, or the enjoyment or business of the Owner's employees, trustees, agents, clients, or customers shall not be considered to be a violation of this covenant if such use does not create regular customer, client or employee traffic.

10.02 Building and Lot Quality.

(a) General. Every Dwelling shall be located and in accordance with the applicable governmental building and zoning codes and with such additional specifications and standards as may be required by the Architectural Control Committee after all construction plans and specifications (including, but not limited to those for grading and site work, excavation, and specifications showing the nature, kind, shape, heights, materials, color scheme, location, elevations and approximate cost of all Dwellings), along with a staked survey (showing the elevations of all corners of the Lot), have been submitted to, and approved in advance in writing by, the Architectural Control Committee. No storage sheds shall be permitted.

(b) Roofs. All roofs on the Dwellings shall have a minimum pitch of five inches (5") of height to twelve inches (12") of run.

(c) Driveways. All driveways must be constructed of asphalt, concrete, or paving stone expect by special variance granted by the Architectural Control Committee.

(d) Sidewalks. Sidewalks are to be installed at the Lot owner's expense.

(e) No permanent basketball equipment is permitted. In-ground installation or attaching to any residential structure of basketball equipment is strictly prohibited. Portable basketball equipment is permitted provided the backboard is clear acrylic, without any logos or advertisement, and black metal poles are used. All portable basketball equipment shall be stored in the garage when not in use, including every night from 9:00 p.m. to 8:00 a.m. No use shall occur between 9:00 p.m. and 8:00 a.m.

(f) No storage sheds shall be permitted.

(g) No pools shall be permitted.

10.03 Antennas, Satellite Dishes. Radio, television, transmission and reception antenna may not be installed on the roof of a Dwelling. All antennas must be installed within the attic of a Dwelling unless prior written approval is obtained from the Architectural Control Committee. Satellite dishes may not be installed on the front elevation or front portion on the roof of a Dwelling to be visible from the adjacent road and sidewalks, and satellite dishes may not be installed in the front yard of a Lot. Satellite dishes less than one meter in diameter may be installed on the rear elevation to the extent not visible from the adjacent road and sidewalks. Satellite dishes less than one meter in diameter may be discreetly installed in the ground in a rear yard, in the rear portion of the side yard, to the rear elevation of the Dwelling or to the side elevations of the Dwelling (closer to the rear elevation than the front elevation). Notwithstanding the foregoing, satellite dish installation is subject to the ordinances of the City of Valparaiso and FCC regulations.

10.04 Activity. No obnoxious or offensive trade or activity shall be carried on or upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance.

10.05 Appearance.

(a) All equipment, garbage cans, woodpiles, or storage piles shall be kept, screened or stored so as to conceal them from the view of neighboring Lots and streets. All rubbish, trash or garbage shall be regularly removed from all Lots and shall not be allowed to accumulate on the Lots within the Development. No Owner shall burn or permit the burning of garbage or other refuse. No Owner, or builder or contractor for such Owner, shall dump construction debris, dirt, sand, trash or rubbish on any Lot, street or other area on the Development. Each Owner shall be responsible for the appropriate removal of all such construction debris, dirt, sand, trash and rubbish, Declarant shall not have any liability or responsibility therefor. Trash receptacles shall only be left out on days of pickup (or the evening before) and shall promptly be returned to a place out of view after pick up.

(b) Additional fencing that is expressly permitted hereunder, decorative animals, sun globes, flags, statutes, figurines, fountains, signs, awnings, decorative ironworks and decorative lawn sprinklers, either attached to a structure or placed in the lawn and landscaping, shall not be permitted until prior written approval of the Architectural Review Committee has been obtained. No sheds shall be permitted.

(c) Potted plants are permitted on front porches and rear patios. Rear patios may have acceptable patio furniture, umbrellas and grills, provided they are maintained in good condition. Christmas decorations are permitted from Thanksgiving through the end of the year, and need to be removed at all other times. Christmas decorations must be moderate and tasteful, as determined by the Board.

10.06 Parking restrictions. No tractor, motor home, trailer, boat, camper, etc. shall be permitted to be parked on any Lot or anywhere on the Development for more than forty-eight (48) hours unless in a garage. It is the intent of the Declarant to restrict parking of the above-mentioned vehicles to the garages upon the Lots and to further restrict vehicular parking on or upon the Development to the automobiles regularly used by the Owners. No Owner shall repair or restore any vehicle of any kind upon any Lot, street, alley, right of way or other thoroughfare except for emergency repairs and except within enclosed garages.

10.07 Easements. Strips of ground shall be reserved as easements for the use of public utilities; for the installation and maintenance of poles, ducts, wires, pipelines, and lines; and for drainage. No permanent or other structures are to be erected or maintained upon said strips of land. The Owners shall take their titles subject to such easements, and such easements are for the benefit of all Owners in said Development and any adjacent parcels of Development.

10.08 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept on any Lot, provided that: they are not kept, bred or maintained for commercial or hobby purpose; they are not left unattended by an Owner outside of a Dwelling; they do not create a nuisance; and they are not permitted to roam elsewhere in the Development except on a leash and under adequate physical control.

