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FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

NOV 21 1997

DECLARATION

OF

HORIZONTAL PROPERTY REGIME

FOR THE OAKS CONDOMINIUM HOMES

INCLUDING THE

CODE OF BY-LAWS OF

THE OAKS

CONDOMINIUM ASSOCIATION, INC.

NOT FULLY ENTITLED FOR TRANSFER SUBJECT TO
FINAL ACCEPTANCE FOR TRANSFER.

NOV 21 1997

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James D. Smith
REGISTERED PROFESSIONAL ENGINEER

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**DECLARATION OF HORIZONTAL PROPERTY REGIME
LAKEPOINTE GARDENS CONDOMINIUMS**

THIS DECLARATION OF HORIZONTAL PROPERTY REGIME for THE OAKS CONDOMINIUM HOMES ("Declaration"), is made this 1st day of October, 1997 by Lakepointe Development, LLC, an Indiana limited Liability company ('Declarant').

RECITALS:

- A. Declarant is the owner in fee simple of certain real estate described in Exhibit A attached hereto and made a part hereof (the "Property").
- B. On the Property, there exists a certain apartment development known as The Oaks Condominium Homes.
- C. Declarant desires to create upon the Property a horizontal property regime in accordance with the provisions of the Horizontal Property Act of the State of Indiana by recordation of this Declaration.

NOW THEREFORE, Declarant hereby makes this Declaration and declares that the Property shall be a "Horizontal Property Regime" as provided in the Act, subject to and in accordance with the following terms and conditions:

Section 1. Definitions. The following terms whenever used in this Declaration shall have the following assigned meanings:

- (a) "Act" means the Horizontal Property Act of the State of Indiana, I.C. 32-1-6-1, et seq., as amended.
- (b) "Association" means The Oaks Condominium Association, Inc., an Indiana nonprofit corporation.
- (c) "Board of Directors" means the governing body of the Association elected by the Co-owners in accordance with the By-laws, and shall be synonymous with the term "Board of Directors" as used in the Act.
- (d) "Building" shall mean a single structure which contains more than one Dwelling Unit.

(e) "By-laws" means the Code of By-laws of the Association, providing for the administration and management of the Association, a true copy of which is attached hereto and made a part hereof as Exhibit B to this Declaration and incorporated herein by reference.

(f) "Common Areas" means the General Common Areas and the Limited Areas.

(g) "Common Expenses" means expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Areas and all other costs and expenses incurred by the Association for the benefit of the Common Areas or for the common benefit of all Owners.

(h) "Co-owners" means all of the Owners of all the Dwelling Units in the Regime.

(i) "Declarant" means Lakepointe Development, LLC Properties, and any successor or assignee of its interest in this Declaration under an instrument or instruments which expressly state that the successor or assignee thereunder shall become the Declarant for purposes of this Declaration.

(j) "Dwelling Unit" means any individual residential unit within the Regime which is to be transferred to an Owner for exclusive occupancy by said Owner or its successors or assigns, each individual unit being more particularly described and identified on the Plans and in Sections 2 and 3 of this Declaration.

(k) "Formula" means the method set forth in Section 6 of this Declaration for computing the Percentage Interest applicable to each Dwelling Unit.

(l) "Garage Unit" means one or more of the forty (40) detached garage units within the Regime which are to be transferred to an Owner for exclusive use by said Owner or its successors and assigns as a component part of each sale of a Dwelling Unit, each such garage unit being more particularly described and identified on the Plans and in Sections 2 and 3 of this Declaration.

(m) "General Common Areas" means those Common Areas the use and enjoyment of which is not limited to certain Units, as further described and defined in Section 4 of this Declaration.

(n) "Limited Areas" means those Common Areas, the use and enjoyment of which is limited to a certain Unit or Units, as defined in Section 5 of this Declaration.

(o) "Managing Agent" means any person or entity to which the management responsibilities of the Association are delegated under Section 12 of this Declaration.

(p) "Master Declaration" means the Declaration of Covenants, Easements and Restrictions for Lakepointe Gardens and amendments thereto.

- (q) "Mortgagee" means the holder, insurer, or guarantor of any first mortgage on any Unit.
- (r) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns the fee simple title to a Unit; provided, that persons or entities owning a single Unit as tenants in common, joint tenants, tenants by the entireties, or any form of joint or divided ownership, shall be deemed one Owner for purposes of this Declaration.
- (s) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Unit, as determined in accordance with Section 6 of this Declaration.
- (t) "Percentage Vote" means that percentage of the total vote accruing to all of the Units which is applicable to each particular Unit and exercisable by the Owner thereof, as described in Section 7 of this Declaration, and in the By-laws.
- (u) "Plans" means the floor and building plans of the Buildings and Units on the Property and the site plan, survey and elevation plan of the Property and Buildings, duly certified by a registered architect or licensed professional engineer.
- (v) "Property" means the real estate and appurtenant easements, the Units, the Buildings, and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Property described in Exhibit A and used in connection with the operation, use and enjoyment of the Regime.
- (w) "Regime" means the Horizontal Property Regime created by this Declaration.
- (x) "Supplemental Declaration" means this instrument by which the Property is submitted to the provision of the Act, and shall include such amendments, if any, to this instrument as from time to time may be adopted.
- (y) "Umbrella Association" means Lakepointe Gardens Property Owners Association, Inc., an Indiana non profit corporation.
- (z) "Unit" means a Dwelling Unit(s) and/or a Garage Unit(s) as the context requires.

Section 2.

(a) Description of Units. The Property contains eight (8) Dwelling Units, as shown on the Plans recorded at the time of recording of this Declaration, as further described in Section 30 hereof. Said Dwelling Units are identified and referred to in the Plans and in this Declaration as Dwelling Units numbered 3001-A through H. The legal description for each

Unit shall consist of the numeric designation of the particular Dwelling Unit and reference to this Declaration and any relevant amendments then of record. Each Unit shall consist of all space within the boundaries thereof (as hereinafter described) and all fixtures, facilities, utilities, equipment, appliances, and structural components within said boundaries which are designed or intended to be solely and exclusively for the enjoyment, use and benefit of the Unit. Not included in any Unit are those fixtures, facilities, utilities, equipment, appliances, and structural components designed or intended for the use, benefit, support, safety or enjoyment of more than one Unit, or which may be necessary for the same, or which are specifically defined or described herein as General Common Areas or Limited Areas, or which are normally intended for common use; provided however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of a Unit shall constitute a part of such Unit, even if the same are located wholly or partly outside the boundaries of such Unit.

(b) **Applicability of Expandable Condominium Law.** It is intended that this condominium shall be an expandable condominium as provided for in I.C. 32-1-6-12.1. A total of five phases are contemplated, each phase consisting of one building of eight units, for a total of forty (40) units. As each phase is completed and added to the Regime, the Percentage Interest which appertains to each condominium unit shall be equalized, as per attached schedule, Exhibit C, and in accord with provisions of Section 24 of this Declaration..

Section 3. Boundaries. The boundaries of each Unit shall be as shown on the Plans. The horizontal boundaries shall run from the interior face surface of the ceiling above and abutting the Unit, including all drywall or plaster affixed to the ceiling structure to the interior top surfaces of the finished flooring below and abutting the Unit and the vertical boundaries shall be the interior face surface of the boundary walls of each Unit, including all drywall or plaster affixed to the boundary walls structure, except that all glass, screens and air conditioning units shall be deemed a part of the Dwelling Unit. In the event that any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or roof of the Unit because of inexactness of construction, settling after construction, or for any other reasons, the boundary lines of each Unit shall be deemed to be and treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Owner of each Unit in and to such space lying outside of the boundary lines of the Unit as indicated on the Plans, but within the walls, floors, and ceilings of the Unit as the same may actually exist.

