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DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP

New London Lake
Condominium

SI. JOSEPH CO.
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EDWIN A. KASZYNSKI
RECORDED

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Plans recorded in Plat BK 26 Pg 4
Second Amend to Code of By-Laws - Misc. PL 388
-87 For Second Amend Dec 21 1972 Pg 488
-89 For 3rd Amend Dec 21 1972
-91 For 4th Amend Dec 9 1972
-93 For Amend Dec 9 1972

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New London Lake
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DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP

New London Lake
Condominium

This Declaration, made this 30 day of October, 1972,
by Portage Realty Corporation, a corporation organized and existing
under the laws of the State of Indiana (the "Declarant"),

W I T N E S S E T H :

WHEREAS, the following facts are true:

A. Declarant is the sole owner of the fee simple title
to the following described real estate, located in St. Joseph
County, Indiana, to-wit:

A tract of land in the Northeast Quarter (1/4) of
Section 31, Township 38 North, Range 3 East in Clay
Township, St. Joseph County, Indiana, more particularly
described as follows:

Beginning at a point Forty (40) feet West and Twenty-
Five (25) feet North of the intersection of the
centerlines of Ironwood Road and Dunn (Hepler)
Road, thence North parallel with the centerline of
Ironwood Road a distance of Five Hundred Sixty-Two
(562) feet, thence West One Hundred Seventy-Seven
and Eight Tenths (177.8) feet, thence North Two Hundred
Seventy-Five (275) feet to a point Twenty-Five (25) feet
South of the centerline of Bulla Road, thence West
parallel with the centerline of Bulla Road a distance
of Three Hundred Seventy-Six and Two Tenths (276.2) feet,
thence South Three Hundred Three (303) feet to the
North line of Warrick Street projected, thence West
along the North line of Warrick Street projected a
distance of Eighty (80) feet, thence South Twenty (20)
feet, thence West Forty-Two and Four Tenths (42.4)
feet, thence South Twenty (20) feet to the South line
of Warrick Street, thence West along the South line of
Warrick Street a distance of Ten (10) feet to the East
line of George Street, thence South along said East
line a distance of One Hundred Forty-Five (145) feet,
thence East Ten (10) feet, thence South Sixteen (16)
feet, thence West Ten (10) feet to the East line of
George Street, thence South along said East line a
distance of One Hundred Forty-Five (145) feet to the
North line of Berger Street, thence East along said
North line a distance of Ten (10) feet, thence South
Forty (40) feet to the South line of Berger Street,
thence West along said South line a distance of Ten (10)
feet to the East line of George Street, thence South
along said East Line a distance of One Hundred Forty-
Eight (148) feet to a point Twenty-Five (25) feet North
of the centerline of Dunn (Hepler) Road, thence East
parallel with the centerline of Dunn (Hepler) Road a
distance of Six Hundred Eighty-Seven (687) feet to the
point of beginning, containing 11.11 acres.

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B. Declarant, by execution of this Declaration, hereby creates a Horizontal Property Regime upon the Tract, subject to the provisions of the Horizontal Property Act of the State of Indiana and the terms and conditions of this Declaration.

NOW, THEREFORE, Declarant hereby makes this Declaration as follows:

1. Definitions. The following terms, as used in this Declaration, unless the context clearly requires otherwise, shall mean the following:

(a) "Act" means the Horizontal Property Act of the State of Indiana, Acts 1963, Chapter 349, Sections 1 through 31, as amended. The Act is incorporated herein by reference.

(b) "Apartment" means one of the Eighty (80) living units constituting the New London Lake Condominium, each individual unit being more particularly described and identified on the Plans and in paragraphs 4 and 5 of this Declaration, and in amendments to this Declaration as more structures are built on the Tract.

(c) "Association" means the unincorporated association of Co-owners of the New London Lake Condominium, more particularly described in paragraph 12.

(d) "Board of Managers" means the governing body of the Association elected by the Co-owners in accordance with the By-Laws. The term "Board of Managers", as used herein and in the By-Laws, shall be synonymous with the term "Board of Directors" as used in the Act.