10.09 Fencing. No fencing is permitted on the Lots.

10.10 Erosion Control. Owners shall be responsible for complying with all laws and regulations with respect to erosion control during construction on the Development, and shall be obligated to comply with all requirements or recommendations of the Division of Soil Conservation of the Indiana Department of Resources, regarding the installation and maintenance of erosion/sediment control facilities and practices during the construction period on the Development. Without in any way limiting the generality of the foregoing, the Owner shall be obligated for the installation and maintenance of (a) perimeter erosion and sediment controls, (b) curb inlet protection, (c) drop inlet protection, (d) temporary downspout extenders, and (e) gravel driveways/entrances after the completion of the foundation, from the public street curb to the foundation. The gravel driveway/entrance shall be installed at a minimum twelve foot (12') width, over a stable subgrade with six inches (6") of coarse aggregate (INDOT CA NO. 2) adding stone as needed from time to time to maintain a six inch (6") clean depth.

10.11 Architectural Control. No building, wall, improvement or other structure shall be commenced, erected or maintained on the Property and no exterior addition, change or alteration shall be made until the plans and specifications, plot lay-out, exterior elevations and landscaping which shall show the nature, kind, shape, height, materials, and location of the improvement to be made shall have been submitted to and approved in writing as to the harmony of external design and location in relationship to the surrounding structures, topography, and Lot lines by the Architectural Control Committee appointed by the Board of Directors of the Association. The Architectural Control Committee shall consist of Owners of that Neighborhood. In addition, each Owner intending to build shall submit a resume as to the experience and financial responsibility of the proposed contractor who is to perform the work. This provision shall not apply to any construction or improvement made by the Declarant in connection with the development of the Property.

Neither the Association nor the Architectural Control Committee, nor any member thereof, shall be liable for any damage, loss or prejudice suffered or claimed by any Owner or contractor who submits such plan on account of (a) any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions; (b) any structural or other defects in any work done according to such plans and specifications; (c) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (d) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, and (e) the development of any property within the Properties. Any person submitting plans to the Architectural Control Committee shall hold the Association, the Architectural Control Committee, or any member thereof, harmless from all damage, loss or prejudice suffered or claimed by any third party, including attorneys' fees incurred.

10.12 Approval Prior to Construction. No Dwelling or structure shall be commenced, erected, or maintained on any of the Property until the plans and specifications have been submitted to and approved by the Architectural Control Committee as provided in this Article. Declarant is not required to obtain approval from the Architectural Control Committee.

10.13 Signs. An Owner may display only temporary but tasteful "For Sale" signs, not to exceed six (6) square feet. In addition, a political sign may be displayed upon the Owner's Dwelling or Lot beginning thirty (30) days before the date of an election and ending five (5) days after the date of an election to which the political sign relates. A political sign refers only to a sign advocating: (i) the election or defeat of one or more candidates for nomination or election to a public office; (ii) support for or opposition to a political party or a political party's candidates, or (iii) the approval or disapproval of a public question. Further, a political sign may not be larger than what is commonly displayed during election campaigns within residential yards. Further, an Owner may not display more than a reasonable number of signs, and the Association determines that a reasonable number of signs are three (3). A political sign may be displayed in the window of the Owner's Dwelling or Lot or on the ground that is part of the real estate that comprises the Owner's Dwelling or Lot. The Association may remove any signs in violation of the Rules and Regulations of the Association.

10.14 Responsibilities of the Owner During Construction. The Owner is responsible for the removal of any and all debris including but not limited to excess soil from excavation and construction materials on the Lot. No soil or debris shall be allowed on any roads or streets at any time. Every Owner shall require its builder to comply with these requirements which shall be specified in the contract. If the Owner or builder does not correct any of the above conditions, Declarant, after notification, may correct the condition and charge the Owner fair market value for the work performed.

10.15 Fines for Violations of Declaration. The Associations Board shall determine violations of Article X and Article XI. The Owners and Members consent to the Board making such determination in the assessment of a Fifty ($50.00) Dollar per day fine for violations of Article X and Article XI, and the Owners and Members consent to the Association recording lien against the Owner or Member's Lot and/or Dwelling to collect such fines. The following procedure shall govern the imposition of fines: (i) the Association shall given written notice of violation of Article X, XI or this Declaration; (ii) if the Owner or Member does not respond within ten (10) days of the receipt of the notice of violation, the Owner or Member shall deemed to have agreed with such determination; (iii) if the Owner or Member objects to such notice of violation, it shall provide all written evidence as to why such act or omission does not constitute a violation of Article X, Article XI or this Declaration within ten (10) days of receipt of the notice of violation; (iv) the Board shall consider all written evidence submitted by the Owner or Member and shall make a written final determination thereon within reasonable time after receipt of the Owner's or Member's written material; (v) the Association through the Board of Directors shall respond to an Owner's or Member's objection, in writing, with a final determination on the issues; and (vi) if the Owner or Member does not adhere to the Association's initial determination or final determination, if applicable, the Association shall be entitled to levy a fine against the Owner or Member, not exceeding Fifty ($50.00) Dollars per day from the date the violation began and for as long as the violation of Article X, Article XI or this Declaration continues.