Section 4. General Common Areas. General Common Areas shall include the following, except to the extent otherwise specifically designated in Section 2, 3, or 5 as being within a Unit or as Limited Areas:

- (a) the yards, gardens, open spaces, fences, and landscaping;

- (b) exterior lighting fixtures and electrical services except where separately metered to a particular Unit;
- (c) electrical, gas, water, sanitary sewer, telephone, and cable television lines, mains, pipes, ducts, conduits, wiring and insulation to the extent they serve more than one (1) Unit;
- (d) interiors of all structural walls and floors, including all exterior walls and attic space, walls between horizontally adjacent Units, and floors between vertically adjacent Units;
- (f) foundations, roofs, exterior wall surfaces of Buildings, and all other structural elements and components of the Buildings; and
- (g) all other structures, areas, and facilities not expressly defined as Limited Areas in Section 5 or expressly included within the Units by Sections 2 or 3 of this Declaration.

Such Common Areas may not be mortgaged or conveyed without the approval of sixty-seven percent (67%) of the Percentage Vote (excluding the Percentage Vote owned by Declarant).

Section 5. Limited Areas. Limited Areas shall consist of the following:

- (a) Storage Areas. Storage areas, if any, shall be limited to the exclusive use of a particular Unit as designated by the Declarant and/or Association. The exclusive use of such storage areas shall pass with title to the Unit for which such storage area is designated, even though not expressly mentioned in the document passing title. The storage areas and use thereof shall be subject to such rules and regulations as may be deemed appropriate and be adopted by the Board of Directors.
- (b) Entranceways and Walkways. The entranceways and hallways through which access to a Unit is obtained are limited to the use of the Unit or Units served by such entranceway. The walkways and stairways used for access to particular individual Units are limited to the use of the Units so served.
- (c) Patios and Balconies. The patios, balconies, and porches, are limited to the use of the Dwelling Unit or Dwelling Units to which they are appurtenant.
- (d) Garages and Parking Spaces. Each Dwelling Unit shall have the exclusive right to use the detached Garage Unit designated for such Dwelling Unit by the Declarant and/or Association. The use of the garage so designated and the use and allocation of all other parking spaces and areas shall be subject to such rules and regulations as the Board of Directors shall deem appropriate and adopt in accordance with this Declaration. Ownership of each Garage Unit may be redesignated by deed, subject to the requirement that a Garage Unit may only be sold or otherwise transferred to an Owner of a Dwelling Unit.

Section 6. Ownership of Common Area and Percentage Interest. In connection with and as an inseparable part of the ownership of each Unit, each Owner thereof shall have an undivided interest in the Common Areas as tenant in common with all other Owners, such interest to be equal to the Percentage Interest applicable to the Unit. The Percentage Interest in the Common Area applicable to each Unit shall be as set forth below, or as otherwise provided in Section 2(b) hereof:

<u>Unit Number</u>	<u>Percent Interest</u>
3001-A	12.5
3001-B	12.5
3001-C	12.5
3001-D	12.5
3001-E	12.5
3001-F	12.5
3001-G	12.5
3001-H	12.5

Section 7. Membership in Association and Percentage Vote. In connection with and as an inseparable part of the ownership of each Unit, each Owner shall be a member of the Association and shall have a Percentage Vote, which he shall be entitled to cast at each meeting of the Association on each matter on which the Co-Owners may vote under the terms of this Declaration, the Articles of Incorporation of the Association, or the By-laws. The Percentage Vote allocable to each Unit for all matters upon which the Co-Owners are entitled to vote shall be equal to the Percent Interest in the Common Elements. Unless otherwise stated in the Act, the By-laws, or this Declaration, matters to be undertaken or performed by the Association shall be so undertaken or performed only upon the approval thereof by a majority of the Percentage Vote represented at the meeting of the Association at which such matter is considered (provided a quorum is present). To determine whether a majority or any specific percentage of the vote required by this Declaration has approved any matter, the votes of the Owners which have been cast in favor of such matter shall be tallied. For purposes of this Declaration and the Act, (a) a majority of the Percentage Vote or of the Co-Owners shall not exist unless such sum, when dividend by the total number of Dwelling Units in the Regime exceeds fifty percent (50%), (b) a two-thirds (2/3) majority of the Percentage Vote of the Co-Owners shall not exist unless such sum, when divided by the total number of Dwelling Units in the Regime exceeds the decimal equivalent of two-thirds (2/3), and (c) a majority of the Percentage Vote represented at such meeting shall not exist unless such sum, when divided by the number of Owners present or represented at such meeting, exceeds fifty percent (50%).

Section 8. Association of Owners. In order to provide for the maintenance, repair, replacement, administration and operation of the property and in compliance with the provisions of the Act, an association of the Co-Owners of the Units in the Regime has

been or shall be created by Declarant, to be known as The Oaks Condominium Association, Inc. (herein referred to as the "Association"). Each Owner shall be a member of the Association, but membership shall terminate when such person ceases to be an Owner, and such membership shall automatically transfer to the new Owner along with the transfer of the Unit, whether or not such transfer is stated in the conveyancing instrument. Declarant shall appoint the members of the initial Board of Directors of the Association, which shall control during the period of its incumbency all matters which would be within the authority of either the Association or the Board of Directors under this Declaration, the By-laws, or the Act, except that certain powers including the power of assessment shall be limited as provided in the By-laws. Each Owner shall confer and shall be deemed to have conferred upon Declarant an irrevocable proxy to vote in such Owner's name, place, and stead on any and all matters on which the Co-Owners or any of them are entitled to vote under this Declaration, the By-laws, or the Articles of Incorporation of the Association. Said initial Board of Directors, and successors thereto appointed by Declarant from time to time, will serve until such time as Declarant turns over control of the Regime to the Co-owners, which will take place not later than the latter of:

- (a) the date on which over eighty-five percent (85%) of the total number of Dwelling Units in the Regime have been conveyed to purchasers thereof (other than Declarant and/or owners and/or affiliates thereof); and
- (b) The third (3rd) anniversary of the date on which occupancy permits have been issued with respect to all Dwelling Units included in the regime,

but in no event later than the tenth anniversary of the date on which this Declaration is first recorded in the Office of the Recorder of Porter County, Indiana.

The irrevocable proxy conferred upon Declarant shall terminate as of the date of such transfer of control, and at such time, Declarant shall make available to the Association all books, records, plans, and other information in its possession regarding the activities of said initial Board of Directors and the operation of the Regime prior to such turnover. Thereafter, the Association shall elect a Board of Directors annually in accordance with and as prescribed by the By-laws, and may take any other actions with respect to control of the Regime provided for by this Declaration, the By-laws, or the Act. The Board of Directors shall be the governing body of the Association, representing all of the Co-Owners in providing for the management, maintenance, repair, replacement and upkeep of the Property.