(e) "Buildings" means the buildings on the Tract on which Apartments are located. The Buildings are more particularly described and identified in the Plan and in paragraph 3 of this Declaration.

(f) "By-Laws" means the By-Laws of the Association providing for the administration and management of the Property as required by and in conformity with the provisions of the Act. A true copy of the By-Laws is attached to this Declaration and incorporated herein by reference.

(g) "Common Areas" means the common areas and facilities appurtenant to the Property as defined in paragraph 6 of this Declaration.

(h) "Common Expenses" means expenses of administration of the Association and expenses for the upkeep, maintenance, repair and replacement of the Common Areas and Limited Areas and all sums lawfully assessed against the Owners by the Association or as declared by the Act, this Declaration or the By-Laws.

(i) "Co-Owners" means the Owners of all the Apartments.

(j) "Limited Areas" means the limited common areas and facilities as defined in paragraph 7 of this Declaration.

(k) "Mortgagee" means the holder of a mortgage lien on an Apartment.

(l) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns the fee simple title to an Apartment.

(m) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Apartment as specifically expressed in paragraph 4 of this Declaration.

(n) "Percentage Vote" means that percentage of the total vote accruing to all of the Apartments which is appurtenant to each particular Apartment and accrues to the Owner thereof. The Percentage Vote to which each Owner shall be entitled on any matter upon which the Co-owners are entitled to vote shall be the same percentage as the Percentage Interest appurtenant to such Owner's Apartment.

(o) "Plans" means the floor and building plans of the Buildings and Apartments prepared by Kent S. Kaser, registered land surveyor under date of September 20, 1972, and also floor plans and building plans which may be prepared subsequently and incorporated herein by amendment to this Declaration as the additional buildings are completed.

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(p) "Property" means the Tract and appurtenant easements, the Apartments, the Buildings, improvements and property of every kind and nature whatsoever, real, personal or mixed, located upon the Tract.

(q) "New London Lake Condominium" means the name by which the Property and Horizontal Property Regime shall be known. The address of New London Lake Condominium is Ironwood Road, South Bend, Indiana.

(r) "Tract" means the real estate described in paragraph A above.

(s) "Insurance Trustee" means a bank or trust company who is trustee under a written insurance trust agreement in which all Owners are beneficiaries, which trust may be funded with proceeds of casualty insurance policies on the Property.

2. Declaration. Declarant hereby expressly declares that the Property shall be a Horizontal Property Regime in accordance with the provisions of the Act.

3. Description of Buildings. There are Twelve (12) Buildings containing Apartments on the Tract. The floor plans which are recorded contemporaneously with this Declaration describe Two (2) of the Buildings. The balance of the Buildings will be described on amendments to this Declaration and in floor plans to be recorded subsequently as the remaining Buildings are constructed. All Buildings have two stories and are constructed of brick and frame and are built in accordance with the Plans. The Two (2) Buildings now constructed and described on the Plans recorded contemporaneously herewith contain a total of Sixteen (16) separate Apartments as described on the Plans.

The floor plans for the Buildings as now constructed are recorded in the records of the Recorder of St. Joseph County, Indiana, on the 30th day of Oct., 1972 in Book 26, Page

N and File Number 130242

In addition to the Buildings as now constructed as described above, the Buildings as defined herein shall include structures built in the future on the Tract which will be more particularly described in amendments to this Declaration and in floor plans and surveys to be recorded subsequently and incorporated herein by reference as part of this Horizontal Property Regime.

4. Identification of Apartment. The Apartments contained in the Buildings described on floor plans recorded contemporaneously herewith are identified along with the Apartments which will be contained in Buildings to be constructed and described on floor plans to be later recorded and in amendments to this Declaration which also will be later recorded by Declarant. The percentage of vote and interest appurtenant to each Apartment described herein shall remain constant and shall not be amended. Each Apartment is identified by number on the plan referring to the individual apartment within the building. The following is a list identifying each Apartment, showing the percentage interest and percentage vote appurtenant to each Apartment and showing the garage which is assigned to each Apartment, the interior of such garage being a limited common element, as described herein:

<u>No. of Apartment</u>	<u>Description</u>	<u>% Interest & % Vote</u>	<u>Garage Assigned to Apt.</u>
BUILDING A-1:			
Apartment #1	1-bedroom apartment	0.9581%	G-1 A1
Apartment #2	1-bedroom apartment	0.9581%	G-2 A1
Apartment #3	2-bedroom apartment	1.0691%	G-3 A1
Apartment #4	2-bedroom apartment	1.0691%	G-4 A1
Apartment #5	1-bedroom apartment	0.9581%	G-5 A1
Apartment #6	1-bedroom apartment	0.9581%	G-6 A1
Apartment #7	2-bedroom apartment	1.0691%	G-7 A1
Apartment #8	2-bedroom apartment	1.0691%	G-8 A1
BUILDING C-1			
Townhouse #1	Townhouse	1.4612%	as attached
Townhouse #2	Townhouse	1.4612%	as attached
Townhouse #3	Townhouse	1.4612%	as attached
Townhouse #4	Townhouse	1.4612%	as attached
Townhouse #5	Townhouse	1.4612%	as attached
Townhouse #6	Townhouse	1.4612%	as attached
Townhouse #7	Townhouse	1.4612%	as attached
Townhouse #8	Townhouse	1.4612%	as attached

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BUILDING C-2:			
Townhouse #1	Townhouse	1.4612%	as attached
Townhouse #2	Townhouse	1.4612%	as attached
Townhouse #3	Townhouse	1.4612%	as attached
Townhouse #4	Townhouse	1.4612%	as attached
Townhouse #5	Townhouse	1.4612%	as attached
Townhouse #6	Townhouse	1.4612%	as attached
Townhouse #7	Townhouse	1.4612%	as attached
Townhouse #8	Townhouse	1.4612%	as attached
BUILDING C-3:			
Townhouse #1	Townhouse	1.4612%	as attached
Townhouse #2	Townhouse	1.4612%	as attached
Townhouse #3	Townhouse	1.4612%	as attached
Townhouse #4	Townhouse	1.4612%	as attached
Townhouse #5	Townhouse	1.4612%	as attached
Townhouse #6	Townhouse	1.4612%	as attached
BUILDING B-2:			
Apartment #1	2-bedroom apartment w/den	1.1431%	G-1 B2
Apartment #2	2-bedroom apartment w/den	1.1431%	G-2 B2
Apartment #3	2-bedroom apartment w/den	1.1431%	G-3 B2
Apartment #4	2-bedroom apartment w/den	1.1431%	G-4 B2
Apartment #5	2-bedroom apartment w/den	1.1431%	G-5 B2
Apartment #6	2-bedroom apartment w/den	1.1431%	G-6 B2
Apartment #7	2-bedroom apartment w/den	1.1431%	G-7 B2
Apartment #8	2-bedroom apartment w/den	1.1431%	G-8 B2
BUILDING C-4:			
Townhouse #1	Townhouse	1.4612%	as attached
Townhouse #2	Townhouse	1.4612%	as attached
Townhouse #3	Townhouse	1.4612%	as attached
Townhouse #4	Townhouse	1.4612%	as attached
Townhouse #5	Townhouse	1.4612%	as attached
Townhouse #6	Townhouse	1.4612%	as attached
BUILDING B-3:			
Apartment #1	2-bedroom apartment w/den	1.1431%	G-1 B3
Apartment #2	2-bedroom apartment w/den	1.1431%	G-2 B3
Apartment #3	2-bedroom apartment w/den	1.1431%	G-3 B3
Apartment #4	2-bedroom apartment w/den	1.1431%	G-4 B3
Apartment #5	2-bedroom apartment w/den	1.1431%	G-5 B3
Apartment #6	2-bedroom apartment w/den	1.1431%	G-6 B3
Apartment #7	2-bedroom apartment w/den	1.1431%	G-7 B3
Apartment #8	2-bedroom apartment w/den	1.1431%	G-8 B3
BUILDING B-4:			
Apartment #1	2-bedroom apartment w/den	1.1431%	G-1 B4
Apartment #2	2-bedroom apartment w/den	1.1431%	G-2 B4
Apartment #3	2-bedroom apartment w/den	1.1431%	G-3 B4
Apartment #4	2-bedroom apartment w/den	1.1431%	G-4 B4
Apartment #5	2-bedroom apartment w/den	1.1431%	G-5 B4
Apartment #6	2-bedroom apartment w/den	1.1431%	G-6 B4
Apartment #7	2-bedroom apartment w/den	1.1431%	G-7 B4
Apartment #8	2-bedroom apartment w/den	1.1431%	G-8 B4
BUILDING D:			
Apartment #1	2-bedroom apartment	1.0691%	G-1 D
Apartment #2	2-bedroom apartment	1.0691%	G-2 D
Apartment #3	2-bedroom apartment	1.0691%	G-3 D
Apartment #4	2-bedroom apartment	1.0691%	G-4 D
Apartment #5	2-bedroom apartment	1.0691%	G-5 D
Apartment #6	2-bedroom apartment	1.0691%	G-6 D
Apartment #7	2-bedroom apartment	1.0691%	G-7 D
Apartment #8	2-bedroom apartment	1.0691%	G-8 D