10.16 Registered Sex Offenders. No person may occupy a Dwelling, whether as Owner, Occupant, Lessee, or member of the household, licensee or regular guest whose name is on any state or federal sex offender registry. If this provision is violated, the Association shall give notice to the Owner that such occupancy is in violation of this paragraph. The Owner must give the Association adequate assurances that the violation has been cured and that all future occupancies shall comply with this paragraph. If the violation of this paragraph continues after notice by the Association, the Association shall have the following remedies: (i) assessing a fine of One Hundred Dollars ($100.00) per day after it has provided notice and an opportunity to cure against the Owner which lien shall be paid by the Owner and the Association can lien the Dwelling to recover the fine and proceed with foreclosure on the lien, if necessary; (ii) the Association may enforce this paragraph by seeking injunctive relief from a court of competent jurisdiction with all parties acknowledging that there is no adequate remedy at law, and the Association will suffer irreparable harm; or (iii) the Association may purchase the Dwelling at a price equal to ninety percent (90%) of the price that the Owner paid to purchase the Dwelling with the right to enforce this option by obtaining appropriate relief from court of competent jurisdiction and the Owner shall be responsible for all legal costs and expenses in enforcing the re-purchase option, and the Association shall resell the Dwelling in a commercially reasonable manner and any net proceeds realized by the Association after paying and recovering all Association costs and expenses shall then be paid to the previous Owner.

ARTICLE XI
RULE MAKING

11.01 Rules and Regulations. Subject to the provisions hereof, the Board may establish reasonable rules and regulations concerning the use of Lots, Dwellings, and the Community Area and facilities located thereon. In particular but without limitation, the Board may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board, be environmentally hazardous to any wetland or other areas. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation is specifically overruled, canceled, or modified by the Board or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant shall have the right to appoint the Board pursuant to Section 4.04 hereof.

11.02 Authority and Enforcement. Subject to the provisions of Section 11.03 hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot or Dwelling, the Owners or Occupants of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guest, and tenants and of the co-Owners of such Owner and their respective families, guests, and tenants) to use any of the recreational facilities located in the Community Area, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-Owner or the family, guests, or tenants of his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days per violation.

11.03 Procedure. Except with respect to the failure of an Owner to pay assessments, the Board shall not impose a fine exceeding $50.00 per day, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Development for violations of the Declaration, the By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(a) Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:

(i) The alleged violation;

(ii) The action required to abate the violation; and

(iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(b) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(i) The nature of the alleged violation;

(ii) The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and

(iv) The proposed sanction to be imposed.

(c) The hearing shall be held in executive session of the Board pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. In addition, the notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

11.04 <u>Fine Assessed by Association</u>. Notwithstanding any other provision herein to the contrary, the Board may assess a fine not in excess of Fifty ($50.00) Dollar per day for violations of the Declaration and the Rules and Regulations of the Association, and the Association may record a lien against the Owners, Lot and/or Dwelling to collect such fines. The Association shall be entitled to impose such a fine provided: (i) the Association gives written notice of the violation to the Owner; and (ii) the Owner does not respond within ten (10) days of receipt of the notice of violation. If the Owner objects to such notice of violation, it shall provide all written evidence as to why such act or omission does not constitute a violation of the Declaration and the Rules and

Regulations within ten (10) days of receipt of the notice of violation, and thereafter the Board shall consider all written evidence and shall make a final determination thereon within fifteen (15) days of receipt of the Owner's written material. The Association shall respond to an Owner's objection in writing with a final determination on the issue. If the Owner does not adhere to the Association's final determination, the Association shall be entitled to levy a fine against the Owner not exceeding Fifty Dollars ($50.00) per day. The Association may impose a fine in excess of the above amount if it follows the provisions of Article XI, Section 11.03.

ARTICLE XII
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Lots in the Property. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.01 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Dwelling on which there is a first Mortgage held, insured, or guaranteed but such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Dwelling subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Dwelling of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

12.02 Amendments to Documents.

(a) The consent of Members representing at least sixty-seven (67%) percent of the votes and of the Declarant, so long as it owns any land subject to this

Declaration, and the approval of the eligible holders of first Mortgages on sixty-seven (67%) percent of the Dwellings subject to a Mortgage held by an eligible holder, shall be required to terminate the Association for reasons other than substantial destruction or condemnation. Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Members as specified above and the eligible holders of first Mortgages on fifty-one (51%) percent of the Dwellings subject to Mortgages held by such eligible holders.

(b) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the eligible holders of first Mortgages on Dwellings to which at least fifty-one (51%) percent of the Dwellings subject to Mortgages held by such eligible holders are allocated.

(c) The consent of Members representing at least sixty-seven (67%) percent of the votes and of the Declarant, so longs as it owns any land subject to this Declaration, and the approval of eligible holders of first Mortgages on fifty-one (51%) percent of the Dwellings subject to a Mortgage held by an eligible holder, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

(i) voting;

(ii) assessments, assessment liens, or subordination of such liens;

(iii) reserves for maintenance, repair, and replacement of the Community Area;

(iv) insurance or fidelity bonds;

(v) rights to convey the Community Area;

(vi) responsibility for maintenance and repair of the Properties;

(vii) expansion or contraction of the Property or the addition, annexation, or withdrawal of Property to or from the Association (other than by Declarant as provided in Article II of this Declaration);

(viii) boundaries of any Lot;

(ix) leasing of Lots;

(x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Dwelling;

(xi) establishment of self-management by the Association where professional management has been required by an eligible holder; or

(xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders; guarantors, or insurers of first Mortgages on Dwellings.