Section 9. Encroachments and Easements for Common Areas. If, by reason of the location, construction, settling, or shifting of a Unit, a Common Area now encroaches or shall hereafter encroach upon any Unit, then in such event an easement shall be deemed to exist and run to the Co-Owners and the Association for the maintenance, use and enjoyment of such Common Area. Each Owner shall have an easement in common with each other Owner to use all General Common Areas, wherever located, including the rights of ingress and egress to such Owner's Unit, which such right is perpetual and appurtenant to such Unit.

Section 10. Easement for Utilities and QuasiPublic Vehicles. All public and quasi-public vehicles, including, but not limited to, vehicles for police, fire, ambulance, and other emergency vehicles, trash and garbage collection, mail delivery, and other delivery services

shall have the right to enter upon the General Common Areas in the performance of their duties. A transferable easement is also reserved by Declarant, to be granted to the appropriate utilities and their agents, for ingress and egress for purposes of installation, replacement, repairing, and maintaining of utilities lines, mains, and other necessary facilities and equipment within the Regime, including, but not limited to, water, sewers, gas, telephones, and electricity; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines, or other utilities, except as designed and approved by Declarant prior to turnover of control of the Association or as thereafter may be approved by the Board of Directors, nor permit substantial impairment of any Owner's use and enjoyment of his Unit, and the grantee of any such easement rights shall be responsible for repair or restoration of damage to any property caused by its activity pursuant to such easement rights. Declarant and the Association, or either of them, shall have the right to grant such other easements, licenses, and rights-of-way as may be necessary for the proper operation and maintenance of the Regime.

Section 11. Restrictions on Use. The following restrictions apply to the use and enjoyment of the Units, General Common Areas, Limited Common Areas, and other property:

(a) All Dwelling Units shall be used exclusively for residential purposes and occupancy for no more than two (2) people per bedroom, and no lease shall demise any Dwelling Unit for a term of less than six (6) months, provided, however, Declarant may lease for a term less than six (6) months. Nothing contained herein shall restrict the use of any Dwelling Unit or any other property by Declarant during construction and sales periods for unit "models", sales and management offices. All Garage Units shall be used exclusively for normal and customary residential garage uses, except that Declarant may use the Garage Units for storage during construction.

(b) No additional buildings nor any additions thereto or exterior or structural modifications thereof shall be constructed within the Regime, other than the Buildings designated in the Declaration and as shown on the Plans filed with this Declaration or any Amendment.

(c) Nothing shall be done or kept in any Unit or in the Common Areas which will cause an increase in the rate of insurance on any Building or the contents thereof. No Owner shall permit anything to be done or kept in his Unit or in the Common Areas which will result in a cancellation of insurance on any Building or contents thereof, or which would be in violation of any law, ordinance, rule, or regulation of any duly constituted governmental authority or any publicly regulated utility.

(d) No waste shall be committed in the Units, General Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building, or on or upon any balcony or

patio, and no sign, awning, canopy, shutter, radio or television antenna, or other attachment shall be affixed to or placed upon the exterior walls or roof or any other part of the Building, without the prior written consent of the Board of Directors.

(f) The Board of Directors may adopt such rules and regulations regarding pets as it may deem appropriate. These rules may allow or prohibit pets. In the event that in the judgment of the Board of Directors, any pet is causing or creating a nuisance or unreasonable disturbance or noise, such pet shall be permanently removed from the Property upon written notice of such determination by the Board of Directors.

(g) Nothing shall be done or permitted in any Unit which will impair the structural integrity of any Building or which would structurally change any Building, except as otherwise expressly provided in the Declaration or these By-laws; nor shall any Unit be used in any unlawful manner, or in any manner which causes or threatens injury to the reputation of the Regime or to cause nuisance, annoyance, inconvenience, or damage to other Owners or tenants of any Building, including, without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, TV, loud speakers, electrical equipment, amplifiers, or other equipment or machines.

(h) No clothes, sheets, blankets, rugs, laundry, or other similar objects or materials shall be hung out or exposed on any part of the General or Limited Common Areas. The Common Areas shall be kept free and clear of rubbish, debris, and other unsightly material by the Owners, except as to specific areas designed for temporary storage thereof.

(i) No industry, trade, or other commercial or organized religious activity, educational or otherwise, whether designed for profit, altruism or otherwise, shall be conducted, practiced, or permitted on the Property.

(j) No "For Sale", "For Rent" or "For Lease" signs, nor any window advertising display of any kind shall be maintained or permitted on any part of the Property, without the prior consent of the Board of Director-s; provided, however, that the right is reserved by the Declarant and the Board of Directors to place or allow to be placed "For Sale" or "For Lease" signs on any unsold or unoccupied Units.

(k) All Owners and members of their families, their guests, or invites, all lawful occupants of any Dwelling Unit and all other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be issued in writing by the Board of Directors governing the operation, use, and enjoyment of the Common Areas. .

(l) No boats, campers, trailers of any kind, buses, mobile homes, trucks, motorcycles, mini-bikes, or any other unconventional vehicles of any description, shall be permitted, parked, or stored anywhere within the Property, except that any such vehicles may be parked or stored completely enclosed within a garage, or except as may be authorized in writing by

the Board of Directors. Garage doors shall be kept closed except when entering or exiting the garage. No Owner shall park any vehicle in any location other than in its garage or designated parking areas.

(m) No owner (other than Declarant) shall be allowed to plant trees, landscape, or to do any gardening in any of the Common Areas, except with the written consent of the Board of Directors.

(n) All trash or refuse shall be stored in appropriate containers inside the Unit (including garage) or designated trash receptacles, and such areas shall be kept accessible for the regular trash collection system established by the Board of Directors.

(o) No Owner shall install or maintain any interior or exterior window decor visible from outside the Unit, other than interior draperies having a white or pastel back lining without the Board of Directors' prior written consent.

(p) Not in limitation of any other provisions of this Article, an Owner will not use or permit the transportation, treatment, storage, or disposal of any hazardous substances or other materials subject to regulation by the Indiana Environmental Management or the United States Environmental Protection Agency, or any materials or substances which the Association reasonably deems to be hazardous.

Section 12. Maintenance, Decoration, Repairs and Replacement.

(a) Common Areas. The Association will be responsible for the maintenance, repair, decoration, restoration, and replacement of the Common Areas, and the cost thereof shall be part of the Common Expenses. The Association may elect to delegate such duties to a Managing Agent and may enter into a management contract for such purpose, provided that such agent and the terms of such contract are approved by a majority of the vote present or represented at any meeting of the Association. Declarant or an entity affiliated with Declarant may serve as the Managing Agent for the Regime so long as Declarant retains control of the Association, and shall perform all property management functions on behalf of the Association. Any management contract made or which is deemed to arise between the Association and Declarant (or any affiliate) shall be terminable by the Association without cause and without penalty upon thirty (30) days' written notice at any time after Declarant relinquishes control of the Association. The Board of Directors has the right to adopt such rules and regulations concerning the maintenance, repairs, use and enjoyment of the Common Areas as it deems appropriate, including the appointment of Committee to oversee the same. The Board of Directors shall have the exclusive right to determine the outside decor of each Dwelling Unit, including without limitation the color and type of paint and all other decor appurtenant to the exterior of each individual Dwelling Unit.