BUILDING C-5:			
Apartment #1	Townhouse	1.4612%	as attached
Apartment #2	Townhouse	1.4612%	as attached
Apartment #3	Townhouse	1.4612%	as attached
Apartment #4	Townhouse	1.4612%	as attached
BUILDING B-1:			
Apartment #1	2-bedroom apartment w/den	1.1431%	G-1 B1
Apartment #2	2-bedroom apartment w/den	1.1431%	G-2 B1
Apartment #3	2-bedroom apartment w/den	1.1431%	G-3 B1
Apartment #4	2-bedroom apartment w/den	1.1431%	G-4 B1
Apartment #5	2-bedroom apartment w/den	1.1431%	G-5 B1
Apartment #6	2-bedroom apartment w/den	1.1431%	G-6 B1
Apartment #7	2-bedroom apartment w/den	1.1431%	G-7 B1
Apartment #8	2-bedroom apartment w/den	1.1431%	G-8 B1

5. Description of Apartments.

(a) Appurtenances. Each Apartment shall consist of all space within the boundaries thereof as hereinafter defined and all portions of the Building situated within such boundaries, including but not limited to all fixtures, facilities, utilities, equipment, appliances, and structural components designed and intended solely and exclusively for the enjoyment, use and benefit of the Apartment wherein the same are located, or to which they are attached, but excluding therefrom that designated or intended for the use, benefit, support, safety or enjoyment of any other Apartment or which may be necessary for the safety, support, maintenance, use, and operation of any of the Buildings or which are normally designed for common use; provided, however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of an Apartment shall constitute a part of such Apartment, whether or not the same are located within or partly within the boundaries of such Apartment.

(b) Boundaries. The boundaries of each Apartment shall be as shown on the Plans without regard to the existing construction measured between the interior unfinished surfact of the floors, ceilings and perimeter walls of each Apartment. In the event any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface of the Apartment because of inexactness of construction, settling after construction, or for any other reasons.

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the boundary lines of each Apartment 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 Apartment in and to such space lying outside of the actual boundary line of the Apartment, but within the appropriate wall, floor or ceiling surfaces of the Apartment.

6. Common Area and Facilities. Common Areas means and includes (1) the Tract; (2) the foundations, columns, girders, beams, supports and roofs of the Building; (3) the yards, gardens, driveways, sidewalks, parking areas, recreational areas, recreation building and the swimming pool and mechanical equipment located within the Tract; (4) central electricity, gas, water, air conditioning and sanitary sewer mains serving the Buildings; (5) exterior lighting fixtures and electrical service lighting the exterior of the Buildings; (6) master television antenna system with connecting outlets to each Apartment (excepting therefrom the antenna and tower); (7) pipes, ducts, electrical wiring and conduits and public utilities lines; (8) floors, ceilings and perimeter walls, except the interior surface thereof; (9) all facilities and appurtenances located outside of the boundary lines of the Apartment, except those areas and facilities expressly defined as Limited Areas, and those structural components, central installations of utilities and other similar portions of the Buildings, a portion of which may be located within the boundary lines of the Apartments, but which are not designed, intended and used solely and exclusively for the enjoyment, use and benefit of one certain Apartment wherein they are located or to which they are attached, and (10) the halls, corridors, lobbies, stairs, stairways, entrances and exits of each of the Buildings.