12.03 Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Community Area which the Association owns, directly or indirectly, except as otherwise provided herein;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Dwelling (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Property regarding assessments shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the maintenance of Dwellings and of the Community Area;

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Community Area losses for other than the repair, replacement, or reconstruction of such Property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Community Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

12.04 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Dwelling in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of the Community Area.

12.05 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Dwelling.

12.06 Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which negate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes. Copies of any amendments to this Declaration, except those enacted by the Declarant, shall be furnished to the Owners.

12.07 Failure of Mortgagee to Respond. Any Mortgagee who receives notice of and a written request from the Board to respond or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, with a return receipt requested.

ARTICLE XIII
GENERAL PROVISIONS

13.01 Control by Declarant. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any member or Members of the Board and any officer or officers of the Association as provided by and for the term set forth in Section 8.01 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove trustees and officers of the Association in accordance with the foregoing provisions of this Section 13.01 and the provisions of Section 4.04. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 4.04 and this Section 13.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots or Dwellings, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board which shall undertake the responsibilities of the Board, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

13.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Office of the Recorder of Porter County, without the approval of any Owner or Mortgagee; provided, however, that with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, or as otherwise provided in Section 13.03 hereof, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Dwelling, or the Community Area as set forth in this Declaration or adversely affects the title to any Lot or Dwelling, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security, title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration has provided in Section 2.02 hereof. Any amendment made pursuant to this Section 13.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself.

13.03 Special Amendments. Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) 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 Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Dwellings, (iii) to correct clerical or typographical errors in the Declaration or any Exhibit, or (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, lease, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on the date Declarant no longer has the right to appoint all directors of the Board pursuant to Section 4.06 hereof.

13.04 Litigation. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage owned), and seventy-five percent (75%) of Owners (other than the builder) of the individual Lots have given their prior written approval, the Owners shall not be entitled to commence any class-action or other collective action against the Declarant, or any other persons acting on behalf of or in association with Declarant in connection with the development of the Property or this Declaration. Any action against the Declarant shall proceed in accordance with Section 13.05 of this Declaration. An Owner, Member and the Association agree to give Declarant sixty (60) days prior written notice of a claim to allow Declarant to investigate and cure if appropriate, before instituting any arbitration.

13.05 Arbitration. Excluding (a) any suit by the Association to collect Assessments under Article IX; (b) any suit by the Association to obtain a temporary restraining order to enforce the provisions of Article X; and (c) arbitration conducted by the Board under Article X, any and all claims, disputes and controversies by and between the Association, an Owner, Declarant, Managing Agent or any other party connected in any way to the Association, or any combination of the foregoing, arising from or related to the Property, the Association, any improvements to the Property, the sale of any Dwelling or Lot on the Property, including, without limitation, any claim of breach of contract, negligence, negligent or intentional misrepresentation or non disclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of JAMS in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement, and notwithstanding provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 et seq.) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

13.06 Enforcement. Each Owner shall comply strictly with the By-laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set both in this Declaration and in the deed or other instrument of conveyance to his Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or for instituting an action to recover sums due, for damages and/or for injunctive relief and/or any other remedy available at law or in equity such actions to be maintainable by Declarant, the Board on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction or other equitable action to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association, however long continued.

13.07 Duration. The provisions of this Declaration shall run with and bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of twenty (20) years from and after the date of recording of this Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said twenty (20) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of the initial twenty (20) year period or the last year of any ten (10) year renewal period, eighty-five percent (85%) of the total votes of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be duly filed, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby. Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation or transfer, to the covenants, conditions, restrictions, easements, rights, benefits and privileges of every character contained herein, shall be deemed and taken to be appurtenant to and covenants running with such Property, and shall be binding upon any such grantee, mortgagee or trustee and their successors and assigns as fully and completely as though the provisions of this Declaration were fully recited and set forth in their entirety in such documents.

13.08 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the President of the United States and the Governor of Indiana.

13.09 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance, building codes or other regulations which are less restrictive. The effective date of this Declaration shall be the date of its filing for record. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Indiana.

13.10 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

13.11 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any Property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

13.12 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot or Dwelling, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

13.13 No Trespass. Whenever the Association or Declarant and their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be a trespass.

13.14 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots or Dwellings. All notices to the Association shall be delivered or sent in care of Declarant at the following address:

Pepper Cove Community Association, Inc.
8051 Wicker Avenue, Suite A
St. John, Indiana 46373

or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant at the above address or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. All notices are deemed delivered when delivered by hand or when deposited in the United States mail.

13.15 Land Trust. In the event title to a Lot or Dwelling is held by a land trust under which all powers of management, operation and control remain vested in the trust beneficiaries, then the beneficiaries thereunder shall be considered Owners for all purposes hereunder and they shall be responsible for any obligation created under this Declaration against such Lot or Dwelling. No claim shall be made against any such title holder trustee personally for any claim or obligation created hereunder and the trustee shall not be obligated to sequester funds or trust Property to apply in whole or in part against any such obligation, but the amount thereof shall continue to be a charge or lien upon the Lot or Dwelling notwithstanding any transfers of beneficial interest or in the title to such Lot or Dwelling. By directing said trustee to take title to said Lot or Dwelling, the beneficiaries agree to be bound by the provisions of this Section 13.15 as permitted hereunder.