(b) Units. Each Owner shall control and have the right to determine the interior decor of his Unit, but this shall not include the right to make structural changes to the Unit, nor the right

to use interior decor which in the discretion of the Board of Directors adversely affects the external appearance of the Unit, as more particularly set forth in Section 11 of this Declaration. No act or omission which constitutes waste shall be committed or suffered in or upon any Unit, the General Common Areas, or Limited Areas. Each Owner shall maintain and repair at his sole cost and expense all fixtures, appliances, equipment, and other improvements constituting a part of his Unit under Sections 2 and 3 hereinabove, and each Owner shall promptly repair any condition or defect existing, or occurring in his Unit which, if not repaired, might adversely affect any Unit, General Common Area or Limited Areas. The Board of Directors and the Managing Agent shall have the right at reasonable times and upon reasonable prior notice (except in of emergency in which case no notice shall be required) to enter into the Units and the Common Areas adjacent to each Unit to repair, replace, and maintain such Common Areas. In the event that any Owner fails or is unable to maintain or repair any condition or defect for which he is responsible and the Board of Directors or the Managing Agent have a reasonable basis for believing that such Condition or defect has caused or threatens to cause immediate and substantial harm to any person or to any property outside his Unit, the Board of Directors and the Managing Agent shall each have the right to enter such Owner's Unit to remedy or repair such condition or defect, and any costs or expense incurred in connection therewith (including attorneys fees) shall be payable by such Owner upon demand by the Board of Directors or the Managing Agent. Nothing herein contained shall be construed to represent a Contractual liability to any Owner on the part of the Declarant, the Association, or the Board of Directors for maintenance, repair, or replacement of any Unit, General Common Areas, or Limited Areas, and the liability of the Association, the Board of Directors, and the Managing Agent in this regard shall be limited to damages resulting from gross negligence, recklessness, or intentional misconduct, unless otherwise provided in the management contract in the case of the Managing Agent.

(c) Absence of Warranty. The Declarant specifically disclaims any intent to have made any warranty or representation in Connection with the Property or the condominium owner's association documents except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein.

Section 13. Alterations, Additions, and Improvements. No Owner (other than Declarant) shall make any alterations, additions, or improvements to the Common Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alterations to his respective Unit which would impair the safety thereof, or which would substantially alter or adversely effect any structural portion of any Unit or impair any easement or hereditament, without the unanimous consent of the Co-owners. Any alteration, addition, or improvement made by any Owner wholly or in part outside his respective Unit with the consent of the Board of Directors shall remain the property of that Owner and shall be owned, maintained, and insured by that Owner as part of his Unit and deemed a part thereof for purposes of this Declaration. Upon the sale of his Unit, such alterations, additions, or improvements shall be transferred along with such Unit, and the purchaser shall be deemed to assume the prior Owner's maintenance and insurance obligations. If, in the

reasonable discretion of the Board of Directors, such alteration, addition, or improvement is not being properly maintained, the Board of Directors or Managing Agent may perform any necessary maintenance work if such condition is not corrected by such Owner within ten (10) days after notice of such determination by the Board of Directors, and such Owner shall be liable for all costs incurred in connection with such maintenance, including attorneys' fees incurred for collection of the same.

Section 14. Assessments.

(a) Liability for Assessments. As of the first day of the first month following its addition to the Regime, each Unit and the Percentage Interest appurtenant thereto shall be subject to the Regular Assessments and special Assessments for Common Expenses as provided in the Master Declaration and in this Section 14 of this Supplemental Declaration. Each Owner shall pay the Lakepointe Gardens Assessment and The Oaks Assessment to the Association. It shall be the Association's duty to forward the Lakepointe Gardens Assessments collected to the Umbrella Association. All such Assessments shall constitute liens upon each Unit and appurtenant Percentage Interest as of the date of determination of each such Assessment by the Association, as further provided and described in the By-laws. The date(s) on which Assessments are due and payable shall be as specified in this Declaration or the By-laws, or if not so specified, then as determined by the Board of Directors. In addition, each Owner shall be personally liable for the amounts of any and all Assessments which become due and payable during the period in which such Owner holds title to a Unit. No Owner shall be personally liable for any Assessments which first became due and payable prior to the time such Owner took title to a Unit unless he expressly assumes such liability, except as may otherwise be required by the Act. However, a conveyance by an Owner of his Unit shall not operate to release or limit the liability of an Owner for Assessments becoming due and payable while such Owner holds title to a Unit. The lien of any Assessment shall be subordinate to any first mortgage on any Unit which was recorded before the time when said Assessment first became delinquent, and any sale or transfer of a Unit pursuant to a foreclosure of a first mortgage shall extinguish such subordinate liens.

(b) Collection of Assessments. Each Assessment shall be due and payable within ten (10) days of the due date thereof as specified in this Declaration or in the By-laws, or if not so specified, then within ten (10) days of any due date(s) determined by the Board of Directors, and the date marking the end of the applicable time period allowed herein for the payment of such Assessment is hereby termed the "Delinquency Date." Any assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner, and shall bear interest on the unpaid balance thereof from the Delinquency Date until fully paid, at a rate of interest equal to eighteen percent (18%) per annum. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the dates incurred until paid in full, at a rate of interest equal to eighteen (19%) per annum. All interest and all costs and expenses

payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Unit and Percentage Interest as of the date on which such delinquent Assessment first became a lien. In the event that any Assessment is not fully paid on or before the Delinquency Date, the Association shall be entitled to accelerate and declare due and payable in full all installments of Assessments due for the year in which such delinquency occurs, and to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. Any such lien against a Unit and its Percentage Interest shall be subordinate to any first Mortgage covering such Unit and its Percentage Interest if and to the extent such Mortgage was recorded prior to the due date of the delinquent Assessments.

(c) Garage Assessments. The Association may assess each Owner who owns one of the Garage Units, an amount, from time to time, as set forth in the By-laws (the "Garage Assessment"). Such Garage Assessment shall constitute a lien against the Dwelling Unit owned by the owner of such Garage Unit as well as the Garage Unit owned by such Owner. Such Garage Assessment shall be considered an Assessment for purposes of this Declaration.

Section 15. Insurance.

(a) The Association shall obtain fire and extended coverage insurance insuring all Units in the Regime including all fixtures, appliances, and other improvements installed and sold by Declarant as a part thereof, and all Common Areas in the Regime, building service equipment and supplies, and other common personal property belonging to the Association in an amount equal to the full replacement cost thereof from time to time, as determined by a qualified appraiser. Such insurance shall be in the form of a master casualty policy for the entire Regime and shall contain the following endorsements, if and to the extent obtainable at a reasonable cost in the State of Indiana: (i) replacement cost; (ii) inflation guard; (iii) demolition cost, contingent liability, and increased construction cost in connection with building code requirements; (iv) steam boiler coverage in an amount of at least \$50,000 per accident per location (if applicable); and (v) all matters customarily covered under a 'special condominium endorsement.' All such policies shall provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Section 17. In the event that all or any portion of the Regime shall be determined to be in a flood hazard zone, the Association shall also obtain a master policy of flood insurance on all Units and Common Areas within such flood hazard zone, in an amount at least equal to the lesser of 100% of the current replacement cost of all insurable property within the flood hazard area, or the maximum coverage available for such property under the National Flood Insurance Program. The amount of coverage shall be increase from time to time to cover all additions to the Regime, and all such policies shall meet the requirements of Subsection E. of this Section. The proceeds shall be payable to the Association, who shall

hold and apply such proceeds as trustee for the individual Owners and Mortgagees, as their respective interests shall appear. The proceeds shall be used or disbursed only in accordance with the provisions of this Section 15 and of Section 17 of this Declaration, as applicable, and any surety bond or bonds obtained by the Board of Directors covering the officers of the Regime as provided in subsection D of this Section shall specifically include protections for any insurance proceeds so received. Any fixtures, equipment or other property of the Association within the Units which are to be financed by a mortgage to be purchased by FNMA or FHLMC shall be covered by the foregoing policies.