7. Limited Common Areas and Facilities. Limited Areas and those Apartments to which use thereof is limited are as follows:

- (a) The interior of a garage under roof shall be

assigned to each apartment. Each garage shall be limited for exclusive use of a particular Apartment, with assignment of a garage for exclusive use of a certain garage being as set forth in Paragraph 4 thereof. All other portions of the garage shall be part of the common elements.

(b) Patios, together with an area around such patio specifically shown and designed on the Plans, shall be limited to the exclusive use of the first floor Apartment to which they are attached.

(c) Balconies shall be limited to the exclusive use of the Apartment to which they are attached.

(d) The exterior surface of doors and windows in the perimeter walls in each Apartment shall be limited to the exclusive use of the Apartment to which they appertain.

8. Ownership of Common Areas. The Percentage Interest appertaining to each Apartment is set forth in paragraph 4 of this Declaration. This percentage shall for all purposes be deemed to be the percentage of value of each separate Apartment and appurtenances thereto in relation to the Property as a whole. The Percentage Interest appertaining to each separate Apartment in the Common Areas and Limited Areas shall remain constant and shall not be altered without the unanimous consent of all the Co-owners and compliance with all requirements of the Act.

The Percentage Interest appertaining to each Apartment shall also be the Percentage Vote allocable to the Owner thereof in all matters with respect to the New London Lake Condominium and the Association upon which the Co-owners are entitled to vote, including but not limited to the election of the Board of Managers.

The Association, Board of Managers, Owners and their agents and representatives shall not restrict free passage of vehicles and persons on the driveways and roads located on the property and may not block the same in any way.

9. Encroachments and Easements for Common Areas. If, by reason of the location, construction settling, or shifting of a

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Building, any Common Area or Limited Area now encroaches or shall hereafter encroach upon any Apartment, 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 or Limited Area.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Apartments and serving his Apartment.

10. Real Estate Taxes. Real Estate taxes are to be separately taxed to each Apartment as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Apartment, but are assessed and taxed on the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with his respective Percentage Interest.

11. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered shall be treated as and paid as part of the common expenses, unless otherwise agreed by a majority of the Percentage Vote of the Co-owners.

12. Association of Owners.

(a) New London Lake Condominium Association. In order to provide for the maintenance, repair, replacement, administration and operation of the common elements and limited common elements and in compliance with the provisions of the Act, there is hereby created an association of the Co-owners of the Apartments in New London Lake Condominium Association, hereinafter 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 will be transferred to the new Owner.

The Association shall elect a Board of Managers annually in accordance with and as prescribed by the By-Laws. The Co-owners shall be entitled to cast their Percentage Vote for the election of the Board of Managers.

The Board of Managers 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 common elements and limited common elements.

13. Maintenance, Repairs and Replacements. Each Owner shall, at his expense, be responsible for the maintenance, repairs, decoration and replacement of fixtures and appurtenances in his own Apartment including but not limited to carpeting, wall covering, repair or replacements of dry wall, plumbing, electrical repairs, air conditioning and furnace repairs, except as may otherwise be provided in the By-Laws. Each Owner shall repair any defect occurring in his Apartment. Maintenance, repairs, replacements and upkeep of the Common Areas and Limited Areas (except as is hereinafter provided for the interior of garages) shall be furnished by the Association as part of the Common Expenses, including all roads and driveways on the Property. The air conditioning equipment, ducts and portions thereof and the furnace, ducts and other portions thereof are a part of the Apartment owned by each Owner and the maintenance and replacement of air conditioning and furnace systems and all parts thereof is the responsibility of the Owner.

The Association shall keep and maintain the Common Areas and the Limited Areas in a good and attractive state of repair at all times, and shall as part of its annual budget provide for the establishment of a reserve for replacement of the Common and Limited Common Elements.