13.16 Declarant's Rights. All Declarant's Rights shall be mortgageable, pledgeable, assignable or transferable. The Declarant shall have the right to assign some or all of the Declarant Rights reserved or granted hereunder to Declarant, subject to the following:

(a) Declarant may assign to a Person which acquires title to a portion of the Property the non-exclusive right to exercise some or all of the Declarant Rights, subject to such terms, conditions and limitations as the Declarant shall deem appropriate, in their discretion.

(b) If Declarant conveys all of the Additional Property owned by it to a Person, then the Declarant shall no longer have the right to exercise any Declarant Rights and the person which acquires such portions of the Additional Property from Declarant may become the successor to the Declarant and, if so, shall have the right to exercise all Declarant Rights hereunder, subject to any assignments previously made by the Declarant permitted hereunder.

(c) Any Declarant Rights may be collaterally assigned by the Declarant to a lender which makes a development or construction loan to Declarant with respect to a portion of the Additional Property.

(d) Except as provided in Section 13.16 hereof, no transfer of Declarant rights shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Recorder's Office of Porter County, Indiana.

13.17 Disclaimer of Other Entities. Owner and the Association acknowledge and understand that their relationship is with the Declarant, pursuant to the written terms of this Declaration, and no other entity notwithstanding anything to the contrary in advertising, promotional or other materials. Owner and the Association acknowledge that they have no claim against any entity including affiliates, subsidiaries, parents or otherwise under common control of Declarant, and Owner and the Association waive and release any such claims, if any.

13.18 Disclaimer of All Warranties. Declarant hereby disclaim and exclude any and all warranties, expressed or implied (including, without limitation, any implied warranty of habitability, merchantability, quality or fitness for particular purpose), with respect to the Property, Community Areas, the Lots and the Dwellings. The Association and any Owner knowingly agree to waive any and all rights that they may have pursuant to the implied warranty of habitability. The Association and Owners acknowledge and agree that the sole warranties that apply to the Property, Community Areas, Lots and Dwellings are solely contained within the purchase agreement for the acquisition of the Lot or Dwelling from the seller thereof.

IN WITNESS WHEREOF, Pepper Cove Development LLC has caused its name to be signed this 18th day of June, 2018.

PEPPER COVE DEVELOPMENT LLC

By: ______________________________

Its: Pres.

STATE OF INDIANA)
) SS:
COUNTY OF Lake)

I, Laura B. Van Nevel, a Notary Public in and for said City and State do hereby certify that Todd M. Olthof appeared before me this day and acknowledged and that by authority duly given and as the act of Pepper Cove Development LLC, the foregoing instrument was signed in its name by its president.

WITNESS my hand and official seal, this 18th day of June, 2018.

____
Notary Public

My Commission Expires: June 1, 2023
My County of Residence: Lake

Laura B. Van Nevel, Notary Public
SEAL
Lake County, State of Indiana
My Commission Expires June 1, 2023

"I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW."

NAME ______________________________

Prepared By, Greg A. Bouwer

EXHIBIT A

Lots 34 through 41, inclusive; Lots 53 through 69, inclusive; Lots 81 through 87; inclusive; in Pepper Cove, Phase 1, a Subdivision in Porter County, Indiana, according to the plat thereof recorded December 1, 2017 as Document No. 2017 028868 in Plat File 57-C-5, in the Office of the Recorder of Porter County, Indiana.

EXHIBIT B-ADDITIONAL PROPERTY

EXHIBIT C

COMMUNITY AREA

NONE

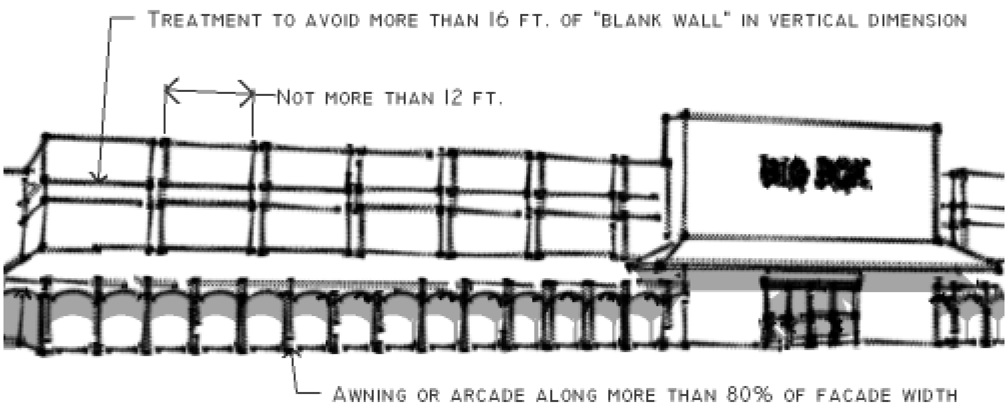
Sec. 11.503 Architectural Features

A. **Primary Facades.** Along primary facades of nonresidential buildings, except industrial buildings:

1. Architectural features that animate the facade shall be provided along its entire length, spaced at intervals of not more than 12 feet in horizontal distance. These features shall include sconce lighting, display windows, entry areas, towers, pilasters, columns, horizontal and vertical offsets, and other elements that create a pattern of light and shadow on the building wall. See **Figure 11.503, Big Box Architectural Features.**
2. ~~Awnings, arcades, or overhangs that project at least six feet shall be provided along not less than 80 percent of the facade for buildings with footprints of 15,000 square feet and larger, and shall connect to all building entrances along the facade.~~

Figure 11.503:
Big Box Architectural Features

Big box architectural features



B. **Other Facades Facing Streets and Public Parking Areas.** Along secondary facades of nonresidential buildings (facades that face streets or public parking areas, but are not primary facades), except industrial buildings:

1. Architectural features that animate the facade shall be provided along the 40 percent of the facade that is closest to the corner with a primary facade. These features shall be spaced at intervals of not more than 12 feet in horizontal distance. They shall include sconce lighting, display windows, entry areas, towers, pilasters, columns, horizontal and vertical offsets, and other elements that create a pattern of light and shadow on the building wall.
2. ~~Awnings, arcades, or overhangs that project at least six feet shall be provided along not less than 40 percent of the facade, and shall connect to awnings, arcades or overhangs on the primary facade.~~

C. **Blank Walls.** All exterior building elevations that face public streets, customer parking areas, or areas of residential use shall be designed so that there are no areas of blank wall that are more than 16 feet in horizontal or vertical direction. This requirement can be met by employing the use of any architectural feature required by subsection A or B, above, or by material and color variations, decorative cornices, murals, score lines, and graphics.

Sec. 11.505 Building Architecture

1. In all areas of the City, logo buildings and logo building elements are prohibited.

2. Bubble awnings are prohibited.

Sec. 11.507 Building Materials

A. **Generally.** Building materials shall convey an appearance of quality and durability.

B. **Permitted Materials.** Building exteriors shall be constructed from proven, high quality, durable materials, including:

1. Brick
2. Limestone
3. Other native stone
4. Textured colored aggregate concrete masonry units
5. ~~Building integrated photovoltaics~~ Fiber Cement Large Format Panels; Minimum Panel Thickness 5/8"
6. Composite Metal Siding
7. Glass Curtain Walls; may not be used as the predominant exterior building material

C. **Limited Materials.** The following materials are permitted only as provided herein:

1. ~~Stucco and~~ Drain-able EIFS are permitted as follows:

   a. On walls of industrial buildings that are set back at least 30 feet from the public right-of-way, provided that Drain-able EIFS occupies not more than 60 percent of the primary facade and the other 40 percent of the primary facade is a combination of windows and a material permitted by subsection B., above.

   b. On facades of nonresidential buildings, except industrial buildings, that are visible from, and set back less than 30 feet from, a public right-of-way (except alleys), as an accent material only. If used, ~~stucco and~~ Drain-able EIFS shall be detailed to look like traditional wall cornices, soffits, window trim, and similar features. Drain-able EIFS may be installed only above the floor level of the second story, or no less than 12 feet above the grade for one story buildings, and shall not exceed 30 percent of the facade. Drain-able EIFS shall not be installed in any pedestrian contact areas.

   c. On facades that are not visible from public rights-of-way (except alleys), Drain-able EIFS may be used as a primary material as follows:

      i. In all cases where Drain-able EIFS is installed in pedestrian or vehicular contact areas, a 20-lb. or greater strength reinforcing mesh shall be installed to a height of no less than 12 feet above the predominant grade.

      ii. If the abutting property that shares the rear lot line of the parcel or lot proposed for development is residential, or if the lot is a through lot, then a class C bufferyard shall be installed along the lot line.

      iii. If the abutting property that shares the rear lot line of the parcel or lot proposed for development is nonresidential, then either:

         a. A class B bufferyard shall be installed along the lot line; or

         b. The wall of the building that is finished with Drain-able EIFS shall be set back from the lot line not less than 35 feet.

D. Building materials that are not listed in subsection B., above, may be used as predominant materials if it is demonstrated that:

1. They have comparable durability, impact resistance, and quality as the materials listed in subsection B., above; and
2. They are part of a building that is designed to achieve a Leadership in Energy and Environmental Design ("LEED") certification, and the materials qualify for LEED points under both the Energy and Atmosphere criteria and the Materials and Resources criteria; and
3. They shall seek approval by the Planning Director to continue the use of pre-existing building materials on building additions to match those of pre-existing buildings.

E. **Prohibited Materials.** The use of the following as predominant exterior building materials shall be prohibited:

1. Pre-fabricated metal siding, except on industrial buildings on walls that do not face rights-of-way.
2. Smooth-faced concrete block, except on industrial buildings on walls that do not face rights-of-way.
3. Vinyl~~, composite~~ or metal siding
4. Wood or composite wood
5. ~~Glass curtain walls~~ Lap Siding
6. Stucco

Sec. 11.508 Roof Structure and Materials

A. **Roof Lines.** Roof lines of nonresidential buildings, except industrial buildings, shall be designed as follows:

1. Roof lines shall be designed to:
   a. Break up the apparent mass of the building;
   b. Highlight individual components of the building;
   c. Add visual interest to the building; and
   d. Form a cascade, wherein the highest points of the roof cover the area of the primary use or most significant floor area of the building.
2. ~~All roofs shall include at least two of the following elements:~~
   a. ~~Eaves that extend not less than three feet, nor greater than eight feet, from the supporting walls.~~
   b. ~~Sloped roof planes that are dimensioned such that:~~
      i. ~~The distance from eave to peak does not exceed the average height of the supporting walls; and~~
      ii. ~~The average pitch is between 6:12 and 12:12.~~
   c. ~~Multiple roof slope planes.~~
   d. ~~Raised cornice parapets or towers above all primary building entrances or at highly visible building corners.~~
   e. ~~A clock or bell tower, cupola, a colonade, or dormers.~~
3. Flat roof systems, except green roof systems, shall be concealed from all ground level views by a parapet wall, sloped roof system or other architectural element (e.g., a tower or variation in building height). ~~All parapet walls shall include three-dimensional cornice treatments of not less than 12 inches in height, with no less than three reliefs.~~
4. Along any building facade that is greater than 80 feet in horizontal dimension, flat roof systems, if used, shall be designed to include substantial elements (*e.g.*, towers, peaked roof structures, or parapet wall treatments) that:
   a. Vary the apparent building height by at least three feet per 150 feet or portion thereof of horizontal building dimension.
   b. Are separated by no more than the lesser of:
      i. 80 feet; or
      ii. 40 percent of the width of the building facade.
   c. Are not of equal height, and have a difference in height that is perceptible from street-level views.

B. **Mechanical Equipment.** Rooftop mechanical equipment (e.g., HVAC systems) mounted on a flat roof shall be screened with materials and colors that surround the equipment, and that are consistent with the design of the building. In addition, mechanical equipment shall be screened from all ground level views from adjacent property and rights-of-way by:

1. Parapet walls, designed so that:
   a. Their average height does not exceed 15 percent of the height of the supporting wall; and
   b. Their maximum height does not exceed 33 percent of the height of the supporting wall;
2. Hedges installed on a green roof system, provided that the mechanical equipment is set back at least 25 feet from all exterior building walls; or
3. Sloped roof systems or other architectural elements that conceal the flat roof area where the equipment is mounted.

C. **Materials for Sloped Roof Systems.** Sloped roofs shall be composed of traditional materials, natural or simulated, such as slate, wood shakes, concrete tile, dimensional shingles, metal (including copper) standing seam, or metal (including copper) shingles.

D. **Green Roof Systems.** "Green roof" systems may be used as part of a site's stormwater management system.

Sec. 11.509 Colors

A. **Predominant Colors.** Predominant colors are those colors that are used principally on building walls.

1. Building colors shall be low reflectance, subtle, neutral, or earth tone colors.
2. High intensity colors, metallic colors, black, and fluorescent colors are prohibited.

B. **Accent Colors.** Accent colors are those colors that are used on architectural features and fascia.

1. Accent colors shall not be applied to more than 20 percent of the building facade, including the visible area of the roof.
2. Building trim and accent areas may feature brighter colors, including primary colors. However, brilliant complimentary colors shall not be placed next to each other. *See* **Figure 11.509, Mixed Brilliant Complimentary Colors.**
3. Neon tubing, string lights, rope lights, or any unshielded light within public view on a facade or behind exterior glass, shall not be used as an accent for building trim or other accent areas.

Figure 11.509:
Mixed Brilliant Complimentary Colors

Mixed brilliant complimentary colors

Sec. 11.601 Building Articulation and Architectural Features

A. **Generally.** All new building facades that are visible from a public street, public park, or open space shall be articulated as follows:

1. Upper stories shall be stepped back. Buildings that are four stories in height or taller must step back upper stories by at least 10 feet, beginning at the fourth floor. Stepbacks at the second or third floor that result in the fourth floor being stepped back at least 10 feet from the first floor facade may be used to satisfy this requirement.
2. Horizontal building modulation shall be provided. The maximum width of building facades (measured horizontally along the building exterior) without building modulation shall be a multiple of 22 feet.
3. All buildings shall incorporate elements that divide façade planes and create a visual play of light and shadow. Long, uninterrupted horizontal elements are prohibited. Building articulation shall be accomplished with design elements such as the following, so long as the articulation interval does not exceed 66-feet:
   a. Repeating distinctive window patterns at intervals less than the articulation interval.
   b. A porch, patio, deck, or covered entry.
   c. A balcony or bay window.
   d. A change in the roofline by alternating parapet heights.
   e. A change in building materials that corresponds to a change in building plane.
   f. Lighting fixtures, trellises, trees, or other landscape features.
4. Rooflines shall be modulated. Roofs shall relate to the building façade articulations. For flat roofs or facades with a horizontal eave, fascia, or parapet, the roofline shall be changed so that no un-modulated segment of roof exceeds 44 feet in horizontal dimension. The minimum vertical dimension of the roofline modulation shall be the greater of two feet or 0.1 multiplied by the wall height (measured from finish grade to the top of the wall).
5. Vertical articulation shall be provided. To moderate the vertical scale of buildings, the design shall include techniques to clearly define the building's top, middle and bottom. The following techniques are suggested methods of achieving vertical articulation:
   a. At the top of the building, strong eave lines, cornice treatments, and horizontal architectural detailing may be used. This treatment shall return into alleyways a minimum of 20 linear feet, and shall be provided for the full length of any facades clearly visible to the public.
   b. At middle elevations of the building, windows with thoughtful solid-to-void ratios that exhibit window patterns of adjacent traditional buildings, balconies, material changes, railings and similar treatments that unify the building design may be used.
   c. At the bottom elevation of the building, pedestrian-oriented storefronts, large windows, pedestrian scale building detail, kick plates below windows, sign band awnings, and arcades may be used.
   d. Where appropriate, the applicant should coordinate the horizontal elements (e.g., cornices, window lines, arcades, etc.) in a pattern and height to reflect similar elements on neighboring buildings that exhibit the City's desired scale and character for the area.
6. The Planning Director may allow other methods that provide architecturally scaled elements not specifically listed in this Section if the applicant demonstrates that they will have comparable visual effect.

B. **Ground Floor Level.** At the ground floor level, buildings shall have:

1. One or more storefronts with recessed entrances.
2. A horizontal sign band.
3. Seasonal planters/landscaping.

C. **Corner Frontages.** Within 15 feet of a property line at the intersection of streets, new buildings shall incorporate the following design elements or treatments to the building corner facing the intersection:

1. A corner entrance to a store, courtyard, building lobby, atrium, pedestrian pathway, or pedestrian-oriented space.

2. A corner architectural element such as:
    a. Bay window or turret.
    b. Roof deck or balconies on upper stories.
    c. Building core stepback “notch” or curved façade surfaces.
    d. Special treatment of pedestrian weather protection awning at the corner of the building.
    e. Other similar treatment or element that the Planning Director determines highlights the corner with comparable visual effect.

D. **Blank Walls.**

1. Blank walls shall not be visible from a street, public park or open space.
2. If a property is redeveloped including improvement totaling more than 50 percent of the assessed value of the property, existing blank walls within 50 feet of and visible from a street, public park or open space, or adjacent lot, shall be treated in one or more of the following ways:
    a. A vertical trellis in front of at least 50 percent of the wall's horizontal length, with climbing vines or plant materials installed at its base.
    b. A landscaped planting bed at least eight feet wide, or raised planter bed at least two feet high and three feet wide in front of the wall. Plant materials that will obscure or screen at least 50 percent of the wall’s surface within three years shall be planted in the planting bed or raised planter. See **Figure 11.601, Blank Wall Landscaping Treatment.**

Figure 11.601:
Blank Wall Landscaping Treatment

    c. Regular fenestration that is consistent with that of the front facade.
3. Treatment of blank walls is to be proportional to the front facade.

E. **Logo Buildings and Building Elements.**

1. Prototype design for franchises should use customized components that are consistent with the desired traditional main street character and that reinforce visual consistency with other adjacent buildings.
2. Logo buildings are prohibited.

3. Logo building elements are prohibited.

F. **Temporary Signage.** In the CBD District, banners and/or similar signs of temporary nature are prohibited on the exterior of the building.

Sec. 11.604 Building Materials and Finishes

A. **Generally.** Material finishes shall reflect the early 1900s main street vernacular for building materials for new building construction and buildings constructed before 1930. Generally, facades that reflect the heritage of the City shall be retained. However, facades of vintage buildings may be adapted to contemporary use with compatible materials.

B. **Permitted Materials.**

1. Building exteriors shall be constructed from proven, high quality, durable materials, including:
    a. Masonry;
    b. Brick;
    c. Architectural pre-cast concrete to emulate coursed stone panels;
    d. Stone;
    e. Ornate Trim Material (Vic is Looking Up);
    f. Glass Fiber Reinforced Concrete (GFRC) used for emulating Historic Trim;
    g. Fiber Cement Large Format Panels used in Conjunction with Historic Trim
        i. Minimum Panel Thickeness: 5/8"
        ii. Minimum Exposed Dimension: 2'x8'
2. Concrete or concrete blocks (concrete masonry units or "cinder blocks") are permitted, provided that they are finished with one or more of the following:
    a. Polished aggregate surfaces emulating stone;
    b. Other masonry types such as brick or tile;
    c. On facades not facing a public right-of-way, decorative coursing to break up blank wall areas;
    d. Matching colored mortar (where color is an element of architectural treatment for any of the other listed finishing options).

C. **Other Materials.**

1. Drain-able Exterior Insulation Finish Systems (EIFS) shall not be applied to more than 15 percent of any facade, and shall not be applied at a height below 12 feet, except as a sign band.
2. Other building materials may be used as predominant materials if it is demonstrated that:
    a. They have comparable durability, impact resistance, and quality as the materials listed in subsection B;
    b. They have comparable texture to the materials listed in subsection B;
    c. They are compatible with the materials used on adjacent buildings; and
    d. They are part of a building that is designed to achieve a Leadership in Energy and Environmental Design ("LEED") Gold or Platinum rating, and the materials qualify for LEED points under both the Energy and Atmosphere criteria and the Materials and Resources criteria
    e. Approval has been granted by the Planning Director to continue the use of pre-existing building materials on building additions to match those of pre-existing buildings.

D. **Prohibited Materials.**

1. The following materials are prohibited:
    a. Metal or wood siding; Drain-able
    b. Lap or Drop siding;
    c. Metal screening;
    d. Corrugated/Flat Panel Fiberglass sheathing;
    e. Crushed rock or crushed tumbled glass;
    f. Plastic;
    g. Glass Fiber Reinforced Concrete (GFRC); unless used for emulating historic trim
    h. Vinyl or plywood siding; and

i. Chain link fencing (except for temporary purposes such as a construction site or as a gate for a refuse enclosure).

2. Any building product that covers over historic facades.