(b) The Association also shall obtain comprehensive public liability insurance together with Workmen's Compensation Insurance, employers liability insurance, and such other liability insurance, With such coverages and limits, as the Board of Directors deems appropriate; provided, however, that public liability insurance shall have liability limits of not less than Three Million Dollars (\$3,000,000.00) for personal injury-y and One Million dollars (\$1,000,000.00) for property damage; and provided further. that all such policies shall meet the requirements of Subsection E of this Section 15. Such policies shall cover, at a minimum, legal liability of the insureds for property damage, bodily injury and death of persons in connection with the operation,, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Association. Such insurance shall inure to the benefit of each individual Owner, the Association, the Board of directors, and any managing agent or company acting on behalf of the Association. The individual Owners, as well as any lessees of any Owners, shall have the right to recover losses insured for their benefit.

(c) Each Owner shall have the right to purchase any additional insurance as he may deem necessary, and each Owner shall be solely responsible for loss of or damage to the contents of his own Unit, however caused, including all floor and wall coverings, appliances, fixtures, and betterments installed by the Owner, and for loss of or damage to any of his personal property, whether or not stored or kept in his own Unit. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

(d) The Association shall obtain a fidelity bond indemnifying the Association, the Board of Directors, and the Co-Owners for loss of funds resulting from fraudulent or dishonest acts of any employee, officer or director of the Association or of any other person handling the funds of the Association or the Co-Owners. When the Managing Agent has the responsibility for handling or administering fends of the Association, the Managing Agent shall maintain fidelity bond coverage for its officers, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without

compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the Managing Agent, shall be paid by the Association as Common Expenses. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association or Insurance Trustee (as defined below). Such bonds shall also provide that the FNMA Services, on behalf of FNMA, receives such notice of cancellation or modification.

(e) All policies of insurance of the character described in subsections A and B of this Section 15 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, the Board of Directors, the Declarant, any Managing Agent, their respective employee and agents, or the Owners, and shall further contain a clause whereby the insurer waives any defenses based on acts of individual Owners whose interests are insured thereunder, and shall cover claims of one or more insured parties against other insured parties. All such policies shall name the Association, for the use and benefit of the Owners, as the insured; shall provide that the coverage there under is primary even if an Owner has other insurance covering the same loss; shall show the Association or Insurance Trustee, in trust for each Owner and Mortgagee as their interest may appear, as the party to which proceeds shall be payable; shall recognize any Insurance Trust Agreement (as defined below), shall contain a standard mortgage clause and name FNMA and all Mortgagees as mortgagee; and shall prohibit any cancellation or substantial modification to coverage without at least ten (10) day's prior written notice to the Association and to the mortgagees. All policies of insurance maintained by the Association pursuant to this Section 15 shall provide such coverages and be in such amounts as may be required from time to time by FNMA, FHLMC, FHA or VA. Upon obtaining or changing any policies of insurance authorized or required by this Section 15, a certificate of insurance setting forth the same shall be, upon request, sent by the Secretary of the Association to each Owner and each Mortgagee whose interest may be affected thereby.

(f) Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the 'Insurance Trustee'), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each Owner hereby appoints the Association, or any Insurance Trustee or substitute insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose.

(g) The Association shall use generally acceptable insurance carriers and shall attempt to follow the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide for specific requirements regarding the qualifications of such insurance carrier.

Section 16. Condemnation. In the event that all or any part of the Regime shall be taken or condemned by any Competent authority, or if any condemnation proceeding shall be instituted with respect to all or any part of the Regime, the Association shall have the right to appear and defend in such proceedings on behalf of the Owners affected thereby and to prosecute on behalf of any such Owners any action or proceeding, at law or in equity, as it may deem appropriate for the adequate protection and Compensation of all Owners affected by any confiscatory act of any public body. The proceeds obtained by the Association as a result of any such action or proceeding shall be received by the Association and shall be applied by the Association as follows: (a) the portion of such award which is allocated by the court making such award, or if not so allocated, then as determined by a two-thirds (2/3) majority of the Percentage Vote at a special meeting called for the purpose of making such allocation, to the buildings or units taken (such portion hereinafter called the 'Building Award'), shall be distributed among the Owners whose Units were taken in proportion to the relative fair market values of the Units so taken as of the date of such taking, or if such values cannot be determine, then equally among such Owners (b) the balance of such award after payment of the Building Award shall be paid, first, to reimburse the Association for its costs and expenses in obtaining such award, and the balance, if any, shall be paid to each Co-Owner in the Regime in proportion to his Percentage Interest. No amounts or damages shall be paid by the Association to any Owner for any partial taking, partial loss of use, or impedance of access as to any Unit, except to the extent that the amount of any such award is specifically determined by the court making such award or by a two-thirds (2/3) vote of the Association. Nothing in this Section 16 shall be construed to prevent any Owner affected by any condemnation or confiscatory action of any public body from participating in any condemnation proceedings or from prosecuting any action for any recovery for any confiscation of his property, but such Owner shall not be entitled to distribution out of the proceeds received by the Association to the extent that such Owner recovers sums or compensation for the same or similar damages as are the basis of the award to the Association. Nothing herein contained shall be construed to require payment of proceeds to an Owner in derogation of any rights such Owner's Mortgagee may have to such proceeds. No reallocation of Percentage Interests (if any) resulting from a partial condemnation may be affected without the approval of the eligible holders of first mortgages on Dwelling Units to which at least fifty-one percent (51 %) of the votes of Dwelling Units subject to mortgages held by such eligible holders are allocated. 'Eligible holder' shall mean a holder of a first mortgage who has requested notice in accordance with this Declaration.

Section 17. Casualty and Restoration. In the event of any damage to or destruction of the Property by fire or other casualty, the following provisions shall be applicable:

(a) In the event of less than complete destruction (as defined in subsection (b) hereinbelow) of the Units in all Buildings, all Units and other property shall be promptly repaired and restored by the Association. The proceeds of the insurance shall be applied to the cost of such repair and restoration. If the insurance proceeds are not adequate to cover the cost of reconstruction or in the event there are no proceeds, the amounts needed to complete the repair and restoration beyond available insurance proceeds may be paid by all Co-owners as a Common Expense. The application and use of such proceeds shall be determined by the Board of Directors of the Association acting as trustee under Section 15, or by any Mortgagee electing to act as trustee in place of the Association, and when so determined in good faith shall be binding upon all Owners and Mortgagees.

(b) In the event that two-thirds or more of the Units in the Regime are damaged or destroyed by fire or other casualty, a special meeting of the Association shall be called. If, at that meeting, a determination is made, by vote of at least a two-thirds (2/3) majority of the Percentage Votes of all Owners in the Regime, that a Complete destruction has occurred so that the Buildings and other property in the Regime shall not be repaired or restored, which has been approved by the eligible holders of first mortgages on Units to which at least fifty-one percent (51 %) of the votes of Units subject to mortgages held by said eligible holders are allocated, then the proceeds of insurance and the property in the Regime shall be dealt with and disposed of in accordance with Sections 19 and 2I of the Act, as either may be amended from time to time, or in accordance with any substitute provisions governing such matters as may be enacted subsequent to the date of this Declaration, with distributions of proceeds to be made to the Owners in proportion to the relative fair market values of their respective Units as of the date of such destruction, if and to the extent values can be determined and if and to the extent such distribution is permitted by applicable law. 'Eligible holder' shall mean a holder of a first mortgage who has requested notice in accordance herewith.

(c) Restoration, for purposes of subparagraphs (a) and (b) above, shall mean construction or rebuilding of the Units and other property to substantially the same condition as they existed immediately prior to the destruction and with a similar quality of materials and workmanship and similar type of design and architecture, but excluding all improvements and property added to or kept in or about such Units by any Owner.

(d) In the event restoration of Units is necessary, and notwithstanding any provision in Sections 15 or 17 of this Declaration to the contrary, the insurance funds for such restoration shall be disbursed by any Mortgagee (if it elects to do so) which holds mortgages on 51 % or more of the number of Units that need to be restored; otherwise, the insurance funds shall be disbursed by the Association or its Insurance Trustee. Such distribution and payment of funds shall be in the manner and in accordance with the procedure normally used when disbursing funds for initial construction. Each insurer shall be notified of this provision by the Association and each policy of insurance shall comply herewith. Nothing contained in Sections 15 or 17 shall be construed to require payment of any proceeds to an Owner in derogation of any rights such Owner's Mortgagee may have to such proceeds.

Section 18. Negligence. Each Owner shall be liable for the expense of any maintenance, repair, or replacement of any of the property which becomes necessary by reason of his negligence or that of any member of his family or his or their guests, employees, agents, lessees, other authorized occupants or visitors, or Owner's pets, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy, or abandonment of his Unit or its appurtenances or of the Common Areas.

Section 19. Real Estate Taxes. Real estate taxes are to be separately taxed to each Unit and the Percentage Interest connected therewith, as provided in the Act, In the event that for any year real estate taxes are not separately assessed and taxed to each Unit, but are assessed and taxed on the Property as a whole, then each Owner shall pay his proportionate share of the real estate taxes. Each Owner's proportionate share will be equal to the Percentage Interest then appurtenant to the Owner's Unit due and payable in such year.

Section 20. Utilities . Each owner shall pay for those utilities provided to his Unit which are separately billed or metered for his Unit. Utilities which are not separately billed or metered shall be treated and paid as part of the Common Expenses.

Section 21. Use and Sale of Units. For, the purpose of maintaining the residential character of the Regime, and for the protection of the Co-Owners, Declarant specifically reserves the mode and method of the original sale of each Unit until the last Unit in the Regime is sold. Subsequent to said original sale, any Owner may sell his Unit subject to the terms and provisions hereof. A Garage Unit may only be sold to an Owner of a Dwelling Unit. Declarant may designate any Dwelling Unit owned by Declarant for location of a sales and/or management office, but no more than one Dwelling Unit within the Regime shall be reserved for such purpose at any one time. The Dwelling Unit so designated may also be used, at the option of Declarant, as a furnished or unfurnished model, and Declarant may further designate from time to time, at its option, any other Dwelling Units in the Regime owned by Declarant, for use as furnished or unfurnished models. Any Dwelling Unit designated by Declarant for use as a model and/or as a sales and management office may, at Declarant's option, either be owned by Declarant or sold and leased back by Declarant for such purpose, and such lease back may be for any term desired by Declarant. The right of Declarant to so designate and use such Dwelling Units shall continue so long as Declarant owns any Dwelling Units within the Property, and no action of the Association or any Owner shall impair such right. Upon discontinuation of such use by Declarant, each such Dwelling Unit shall not become Common Area, but shall be treated as a Dwelling Unit for all purposes of this Declaration.

Section 22. Amendment of Declaration. Except as otherwise provided in this Declaration, this Declaration may be amended in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered, including any annual meeting.

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

(c) Meeting. The resolution concerning a proposed amendment must be adopted by the appropriate majority vote at a meeting duly called and held in accordance with the provisions of the By-laws.

(d) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than sixty-seven percent (67%) of the Percentage Vote, or such higher percentage as set forth below. In the event any Unit is subject to a mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the By-laws.

(e) Special Amendments. No amendment to this Declaration shall be adopted which changes:

(1) The Percentage Interest with respect to any Unit or the share of an Owner's liability for Common Expenses, without the approval of one-hundred percent (100%) of the Percentage Vote and the approval of all Mortgagees whose mortgage interests have been made known in accordance with the provisions of the By-laws, except as provided in Section 2 (b) hereof;

(2) The provisions of Section 17 of this Declaration with respect to reconstruction or repair in the event of fire or casualty, without the approval of sixty-seven percent (67%) of the Percentage Vote and the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the By-laws;

(f) Recording. Each amendment to the Declaration shall be executed by the President or Vice President and Secretary or Assistant Secretary of the Association; provided, that any amendment requiring the consent of Declarant shall contain Declarant's signed consent. All amendments shall be recorded in the Office of the Recorder of Porter County, Indiana, and no amendment shall become effective until so recorded.

(g) Amendment by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners, the Association, the Board of Managers, any Mortgagees or other person to amend or supplement this Declaration from time to time if

(i) such amendment or supplement is necessary to conform this Declaration to the Act, as amended from time to time, or

(ii.) such amendment or supplement is made to implement expansion of the Property and the Oaks Condominium pursuant to Declarant's reserved rights to expand the same as set forth in paragraph 24 hereof.

Section 23. Amendments for Mortgage Purchaser. In the event that FNMA, FHLMC, FHA, VA, or other nationally recognized purchaser, guarantor, or insurer of a mortgage of any property in this Regime should impose any requirements pertaining to the attributes of the Regime or the provisions of this Declaration or the By-Laws, for purposes of qualifying for or agreeing to the purchasing, insuring, or guarantying of any such mortgage, the Declarant or Board of Directors may fully satisfy such requirements, and shall have the right to amend this Declaration in accordance therewith, without the approval or consent of any Owner or Mortgagee.

Section 24. Expandable Condominium and Declarant's Reservation of Rights. The Oaks Condominium Homes are and shall be an expandable condominium as defined in the Act, and Declarant expressly reserves the right and option to add an additional parcel or parcels to the Regime, which said parcel or parcels will, at the time added to the Regime, be adjacent in location to the land which is in the Regime, in accordance with the provision of the Act and the following provisions:

(a) The real estate described and defined herein as the Property in Paragraph A of the introductory recitals of this Declaration is the real estate being subjected to The Oaks Condominium Horizontal Property Regime by this Declaration and constitutes the Phase I of the general plan of development. The maximum number of Condominium Units which may be developed on the real estate, including Condominium Units on the Property as defined in the original Declaration, shall be sixty (60). Subject to said limit as to the maximum number of Condominium Units to developed on the real estate , the Oaks Condominium Homes may be expanded by Declarant to include additional parcels in one (1) or more additional phases by the execution and recording of one (1) or more amendments or supplements to this Declaration; provided however, that no single exercise of such right and option of expansion as to any part or parts of the Property shall preclude Declarant from thereafter from time to time further expanding the Oaks Condominium Homes to include other parcels of real estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the real estate so long as such expansion is done on or before the expiration of ten years from the date of recordation of this document. Such expansion is entirely at the discretion of the Declarant and nothing contained in this original Declaration or otherwise shall require Declarant to expand the Oaks Condominium Homes beyond the Property (as defined and described in paragraph A of the introductory recitals of this Declaration) or any other parcel or parcels which Declarant may voluntarily and in its sole discretion from time to time subject to this Declaration by amendments or supplements to this Declaration as provided above.

(b) The Percentage Interest which will appertain to each Condominium Unit in the Oaks Condominium Homes as the Regime is expanded from time to time by Declarant in accordance with the terms hereof (including the Units included in this original Declaration) shall be as provided in the schedule attached as Exhibit B.

(c) Simultaneously with the recording of amendments or supplements to this Declaration incorporating the addition of Condominium Units or expansion of Common Areas or both, as recorded, all liens including but not limited to mortgage liens shall be released as to the Percentage Interests in the Common Areas described in the Declaration and shall attach to the reallocated Percentage interests in the Common areas as though the liens had attached to those Percentage Interests on the date of the recordation of the mortgage or other lien. The Percentage Interest appertaining to additional Condominium Units being added by the amendment or supplement to the Declaration are subject to mortgage liens upon the recordation of the amendment or supplement to the Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such Amendment or supplement to this Declaration recorded pursuant to this paragraph 24. Each deed, mortgage or other instrument with respect to a Condominium Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to said attorney-in-fact and shall be deemed to reserve to said attorney-in-fact the power to shift and reallocate from time to time the percentages of ownership in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such recorded amendment or supplement to this Declaration.

Each owner of Condominium Unit by acceptance of a deed thereto, further acknowledges, consents and agrees, as to each such amendment or supplement to this Declaration that is recorded as follows:

(1) The parcel or parcels described in each such amendment or supplement to this Declaration shall be governed in all respects by the provisions of this Declaration.

(2) The percentage interest in the common areas appurtenant to each Condominium Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded amendment or supplement to this Declaration and, upon the recording of each such amendment or supplement to this Declaration, shall thereby be deemed to be released and divested from such Owner and reconveyed and reallocated among the other owners as set forth in each such recorded amendment or supplement to the Declaration.

(3) Each deed, mortgage or other instrument affecting a condominium Unit shall be deemed given subject to the conditional limitation that the percentage Interest in the Common Areas appurtenant to each Condominium Unit shall upon the recording of each amendment or supplement to the Declaration be divested pro tanto to the reduced percentage set forth in such amendment or supplement to this Declaration and vested among the other Owners, mortgagees and others owning an interest in the other condominium units in accordance with the terms and percentages of each such recorded amendment or supplement to the declaration.

(4) A right of revocation is hereby reserved by the grantor in each such deed, mortgage or other instrument of a condominium unit to so amend and reallocate the Percentage inters in the Common Areas appurtenant to each Condominium Unit.

(5) The percentage interest in the common areas appurtenant to each condominium Unit shall include and be deemed to include any additional common areas included in land to which The Oaks Condominium Homes is expanded by a recorded amendment or supplement to the Declaration and each deed, mortgage or other instrument affecting a Condominium Unit shall be deemed to include such additional Common Areas and the ownership of any such Condominium Unit and lien of any such mortgage shall automatically include and attach to such additional common Areas as such amendments or supplements to this Declaration are recorded.

(6) Each Owner shall have a perpetual easement, appurtenant to his Condominium Unit for the use of any such additional Common Areas described in any recorded amendment or supplement to this Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners (also known as Limited Areas) of specific Condominium Units as may be provided in any such amendment or supplement to this Declaration.

(7) The recording of any such amendment or supplement to this Declaration shall not alter the amount of the lien for expenses assessed to or against a Condominium Unit prior to such recording.

(8) Each owner, by acceptance of the deed conveying his Condominium Unit, agrees for himself and all those claiming under him, including mortgagees, that this Declaration and each amendment or supplement to the Declaration are and shall be deemed to be in accordance with the Act and for purposes of this Declaration and the Act, any changes in the respective Percentage Interest in the Common Areas as set forth in each such amendment or supplement to this Declaration shall be deemed to be made by agreement of all Owners.

(9) Each owner agrees to execute and deliver such documents necessary or desirable to cause the provision of this paragraph 24 to comply with the Act as it may be amended from time to time.

Section 25. Enforcement of Covenants. The various covenants and restrictions applicable to the use and enjoyment of the Units, as set forth in this Declaration, are for the mutual benefit and protection of the present and future Owners and shall run with the land and shall be binding upon and inure to the benefit of every Owner, the Co-Owners, or the Board of Directors on behalf of the Association, and their respective heirs, successors and assigns. Available relief in any action brought to enforce this Declaration shall include damages and injunctive relief against any violation or attempted violation of these provisions, and the recovery of any damages, costs, interest on expenses incurred, and attorneys' fees incurred by any party successfully enforcing this Declaration against any other party, but there shall be no right of reversion or forfeiture of title resulting from any violation. In addition, the Board of Directors is hereby authorized, during the period of any default or delinquency, to take actions to enforce compliance with such provisions, rules, regulations or decisions, including, without limitation: (i) the revocation of a defaulting Owner's right to use General Common Areas designed for recreational purposes, and (ii) the suspension of a

defaulting Owner's voting privileges; provided, however, that no such enforcement action shall affect the rights of a Mortgagee hereunder.

Section 26 . Costs and Attorneys Fees . In a proceeding arising because of an alleged failure of an owner to make any required payments or to comply with any provision of the Declaration, the Act, the By-laws, or the rules and regulations adopted pursuant there to, as each may be amended from time to time, the party initiating such proceeding shall be entitled to recover its reasonable attorneys' fees incurred in connection with such proceeding, if it is found or agreed in such proceeding that a failure to make payment as required hereby or a violation of this Declaration, the Act, the By-laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, did occur.

Section 27. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants, and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-laws, and the rules and regulations as adopted by the Board of Directors, as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Amendments, the Act, the By-laws, and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each Owner agrees to execute and deliver such other documents, if any, as may be necessary or desirable to comply with the Act as it may be amended from time to time. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Unit or Units or any part of the Property in any manner shall be subject to the Declaration, the Act, the By-laws, and the Rules and regulations applicable thereto, as each may be amended from time to time.

Section 28. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his Unit. The Association does not waive the right to hold a lien on the Unit and foreclose same by any failure to take action when any payment of any Assessment is not timely made when due by any Owner.

Section 29. Construction and Severability. This Declaration and the By-laws are intended to comply with the provisions of the Act, and shall be construed whenever possible to be consistent therewith. The invalidity of any covenant, restrictions condition, limitation, or other provision of this Declaration or the By-laws filed herewith shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration or the attached By-laws. If any of the options, privileges, covenants, rights, or interests created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or any analogous statutory provisions, (b) the rule restricting restraints or

alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the date of the Declaration.

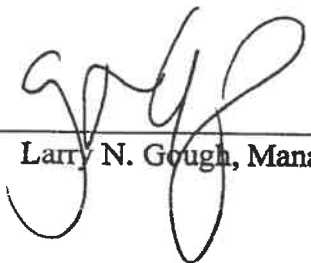
Section 30. Floor Plans. The Plans pertaining to the Property , as described in Section 1(s) of this Declaration, are incorporated into this Declaration by reference, and have been recorded contemporaneously with the recording of this Declaration in the Office of the Recorder of Porter County, Indiana.

Section 31. Notices. Any notice required or permitted to be sent under this Declaration or the By-laws shall be sufficient if delivered personally or sent by first-class U. S. Mail, postage prepaid, to the address shown on the records of the Association; provided, however, that notices to Mortgagee shall be sent by U. S. Certified Mail, Return Receipt Requested, or by US Registered Mail.

Section 32. Financial Statement. Upon written request from HUD, VA, FNMA, FHLMC or any holder, insurer or guarantor of any first mortgage in connection with an interest or prospective interest in a Unit or the Regime, the Association shall prepare and furnish to said entity within a reasonable time of said written request an audited financial statement of the Association for the preceding fiscal year. The audited financial statement shall be available within one-hundred twenty (120) days of the Association's fiscal year end.

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

LAKEPOINTE DEVELOPMENT, LLC

by: 
Larry N. Gough, Manager

STATE OF INDIANA

) SS:

COUNTY OF PORTER

Before me, a Notary Public in and for said County and State personally appeared Larry N. Gough, the manager of Lakepointe Development, LLC , who acknowledged the execution of the above and foregoing Declaration of Horizontal Property Regime For The Oaks Condominium Homes for and on behalf of said limited liability company.

Witness my hand and Notarial Seal this 1st day of October, 1997.

Mary Jo Brust
(signature)

Mary Jo Brust
(printed name)

Resident of Porter County
My Commission Expires: 1-22-2000

MARY JO BRUST
Notary Public - Indiana
PORTER COUNTY
My Commission Expires
January 22, 2000

This instrument was prepared by:
Brenda W. Finnegan, Attorney at Law
1620 Country Club Road , Suite D
Valparaiso, Indiana 46383
(219) 477-6883 fax: (219) 531-2179

EXHIBIT A
ATTACHED TO DECLARATION OF HORIZONTAL PROPERTY REGIME
THE OAKS CONDOMINIUM HOMES

PROPERTY: Legal Description: A tract of land being a part of Parcel A in Lakepointe Gardens as per plat thereof recorded in Plat File 23-B-1 in the office of the Recorder of Porter County, Indiana; said tract of land described as follows:

Commencing at the Northwest corner of said Parcel A, said point also being the Northwest corner of the Southeast Quarter of the Southwest Quarter of Section 7, Township 35 North, Range 5 West of the Second Principal Meridian in Porter County, Indiana; thence South 00 degrees 38 minutes 37 seconds West along the West line of said Parcel A, said line also being the West line of said Quarter Quarter Section, 267.95 feet to the POINT OF BEGINNING; thence South 89 degrees 21 minutes 23 seconds East 97.60 feet to a point on the Westerly right-of-way line of Columbine Circle in said Lakepointe Gardens, said point being on a non-tangent curve concave Northeasterly and having a radius of 55.00 feet, thence Southeasterly along said curve on said Westerly right of way line an arc length of 51.60 feet (chord bearing South 43 degrees 55 minutes 32 East , chord length 49.73 feet, delta angle 53 degrees 45 minutes 11 seconds) to the point of reverse curve of a curve concave Southwesterly and having a radius of 55 feet thence Southeasterly along said curve on said Westerly right-of-way line an arc length of 68.58 feet (chord bearing South 35 degrees 04 minutes 47 seconds East, chord length 64.23 feet, delta angle 71 degrees 26 minutes 49 seconds) to the point of tangent of said curve; thence continuing along said Westerly right-of-way line South 00 degrees 38 minutes 37 seconds West 159.98 feet to the point of curve of a curve concave Westerly and having a radius of 125 feet, thence southerly along said curve on said Westerly right-of-way line an arc length of 33.36 feet (chord bearing South 08 degrees 17 minutes 20 seconds West, chord length 33.26 feet delta angle 15 degrees 17 minutes 26 seconds) to a point on said curve; thence N 46 degrees 20 minutes 27 seconds West along a non-tangent line 149.61 feet; thence North 15 degrees 26 minutes 45 seconds West 119.12 feet thence South 89 degrees 57 minutes 13 seconds West 23 .17 feet to a point on said West line of said Parcel A; thence North 00 degrees 38 minutes 37 seconds East along said West line 64.27 feet to the point of beginning; said tract containing 29,113 square feet, being 0.668 acres more-or less, and subject to all existing easement and rights of way.

EXHIBIT B

**PERCENTAGE OF UNDIVIDED INTEREST IN
COMMON AREAS AND FACILITIES
AT THE COMPLETION OF EACH PHASE**

INITIAL PHASE:

<u>Unit Number</u>	<u>Percent Interest</u>
3001-A	12.5
3001-B	12.5
3001-C	12.5
3001-D	12.5
3001-E	12.5
3001-F	12.5
3001-G	12.5
3001-H	12.5

As additional phases are added the Percentage Interest shall be a percentage equal to the number (1) divided by the total number of Condominium Units which may from time to time have been subjected and submitted to this Declaration and then constitute a part of the Oaks Condominium Homes.

DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS AND COVENANTS
FOR
THE OAKS CONDOMINIUM HOMES

VERIFIED STATEMENT OF PROFESSIONAL ENGINEER

The undersigned, Lee Nagai, being first duly sworn, upon his oath, states as follows:

1. He is a Registered Professional Engineer, in the State of Indiana under License No. 9400075 and is engaged in the practice of his profession with the firm of PTGR, Engineers-Land Surveyors, a Member of Bonar Group, with his office located at 158 S. Napoleon Street, Suite 100, Valparaiso, Indiana 46383-5582.

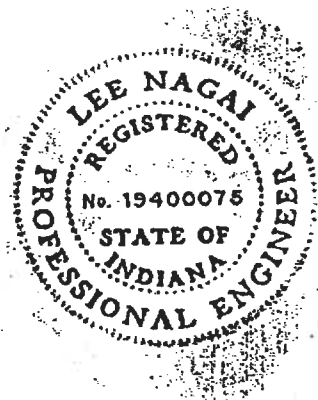
2. He does hereby certify that the Plans for the Oaks Condominium Homes incorporated into the Declaration of Condominium Ownership and of Easements, Restrictions and Covenants and recorded pursuant to Article XII thereof fully and accurately depict the layout, location, unit numbers and dimensions of Building One (1) and the condominiums therein as built, The Plans are hereby supplemented and amended to conform to Exhibit E-1 and Exhibit E-2 recorded contemporaneously herewith for the purpose of more fully and accurately depicting the actual construction as it has occurred and relating to Parcel 1, being a part of the Property, and including Building One (1) and no other condominium structures.

3. This Verified Statement of Professional Engineer is prepared and is being placed of record in the Office of the Recorder of Porter County, Indiana in accordance with the provisions of Indiana Code 32-1-6-13.

Dated this 19th day of NOVEMBER, 1997.



Lee Nagai



STATE OF INDIANA)
)SS:
COUNTY OF PORTER)

Before me, the undersigned, a Notary Public for the State of Indiana, personally appeared Lee Nagai, and he, being first duly sworn by me upon his oath, says that the facts alleged in the foregoing instrument are true. Signed and sealed this 19th day of November, 1997.

My Commission Expires:

4-22-2001

Diane R. Peters
Notary Public Diane R. Peters
County of Residence: Porter



This instrument was prepared by:

Brenda W. Finnegan, Attorney at Law
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Valparaiso, Indiana 46383
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