Each Owner shall, at his expense, be responsible for the maintenance, repairs and decoration of the interior of the garage which as a Limited Common Area is designated for the exclusive use of the Owner of his Apartment and shall keep the interior of the same neat and tidy at all times.

The Board of Managers shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas.

The Board of Managers or their designated agent shall have the right at reasonable times and upon reasonable prior notice

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(except in cases of emergency in which case no notice shall be required), to enter into each individual Apartment for the purpose of inspection of the Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of the same.

14. Alterations, Additions and Improvements. No Owner shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Managers, nor shall any Owner make any alteration to his respective Apartment and within the boundaries thereof without first having the plans for such alteration approved by the Association in writing.

15. Insurance. The insurance other than title insurance which shall be carried upon the Condominium Property and the Property of the Apartment Owners shall be governed by the following provisions:

1. Authority to Purchase. Public liability, fire and casualty insurance covering the Property (excepting therefrom the Apartments and contents thereof) shall be purchased by the Association for the benefit of the Association, the Owners and their Mortgagees (upon written notification by an Owner as to the name and address of his Mortgagees) as their interests may appear, and provisions shall be made for the issuance of insurance certificates reflecting such coverage to Owners and the Mortgagees of Owners. Such policies and endorsements thereon shall be deposited with the Insurance Trustee. Owners may, in addition thereto, obtain insurance coverage at their own expense upon their Apartment, their own personal property and for their personal liability.

2. Coverage.

(a) Casualty. All Buildings and improvements upon the Property and all personal property included in the common elements and limited areas shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Managers of the Association. Such coverage shall afford protection against (1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and (2) Such other risks as from time to time

shall be customarily covered with respect to buildings similar in construction, location and use as the Buildings on the Property, including, but not limited to vandalism and malicious mischief.

(b) Public liability in such amounts and with such coverage as shall be required by the Board of Managers of the Association, covering the Association and Owners individually including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsements to cover the liability of the apartment Owners as a group to an Apartment Owner.

(c) Workmen's Compensation policies or endorsements as needed.

(d) Such other insurance as the Board of Managers of the Association shall determine from time to time to be desirable.

3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

4. Insurance trustee; shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Apartment Owners and their Mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to St. Joseph Bank and Trust Company, South Bend, Indiana, as Trustee or any other bank in St. Joseph County, Indiana with trust powers as may be approved by the Board of Managers of the Association, which trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Owners and their Mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(a) Common Elements. Proceeds on account of damage to Common Elements - an undivided share for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Apartment.

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(b) Apartments. Proceeds on account of damage to Apartments shall be held in the following undivided shares:

(1) When the building is to be restored--for the Owners of damaged Apartments in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(2) When the building is not to be restored--an undivided share for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Apartment.

(c) Mortgagees. In the event a Mortgagee endorsement has been issued as to an Apartment, the share of the Apartment Owner shall be held in trust for the Mortgagee and the Owner as their interests may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

5. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Owners in the following manner:

(a) Expense of the trust. All expenses of the Insurance Trustee shall be first paid or provision made therefor.

(b) Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Owners as aforesaid, remittances to Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of an Apartment and may be enforced by such Mortgagee.

(c) Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the Owners, remittances

to Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagees of an Apartment and may be enforced by such Mortgagees.

(d) Certificate. In making distribution to Owners and their Mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Owners and their respective shares of the distribution.

6. Association as Agent. The Association is hereby irrevocably appointed agent for each Owner and for each Mortgagee of an Apartment and for each Owner of any other interest in the Condominium Property to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

7. Miscellaneous. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, in behalf of all the Owners, may realize under any insurance policy which the Association may have in force on the project at any particular time.

Each Owner shall be required to notify the Association of all improvements made by the Owner to his Apartment, the value of which is in excess of One Thousand Dollars (\$1,000.00).

Any Owner who obtains individual insurance policies covering any portion of the project other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies with the Association within Thirty (30) days after purchase of such insurance.

The Association shall be required to make every effort to secure insurance policies that will provide for the following: