

MARTHA A. WOMACKS
MARION COUNTY SHERIFF

85

559126 NOV 16 2006

DULY ENTERED IN REGISTRATION
SUBJECT TO FINAL ACCEPTANCE
FOR TRANSFER

DECLARATION
OF
CIRCLE BLOCK CONDOMINIUM

This DECLARATION OF CIRCLE BLOCK CONDOMINIUM (this "Declaration") is made and entered into as of the 8th day of November, 2006, by Circle Block Partners, LLC, an Indiana limited liability company (the "Declarant"), for itself, and on behalf of its successors, grantees, and assigns, WITNESSETH THAT:

A. Declarant is the fee simple owner of certain real estate located in Marion County, Indiana, being more particularly described on Exhibit A attached hereto and made a part hereof by this reference (the "Real Estate"); and

B. Declarant, by execution and recording of this Declaration, hereby creates a Condominium upon the Real Estate, subject to the provisions of the Condominium Law and in accordance with 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 Condominium Law of the State of Indiana, I.C. 32-25-1-1 et seq., as amended. The Act is incorporated herein by this reference.

(b) "Adjacent Building" means the Goodman/Taylor Building which is immediately adjacent to the Building to the east.

(c) "Applicable Date" means the date determined pursuant to Section 3.02 of the Circle Block Bylaws.

(d) "Building" means the structure on the Real Estate as more particularly described in Paragraph 3 of this Declaration.

(e) "Circle Block Articles" or "Circle Block Articles of Incorporation" means the Articles of Incorporation of the Circle Block Corporation, as the same may be amended from time to time. The Circle Block Articles are incorporated herein by this reference.

(f) "Circle Block Assessments" mean the Circle Block Regular Assessments and the Circle Block Special Assessments.

(g) "Circle Block Board of Directors" or "Circle Block Board" means the governing body of the Circle Block Corporation, being the Initial Circle Block Board referred to in the Circle Block Bylaws or any subsequent Circle Block Board of Directors elected by the Members in accordance with the Circle Block Bylaws.

11/16/06 12:06PM WANDA MARTIN MARION CTY RECORDER

Inst # 2006-0175537

GAM 181.00 PAGES: 85

(h) "Circle Block Bylaws" mean the Bylaws of the Circle Block Corporation, as the same may be amended from time to time. A true copy of the existing Circle Block Bylaws is attached to this Declaration as Exhibit B-1 and incorporated herein by this reference.

(i) "Circle Block Common Expenses" mean costs and expenses for administration of the Circle Block Corporation and for the leasing, upkeep, maintenance, repair and replacement of the Common Areas (exclusive of the Limited Common Areas appurtenant to the Residential Units), and all sums lawfully assessed against the Members by the Circle Block Corporation.

(j) "Circle Block Corporation" means Circle Block Owners' Association, Inc., a non-profit corporation, and its successors and assigns, whose Members shall be the Owners of the Units, such corporation being more particularly described in Paragraph 12 of this Declaration.

(k) "Circle Block Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas appertaining to each Unit as determined and/or expressed in Paragraph 8 of this Declaration.

(l) "Circle Block Percentage Vote" means that percentage of the total vote accruing to all the Units which is appurtenant to each particular Unit and accrues to the Owner thereof. The Circle Block Percentage Vote to which each Owner shall be entitled on any matter upon which the Owners are entitled to vote shall be the same percentage as the Circle Block Percentage Interest appurtenant to such Owner's Unit.

(m) "Circle Block Regular Assessment" means the regular assessment applicable to all Owners as provided in Paragraph 14 of this Declaration and in the Circle Block Bylaws.

(n) "Circle Block Special Assessment" means the special assessment applicable to all Owners as provided in Paragraph 14 of this Declaration and in the Circle Block Bylaws.

(o) "Common Areas" mean the common areas and facilities appurtenant to the Premises which are depicted and/or described as such in the Plans or otherwise defined as such in Paragraph 6 of this Declaration, including, without limitation, the Limited Common Areas.

(p) "Co-owners" means all of the Owners of all of the Units.

(q) "Declarant" means Circle Block Partners, LLC, an Indiana limited liability company, and its successors and assigns.

(r) "Hotel Unit" means Unit 1 as described in the Plans and in Paragraphs 3 and 5 of this Declaration and generally comprising floors 1 through 18 of the Building (however, there is no floor 13).

- (s) "Lessee" means the lessee of a Residential Unit.
- (t) "Limited Common Areas" or "Limited Areas" mean those Common Areas, the use and enjoyment of which are limited to certain Units, which are depicted and/or described as such in the Plans or otherwise defined as such in Paragraph 7 of this Declaration.
- (u) "Member" means a member of the Circle Block Corporation or the Residential Corporation, as the context requires, and "Members" mean the members of the Circle Block Corporation or the Residential Corporation, as the context requires.
- (v) "Mortgagee" means the holder of a first mortgage lien on a Unit and "Mortgage" means a first mortgage lien on a Unit.
- (w) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, owning fee simple title to a Unit (whether the Hotel Unit or a Residential Unit); provided, that persons or entities owning a Unit as tenants in common, joint tenants, tenants by the entities or any form of joint or divided ownership shall be deemed one Owner for purposes of this Declaration.
- (x) "Party Wall" means a wall located at the perimeter of a Unit, which is a common wall shared with an adjacent Unit.
- (y) "Perimeter Wall" means any wall adjacent to either the exterior of the Building or any Common Area or Limited Common Area.
- (z) "Plans" or "Plats and Plans" means all floor, building and plans and elevations of the Building and the Units prepared by The Schneider Corporation, under date of November 6, 2006, and filed in the Office of the Recorder of Marion County, Indiana, as Instrument No. DC-0175536, all of which are incorporated herein by this reference, and any supplemental plans that are prepared and filed in connection therewith.
- (aa) "Premises" means the Real Estate and appurtenant easements, the Units, the Building, and the improvements and property of every kind and nature whatsoever, real, personal and mixed, located upon the Real Estate and used in connection with the operation, use and enjoyment thereof, but does not include the personal property of any Owner.
- (bb) "Project" means the Regime commonly known as Circle Block Condominium.
- (cc) "Regime" means a Condominium under the Act.
- (dd) "Residential Articles" or "Residential Articles of Incorporation" means the Articles of Incorporation of the Residential Corporation, as the same may be amended from time to time. The Residential Articles are incorporated herein by this reference.

(ee) "Residential Assessments" mean the Residential Regular Assessments and the Residential Special Assessments.

(ff) "Residential Board of Directors" or "Residential Board" means the governing body of the Residential Corporation, being the Initial Residential Board referred to in the Residential Bylaws or any subsequent Residential Board of Directors elected by the Owners of the Residential Units in accordance with the Residential Bylaws.

(gg) "Residential Bylaws" means the Bylaws of the Residential Corporation, as the same may be amended from time to time. A true copy of the existing Residential Bylaws is attached to this Declaration as Exhibit B-2 and incorporated herein by this reference.

(hh) "Residential Common Expenses" mean costs and expenses for administration of the Residential Corporation and for the leasing, upkeep, maintenance, repair and replacement of the Limited Common Areas appurtenant to the Residential Units, and all sums lawfully assessed against the Members by the Residential Corporation.

(ii) "Residential Corporation" means The Conrad Residences Owners' Association, Inc., a non-profit corporation, and its successors and assigns, whose Members shall be the Owners of the Residential Units, such Residential Corporation being more particularly described in Paragraph 13 of this Declaration.

(jj) "Residential Regular Assessments" means the regular assessment applicable to all Owners of Residential Units as provided in Paragraph 14 of this Declaration and in the Residential Bylaws.

(kk) "Residential Special Assessments" means the special assessment applicable to all Owners of Residential Units as provided in Paragraph 14 of this Declaration and in the Residential Bylaws.

(ll) "Residential Units" means the Units described in the Plans and in Paragraphs 3 and 5 of this Declaration and generally comprising floors 19 through 24 of the Building (however, there is no floor 13).

(mm) "Rules and Regulations" means such Residential Rules and Regulations as are promulgated by the Residential Board of Directors from time to time, with respect to various details of the use of all or any portions of the Residential Units, either supplementing or amplifying the provisions in this Declaration, the Circle Block Bylaws or the Residential Bylaws.

(nn) "Unit" means each one of the individual units in the Building which are depicted and/or described in the Plans and in Paragraphs 3 and 5 of this Declaration (being, the Hotel Unit and the Residential Units). "Unit" includes the undivided interest in the Common Areas and any Limited Common Areas appertaining to such Unit.

(oo) "Unit Type" means either the Hotel Unit or the Residential Units.

2. Declaration. Declarant hereby expressly subjects the Premises to the Act and declares that the Premises shall be a Regime in accordance therewith.

3. Description of Building. There will be one (1) Building on the Real Estate, which will be twenty-three (23) stories in height and contain one (1) basement floor consisting primarily of garage parking and mechanical rooms, all as depicted and/or described on the Plans (however, there is no floor 13).

4. Legal Description. Each Unit is identified on the Plans by a Unit number. The legal description for each Unit shall consist of the Unit number as shown on the Plans, and shall be stated as "Unit ___ in Circle Block Condominium."

5. Description and Limitations of Units.

(a) Appurtenances. Each Unit shall consist of all space within the boundaries thereof, as hereinafter defined, including but not limited to and together with: (i) the drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, and interior doors and door frames; (ii) any fire place; (iii) fixtures and hardware and all improvements that are contained within the unfinished Perimeter Walls, ceilings, and floors and that serve solely the Unit; (iv) any heating, ventilating, cooling and other mechanical, electrical, electronic or fiber optic or other related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, or other services solely to the Unit; and (v) balconies, decks and terraces attached or adjacent to the Unit and designated by reference on the Plans; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines or other related equipment located within the Unit but serving more than one Unit.

(b) Boundaries. The boundaries of each Unit shall be as shown on the Plans and shall generally consist of the enclosed rooms in the Building and bounded by the following planes:

(i) The Unit-side surface of all doors, and their sills and hardware, leading from such Unit to interior corridors of the Building and the Unit-side surface of the door frames in which such doors are set.

(ii) The Unit-side surface of the sash of windows which are set in the exterior walls of such Unit, the interior surfaces of the panes of such windows and the Unit-side surfaces of the panes of such windows.

(iii) With respect to Perimeter Walls,

1) if the wall is of a hollow dry wall type construction, the title line of the Unit shall be at the Unit-side face of the drywall closest to the Unit; or

2) if the wall is of poured concrete or masonry construction, regardless of whether any other wall materials may be installed on it, the title line of the Unit shall be at the Unit-side face of such poured concrete or masonry wall.

(iv) The center line of Party-Walls.

(v) The Unit-side face of the concrete slab constituting the floor of such Unit.

(vi) The Unit-side face of any shaft wall.

(vii) The Unit-side or lower face of the concrete slab (or other structural components) constituting the ceiling of the Unit.

(viii) The Unit-side face of columns and pipes, or the Unit-side surfaces of the furring around ducts, wires, conduits, chutes, mechanical chases, structural elements and flues that are either Common Areas or Limited Common Areas.

(ix) The side opposite the Unit-side surface of all grills and registers which cover bathroom or kitchen exhaust fans and ventilation ducts which serve only such Unit.

An unfinished wall, ceiling and floor means the concrete slabs, framing or other structural materials which constitute the wall, ceiling or floor, as the case may be, of a Unit. In the event any horizontal or vertical or other boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface 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 ownership, occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual location.

(c) Loads. The Residential Unit Owners shall not impose floor loading of the Residential Units in excess of an amount per square foot which is reasonable and customary for structures similar in use and function as the Building, but in any event shall not exceed load limits established by the Circle Block Board of Directors from time to time. The Hotel Unit Owner shall not exceed floor load limits established by the Circle Block Board of Directors from time to time.

(d) Acoustic Control. All floors of Residential Units shall be covered with acoustical control material which, in the case of carpeted surfaces, shall be a carpet pad of good quality at least 1/4" thick with a density of at least 54 ounces per square yard and, in the case of hard surfaces, shall be an underlayment of acoustical control material approved and specified by the Circle Block Board of Directors from time to time. At the date of this Declaration, the underlayment required for hard surfaces is a 3/8" layer of REGUPOL-QT™. No acoustical control materials in ceilings, walls or floors installed in connection with the initial construction of a Residential Unit may be removed unless replaced with new, equivalent materials. No Residential Unit may be modified in any

manner which impacts (negatively) the construction measures, materials and techniques taken to provide sound absorbency in the walls, floors and ceilings of the Residential Units.

6. Common Areas. "Common Areas" mean (a) the Real Estate, (b) the foundations, columns, girders, beams, supports and exterior surfaces of roofs of the Building, (c) the exit corridors and doors, (d) the halls, corridors, fire exits, lobbies, parking areas, storage areas, vestibules, elevators, elevator lobbies, elevator shafts, stairwells, vertical chases, HVAC and mechanical rooms, stairs, stairways, entrances and exits of the Building that are outside of the boundaries of any Unit and designated as Common Areas or Limited Common Areas on the Plans, (e) any private sidewalks, (f) those portions of the central electricity, gas, water, HVAC, sanitary sewer, telephone, telecommunications, pipes, ducts, electrical wiring and conduits, public utility lines, and any other similar infrastructure, serving more than one Unit, (g) exterior lighting fixtures and electrical service lighting the exterior of the Building unless separately metered to a particular Unit, (h) unfinished floors, roofs, exterior windows (including frames and glass), and exterior perimeter walls of the Building, except to the extent the same are otherwise classified and defined herein as part of a Unit, and (i) all improvements, facilities and appurtenances located outside of the boundary lines of the Units, except those areas and facilities expressly classified and defined herein as part of a Unit (if any such item serves only a particular Unit Type, such item shall be a Limited Common Area appurtenant to such Unit Type).

7. Limited Common Areas. Limited Common Areas and those Units to which use of the Limited Common Areas is limited may be designated as follows:

(a) Intentionally Deleted.

(b) Any vehicular parking areas or spaces which are either (i) owned by the Declarant or the Circle Block Corporation, or (ii) leased or otherwise contracted for by the Declarant or the Circle Block Corporation, which are designated by reference on the Plans, within the deed to a particular Unit, or within any other agreement between the Owner of the Unit and the Declarant or the Circle Block Corporation, for use by the Owner of a particular Unit, shall constitute Limited Common Areas and be limited to the exclusive use of the Unit(s) to which such use is designated.

(c) Any storage spaces located in the Building which are designated by reference on the Plans, the deed to a particular Unit, or any other agreement between the Owner of the Unit and the Declarant or the Circle Block Corporation, for use by the Owner of a particular Unit, shall constitute Limited Common Areas and be limited to the exclusive use of the Unit to which such use is designated.

(d) All entranceways, vestibules, lobbies, hallways, elevators, elevator shafts, stairways, and other Common Areas that serve only a particular Unit Type (except in the event of an emergency), shall constitute Limited Common Areas and be limited to the exclusive use of the Unit Type to which such use is designated.

(e) Any areas designated and shown on the Plans as Limited Common Areas shall constitute Limited Common Areas and be limited to the Unit or Unit Type to which

they appertain as shown on the Plans or as provided in an agreement between the Owner of the Unit and the Declarant or the Circle Block Corporation.

8. Ownership of Common Areas and Circle Block Percentage Interest.

(a) Computation of Circle Block Percentage Interest. Each Owner shall have an undivided interest in the Common Areas, as tenants in common with all other Owners, equal to his, her or its Unit's Circle Block Percentage Interest. The Circle Block Percentage Interest of each Unit shall be a percentage equal to the sum of:

(i) the total square footage of the particular Unit,

(ii) the square footage of any Limited Common Areas limited to the exclusive use of the Unit, and

(iii) such Unit's proportionate share of the Limited Common Areas appurtenant to such Unit Type but not limited to the exclusive use of such Unit;

(iv) divided by the sum of the total square footage of all Units and the appurtenant Limited Common Areas to such Units which, from time to time, have been submitted and subjected to the Act and this Declaration as herein provided and which constitute a part of the Project.

(v) The initial Circle Block Percentage Interest of each Owner in the Common Areas as calculated in accordance with this Paragraph 8 is set forth on Exhibit C attached hereto and made a part hereof. Except as otherwise provided or permitted in this Declaration, the Circle Block Percentage Interest appertaining to each separate Unit in the Common Areas shall be of a permanent nature and shall not be altered without the unanimous consent of all the Owners and their respective Mortgagees and then only if in compliance with all requirements of the Act.

(b) Circle Block Percentage Vote. The Circle Block Percentage Interest appertaining to each Unit shall also be the Circle Block Percentage Vote allocable to the Owner thereof in all matters where Owners have a vote with respect to the Project.

9. Encroachments and Easements for Common Areas.

(a) If, by reason of the location, construction, settling or shifting of the Premises or any other reason, any 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, the Circle Block Corporation, and to each Unit Owner's Mortgagee for the maintenance, use and enjoyment of such Common Area.

(b) Each Owner and the Owner's Mortgagee shall have an easement in common with all other Co-owners to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Units and serving his, her or its Unit. Each Owner shall have the right of ingress and egress to and from such Owner's

Unit, with the approval and under the supervision of the Residential Board (as to such matters concerning the Residential Units and not involving a matter under Paragraph 17(a)) or the Circle Block Board (as to all other such matters) to perform maintenance, repairs or replacements, with such right being perpetual and appurtenant to the ownership of the Unit.

(c) The Residential Unit Owners and their Mortgagees shall also have a permanent non-exclusive easement to use the portions of the Hotel Unit and the Common Areas for purposes of location, installation, maintenance, repair, replacement, and inspection of pipes, wires, ducts, cables, conduits, utility lines, and other similar facilities serving the Residential Units per the Plans. The Residential Unit Owners and their Mortgagees shall also have an easement on, over, and across such areas as necessary to accomplish the purposes of the easement established by this paragraph, with such easement rights being perpetual and appurtenant to the ownership of the Residential Unit. The easement rights provided herein shall be used in a manner so as not to unreasonably interfere with the Hotel Unit Owner's construction, development, use, maintenance, or repair of the Hotel Unit and the activities occurring in the Hotel Unit. However, such rights shall only be exercised upon reasonable prior notice (which shall be no less than 24 hours in advance) to the Hotel Unit Owner or the Circle Block Board of Directors if the area to be utilized is a Common Area identifying the scope of the work to be performed within such area (except in cases of emergency, in which case no notice shall be required).

(d) The Hotel Unit Owner shall have a permanent non-exclusive easement to use the portions of the Residential Units and the Common Areas for purposes of location, installation, maintenance, repair, replacement, and inspection of pipes, wires, ducts, cables, conduits, utility lines, and other similar facilities serving the Hotel Unit per the Plans. The Hotel Unit Owner shall also have an easement on, over, and across such areas as necessary to accomplish the purposes of the easement established by this paragraph, with such easement rights being perpetual and appurtenant to the ownership of the Hotel Unit. The easement rights provided herein shall be used in a manner so as not to unreasonably interfere with the Residential Unit Owners' construction, development, use, maintenance, or repair, of the Residential Units and the activities occurring in the Residential Units. However, such rights shall only be exercised upon reasonable prior notice (which shall be no less than 24 hours in advance) to the affected Residential Unit Owner, or the Residential Board of Directors if the area to be utilized is a Limited Common Area appurtenant to the Residential Units, identifying the scope of the work to be performed within such area (except in cases of emergency, in which case no notice shall be required).

(e) In exercising such rights, the structural integrity of the Building must be preserved and protected at all times, and the plan relating to the creation of all areas of open access (including but not limited to alterations of weight bearing structures and penetrations of exterior and weight bearing walls) must either be certified to the Declarant or the Circle Block Board of Directors and the Residential Board of Directors, by a reputable architect retained by the Hotel Unit Owner or the Residential Unit Owner, as the case may be, to be in compliance with all applicable codes or approved in writing

by the Declarant or the Circle Block Board of Directors and the Residential Board of Directors prior to the commencement of any construction for such purposes.

(f) The Owner of the Hotel Unit shall have a perpetual easement and right of attachment, encroachment and open access between the Hotel Unit and the Adjacent Building at all points of attachment between the Adjacent Building and the Building in the area comprised of the Hotel Unit. Declarant shall enter into a separate easement agreement in favor of the owner of the Adjacent Building to address the foregoing rights. In exercising such rights, the structural integrity of the Building must be preserved and protected at all times, and the creation of all areas of open access must be approved in writing by the Declarant or the Circle Block Corporation prior to the commencement of any construction for such purpose.

10. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Unit 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 Premises (or the Premises and any other portions of the Real Estate) as a whole, then each Owner shall pay his, her or its proportionate share of such taxes to the extent attributable or allocated to the Premises in accordance with his, her or its respective Circle Block Percentage Interest.

11. Utilities. All utilities exclusively serving a Unit shall be separately metered from any other Unit. Each Owner shall individually pay for the utilities serving the Unit which are separately metered. Utilities which are not separately metered shall be treated as and paid as part of the Circle Block Common Expenses or the Residential Common Expenses, as applicable, or as otherwise determined by mutual agreement of the Circle Block Corporation and the Residential Corporation.

12. Association of Unit Owners.

(a) Subject to the obligations of the Owners and Paragraph 13 of this Declaration, the maintenance, repair, upkeep, replacement, administration, management and operation of the Premises, exclusive of the Units, the Limited Common Areas appurtenant to individual Units and the Limited Common Areas appurtenant to the Residential Units, shall be the obligation of the Circle Block Corporation. Each Owner of a Unit shall, automatically upon becoming an Owner of a Unit, be and become a Member of the Circle Block Corporation and shall remain a Member of the Circle Block Corporation until such time as his, her or its ownership of a Unit ceases, and each Owner's membership shall terminate when such person ceases to be the Owner of a Unit, and shall be transferred to the new Owner.

(b) The Circle Block Corporation shall elect a Circle Block Board of Directors (except for the Initial Circle Block Board, as defined in the Circle Block Bylaws, which shall be appointed as provided therein) in accordance with and as prescribed in the Circle Block Bylaws. Each person serving on the Initial Circle Block Board, whether as an original member thereof or as a member thereof appointed to fill a vacancy, shall be deemed a Member of the Circle Block Corporation and an Owner solely for the purpose of qualifying to act as a member of the Circle Block Board of

Directors and for no other purpose. No such person serving on the Initial Circle Block Board shall be deemed or considered a Member of the Circle Block Corporation nor an Owner of a Unit for any other purpose (unless he or she is actually the Owner of a Unit and thereby a Member of the Circle Block Corporation).

(c) The Circle Block Board of Directors shall be the governing body of the Circle Block Corporation, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Premises, exclusive of the Units, the Limited Common Areas appurtenant to the individual Units and the Limited Common Areas appurtenant to the Residential Units. Subject to the provisions of Paragraph 26 of this Declaration and the Circle Block Bylaws, the Circle Block Board of Directors may provide for professional management.

13. Association of Residential Owners.

(a) Subject to the obligations of the Owners and Paragraph 17(a) of this Declaration, the maintenance, repair, upkeep, replacement, administration, management and operation of the Limited Common Areas appurtenant to the Residential Units shall be the obligation of the Residential Corporation. Each Owner of a Residential Unit shall, automatically upon becoming an Owner of a Residential Unit, be and become a Member of the Residential Corporation and shall remain a Member of the Residential Corporation until such time as his, her or its ownership of a Residential Unit ceases, and each Residential Unit Owner's membership shall terminate when such person ceases to be the Owner of a Residential Unit, and shall be transferred to the new Owner of the Residential Unit.

(b) The Residential Corporation shall elect a Residential Board of Directors (except for the Initial Residential Board, as defined in the Residential Bylaws, which shall be appointed as provided therein) in accordance with and as prescribed in the Residential Bylaws. Each person serving on the Initial Residential Board, whether as an original member thereof or as a member thereof appointed to fill a vacancy, shall be deemed a Member of the Residential Corporation and an Owner of a Residential Unit solely for the purpose of qualifying to act as a member of the Residential Board of Directors and for no other purpose. No such person serving on the Initial Residential Board shall be deemed or considered a Member of the Residential Corporation nor an Owner of a Residential Unit for any other purpose (unless he or she is actually the Owner of a Residential Unit and thereby a Member of the Residential Corporation).

(c) The Residential Board of Directors shall be the governing body of the Residential Corporation, representing all of the Owners of the Residential Units in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Limited Common Areas appurtenant to the Residential Units. Subject to the provisions of Paragraph 26 of this Declaration and the Residential Bylaws, the Residential Board of Directors may provide for professional management.

14. Maintenance, Repairs and Replacements.

(a) Each Owner shall, at his, her or its expense, be responsible for the maintenance, repairs, decoration and replacement of his, her or its own Unit and, to the extent provided in this Declaration, the Circle Block Bylaws and the Residential Bylaws, for any Limited Common Areas reserved or designated for the exclusive use of his, her or its Unit or the Owner thereof. Each Owner shall repair any defect or condition in his, her or its Unit or the Limited Common Area appurtenant thereto which, if not repaired, might adversely affect any other Unit or Common Area.

(b) Maintenance, repairs, replacements and upkeep of the Common Areas, exclusive of the Limited Common Areas appurtenant to individual Units and the Limited Common Areas appurtenant to the Residential Units, shall be furnished by the Circle Block Corporation as part of the Circle Block Common Expenses.

(c) Subject to Paragraph 17(a) of this Declaration, maintenance, repairs, replacements and upkeep of the Limited Common Areas appurtenant to the Residential Units shall be furnished by the Residential Corporation as part of the Residential Common Expenses.

(d) The Circle Block Board of Directors shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas, exclusive of the Limited Common Areas appurtenant to the Residential Units, as it deems advisable, necessary or appropriate, and may amend and modify the same from time to time as it deems advisable, necessary or appropriate.

(e) The Residential Board of Directors shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Limited Common Areas appurtenant to the Residential Units as it deems advisable, necessary or appropriate, and may amend and modify the same from time to time as it deems advisable, necessary or appropriate.

(f) The Circle Block Board of Directors or their designated agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency, in which case no notice shall be required), to enter into each individual Unit for the purpose of inspection of the Common Areas appurtenant thereto and replacement, repair and maintenance of such Common Areas to the extent contemplated in this Declaration.

(g) The Residential Board of Directors or their designated agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency, in which case no notice shall be required), to enter into each individual Residential Unit for the purpose of inspection of the Limited Common Areas appurtenant to the Residential Units and replacement, repair and maintenance of such Limited Common Areas to the extent contemplated by this Declaration.

(h) As of the first day of the first month following the conveyance of the first Unit located in the Building and the Circle Block Percentage Interest appurtenant thereto

to an Owner intending to occupy that Unit, each Unit located in the Building and the Circle Block Percentage Interest appurtenant thereto shall be subject to the Circle Block Regular Assessments and the Circle Block Special Assessments (as determined by Declarant and/or the Circle Block Board of Directors, as applicable) (collectively, the "Circle Block Assessments"), as provided in this Paragraph 14 and in the Circle Block Bylaws, and all such Circle Block Assessments shall constitute liens upon each Unit and appurtenant Circle Block Percentage Interest as provided and described in this Declaration and the Circle Block Bylaws. The date(s) on which the Circle Block Assessments are due and payable shall be as specified in this Declaration or the Circle Block Bylaws, or if not so specified, then as determined by the Circle Block Board of Directors. In addition, each Owner shall be personally liable for the amounts of any and all Circle Block Assessments which become due and payable during the period in which such Owner holds title to a Unit. The lien of any Circle Block Assessment shall be subordinate to the lien of any Mortgage on any Unit which was recorded before the time when said Circle Block Assessment first became delinquent, and any sale or transfer of a Unit pursuant to a foreclosure of a Mortgage shall extinguish such subordinate liens. Where the Mortgagee holding a first mortgage of record acquires an ownership interest in a Unit as a result of foreclosure of the first mortgage or of the acceptance of a deed in lieu of foreclosure, such Mortgagee, its successors and assigns, shall not be personally liable for the assessment levied against such Unit which were levied prior to the acquisition of an ownership interest in such Unit by such Mortgagee.

(i) As of the first day of the first month following the conveyance of the first Unit located in the Building and the Circle Block Percentage Interest appurtenant thereto to an Owner intending to occupy that Unit, each Residential Unit located in the Building and the Circle Block Percentage Interest appurtenant thereto shall be subject to the Residential Regular Assessments and the Residential Special Assessments (as determined by the Residential Board of Directors) (collectively, the "Residential Assessments"), as provided in this Paragraph 14 and in the Residential Bylaws, and all such Residential Assessments shall constitute liens upon each Residential Unit and appurtenant Circle Block Percentage Interest as provided and described in this Declaration and the Residential Bylaws. The date(s) on which Residential Assessments are due and payable shall be as specified in this Declaration or the Residential Bylaws, or if not so specified, then as determined by the Residential Board of Directors. In addition, each Owner of a Residential Unit shall be personally liable for the amounts of any and all Residential Assessments which become due and payable during the period in which such Owner holds title to a Residential Unit. The lien of any Residential Assessment shall be subordinate to the lien of any Mortgage on any Residential Unit which was recorded before the time when said Residential Assessment first became delinquent, and any sale or transfer of a Residential Unit pursuant to a foreclosure of a Mortgage shall extinguish such subordinate liens. Where the Mortgagee holding a first mortgage of record acquires an ownership interest in a Residential Unit as a result of foreclosure of the first mortgage or of the acceptance of a deed in lieu of foreclosure, such Mortgagee, its successors and assigns, shall not be personally liable for the assessment levied against such Residential Unit which were levied prior to the acquisition of an ownership interest in such Residential Unit by such Mortgagee.

(j) Each Circle Block Assessment and Residential Assessment shall be due and payable on the due date(s) thereof as specified in this Declaration, the Circle Block Bylaws or the Residential Bylaws, or if not so specified, then on the due date(s) determined by the Circle Block Board of Directors or the Residential Board of Directors, as applicable, and the date for the payment of such Circle Block Assessment or Residential Assessment is hereby termed the "Delinquency Date". Any Circle Block Assessment or Residential 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 such Owner shall be charged a fifty dollar (\$50.00) late fee, and all such delinquent Circle Block Assessments and Residential Assessments and charges shall bear interest from the dates incurred until paid in full, at a rate of interest equal to fourteen percent (14%) per annum, compounded monthly. In the event that any costs or expenses, including, without limitation, attorneys' fees, are incurred by or on behalf of the Circle Block Corporation or the Residential Corporation with respect to the recovery or collection of any delinquent Circle Block Assessment or Residential Assessment, all such costs and expenses 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 fourteen percent (14%) per annum, compounded monthly. All interest, late fees, costs and expenses payable hereunder with respect to a delinquent Circle Block Assessment or Residential Assessment shall be added to and deemed a part of such delinquent Circle Block Assessment or Residential Assessment and shall constitute a lien on the delinquent Owner's Unit and Circle Block Percentage Interest as of the date on which such delinquent Circle Block Assessment or Residential Assessment first became a lien. In the event that any Circle Block Assessment or Residential Assessment is not fully paid on or before the Delinquency Date, the Circle Block Corporation or the Residential Corporation, as the case may be, shall be entitled to accelerate and declare due and payable in full all installments of Circle Block Assessments or Residential 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 Circle Block Percentage Interest shall be subordinate to the lien of any Mortgage encumbering such Unit and its Circle Block Percentage Interest if and to the extent the Mortgage creating such first mortgage lien was recorded prior to the due date of the delinquent Circle Block Assessments or Residential Assessments.

(k) The Declarant as Owner or Co-owner of any Unit shall be obligated to contribute toward the Circle Block Common Expenses and/or the Residential Common Expenses for the Unit or Units owned by it from and after the date that this Declaration is recorded in the Office of the Recorder of Marion County, Indiana.

15. Alterations, Additions and Improvements.

(a) Alterations.

(i) No Owner shall make any alterations or additions to or which would affect the Common Areas without the prior written approval of the Circle Block Board of Directors (except for the Limited Common Areas appurtenant to

the Residential Units, which is addressed below), nor shall any Owner make any alteration in or to such Owner's respective Unit which would affect the safety or structural integrity of the Building in which the Unit is located nor shall any Owner change the color of any of the Common Areas without the prior written approval of the Circle Block Board of Directors (except for the Limited Common Areas appurtenant to the Residential Units, which is addressed below).

(ii) No Owner shall make any alterations or additions to or which would affect the Limited Common Areas appurtenant to the Residential Units without the prior written approval of the Residential Board of Directors, nor shall any Owner of a Residential Unit change the color of any of the Limited Common Areas appurtenant to the Residential Units without the prior written approval of the Residential Board of Directors.

(iii) In the event the Owner of the Hotel Unit alters a structural component of the Building ("Structural Alteration"), the Owner of the Hotel Unit shall thereafter be responsible for maintenance of the Structural Alteration and shall make a Structural Alteration only in the event the resulting change in the structure does not affect the use of the Residential Units or their safety. All construction activity performed to effect any alterations, additions, or improvements to any Unit shall be done in a manner so as not to unreasonably interfere with the activities occurring in any other Unit.

(iv) The Circle Block Board of Directors may impose additional limitations or restrictions on alterations through promulgation of rules and regulations and the Residential Board of Directors may impose additional limitations or restrictions on alterations to the Limited Common Areas appurtenant to the Residential Units through the promulgation of rules and regulations.

(b) Hotel Alterations. The Owner of the Hotel Unit shall have the right to change the interior design and arrangement of the Hotel Unit.

(c) Residential Unit Alterations. No Residential Unit may be subdivided, divided or separated. A Residential Unit may be combined with another Residential Unit only with the approval of the Residential Board of Directors on such terms as it shall provide. In the event of such combination, an amendment or supplement to this Declaration shall be recorded to reflect the combined Circle Block Percentage Interests, new Plans and Unit number designations. Such supplements or amendments to the Plans and this Declaration need not be approved by the any of the Owners. Except as expressly limited above, the Owner of the Residential Unit shall have the right to change the interior design of such Residential Unit.

(d) Reserved Rights. Notwithstanding the foregoing, the Declarant (and/or The Conrad Residences, LLC) reserves the right to change the interior design and arrangement of the Residential Units and to alter the boundaries between the Residential Units so long as the Declarant (and/or The Conrad Residences, LLC) owns the

Residential Units so changed or altered. If the Declarant (and/or The Conrad Residences, LLC) shall make any such change or alteration, such change or alteration shall be reflected by a supplement or amendment to the Plans executed by the Declarant (and/or The Conrad Residences, LLC) and recorded in the Office of the Recorder of Marion County, Indiana, if necessary. Simultaneously with the recording of any such amendment or supplement to the Plans, the Declarant shall record an amendment or supplement to this Declaration allocating Circle Block Percentage Interests so that the Residential Units depicted on such new Plans shall be allocated Circle Block Percentage Interests in the Common Areas on the same basis as the Units depicted in the prior Plans. Such allocation of Circle Block Percentage Interests shall vest when the amendment or supplement to this Declaration incorporating such changes has been recorded. Such supplements or amendments to the Plans and this Declaration need not be approved by the any of the Owners.

16. Insurance. The Co-owners, through the Circle Block Corporation, shall purchase a master casualty insurance policy, using generally acceptable insurance carriers, affording fire and extended coverage insurance on all portions of the Building that are not part of a Unit and that comprise the Common Areas, in an amount equal to the full replacement value of such improvements, to the extent "full replacement value" coverage is available. If the Circle Block Board of Directors can obtain Causes of Loss Special Form f/k/a "all risk" coverage for reasonable amounts, they shall obtain and maintain such coverage. The Circle Block Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. If deemed advisable by the Circle Block Board of Directors, the Circle Block Board of Directors may cause such full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Circle Block Common Expense. Such insurance coverage shall name each Owner and, if applicable, the Mortgagee of each Owner, and such other persons or entities as the Owner of the Hotel Unit shall reasonably request, as insureds and shall be for the benefit of each such Owner and Mortgagee in accordance with the following terms and conditions:

All proceeds payable as a result of casualty losses sustained, which are covered by insurance purchased by the Circle Block Corporation as hereinabove set forth, shall be paid to it or to the Circle Block Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Circle Block Corporation or the Circle Block Board of Directors, only in accordance with the provisions of this Declaration and any surety bond or bonds obtained by the Circle Block Board of Directors concerning the officers of the Circle Block Corporation, as provided in the Circle Block Bylaws, shall specifically include protection for any insurance proceeds so received. Certain provisions in this Paragraph 16 and in this Declaration are for the benefit of Mortgagees of Units, and all of such provisions are covenants for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

The interest of each damaged Owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of each damaged Owner to the damages of all Owners directly damaged by any event insured under the said master casualty insurance policy. No Owner or any other party shall have priority over any rights of a Mortgagee pursuant to its Mortgage in the

case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any Unit and/or Common Areas. The Circle Block Corporation shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Circle Block Corporation to act for and on behalf of the Owners 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 and the performance of all other acts necessary to accomplish such purposes.

Such master casualty insurance policy, and "all risk" coverage if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Circle Block Corporation, the Residential Corporation, the Circle Block Board of Directors, the Residential Board of Directors, the Owners, and their respective agents and guests, (b) waives any defense based on the invalidity arising from the acts of the insured, and (c) contains an endorsement that such policy shall not be terminated for non-payment of premiums without at least ten (10) days prior written notice to Mortgagees and to the Circle Block Corporation and providing further, if the Circle Block Board of Directors is able to obtain such insurance upon reasonable terms, (i) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as hereinafter permitted, (ii) 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 Paragraph 17 of this Declaration, and (iii) an agreed amount endorsement or an inflation guard endorsement to the extent such are commonly required by prudent institutional mortgage investors in the metropolitan Indianapolis area.

The Co-owners, through the Circle Block Corporation, shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Circle Block Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Circle Block Corporation, the Circle Block Board of Directors, any committee or organization of the Circle Block Corporation or the Circle Block Board of Directors, any managing agent appointed or employed by the Circle Block Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to Project, all Owners of Units and all other persons entitled to occupy any Unit or other portions of the Project. Such policy shall provide that it may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Circle Block Corporation and all Mortgagees.

The Co-owners, through the Circle Block Corporation, shall also obtain any other insurance required by law to be maintained, including but not limited to worker's compensation insurance, and such other insurance as the Circle Block Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Circle Block Corporation, the Circle Block Board of Directors and any managing agent acting on behalf of the Circle Block Corporation.

The premiums for all such insurance hereinabove described shall be paid by the Circle Block Corporation as part of the Circle Block Common Expenses. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Circle Block Corporation, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or Mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Circle Block Corporation who is required to send notices of meetings of the Circle Block Corporation.

In no event shall any distribution of proceeds be made by the Circle Block Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance. In such event any remittances shall be to the Owner and his Mortgagee jointly.

Each Owner shall be solely responsible for loss or damage to his, her or its Unit and the contents thereof however caused (including, but not limited to, all floor, ceiling and wall coverings and fixtures, light fixtures, appliances and betterments and improvements installed by such Owner) and his, her or its personal property stored elsewhere on the Premises, and the Circle Block Corporation shall have no liability to the Owner for loss or damage to the contents of any Unit. Each Owner shall obtain his, her or its own insurance to cover any such loss and risk to his, her or its Unit and the contents thereof and his, her or its personal property. Each Owner shall purchase such additional insurance at his, her or its own expense, including but not limited to: (1) personal liability insurance, provided that all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by the Circle Block Corporation; and (2) casualty insurance upon his, her or its Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Circle Block Corporation.

The Circle Block Corporation shall provide written notice to all Owners or their respective Mortgagees (whose interests may be affected) of obtainment of any insurance policy provided for herein or subsequent revision or termination of the same.

In the event an Owner requires special insurance coverage, any costs associated with such special insurance coverage shall be the sole responsibility of such Unit Owner. In the event the Residential Corporation requires special insurance coverage, any costs associated with such special insurance coverage shall be the sole responsibility of the Residential Corporation.

17. Casualty and Restoration.

(a) Except as hereinafter provided, damage to or destruction of any portions of the Building which are not part of a Unit due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Circle Block Corporation and the proceeds of insurance, if any, shall be applied for that purpose; provided, however, that repair and reconstruction shall not be compulsory in the event of "total destruction of the Building" (hereinafter defined) and shall only be done in accordance with the provisions hereinafter set forth. As used herein, the term "total destruction of the Building" means a determination, made by a unanimous vote of all Co-owners that total destruction of the Building has occurred at a special meeting of the Circle Block Corporation called for the purpose of making such determination. A special meeting of the Circle Block

Corporation shall be called and held within fifteen (15) days after any fire or any other casualty or disaster damaging or destroying the Building for the purpose of making the determination of whether or not there has been a total destruction of the Building. If such a special meeting is not called and held within such fifteen (15) day period, or if the determination of whether or not there has been a total destruction of the Building has not been made within such fifteen (15) day period, then it shall be conclusively presumed that the Co-owners determined that there was not a total destruction of the Building, and the Circle Block Corporation shall proceed with repair and reconstruction of the Building (exclusive of Units) as herein provided.

(b) In the event of substantial damage to or destruction of any one or more Units or any part of the Common Areas, the affected Mortgagee or Mortgagees shall be given timely written notice of such damage or destruction and, notwithstanding any other provision of the Declaration or the Circle Block Bylaws, the Premises shall not be removed from the Act without the approval of all of the Mortgagees.

(c) If any insurance proceeds received by the Circle Block Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, and if the Premises is not to be removed from the Act, the cost for restoring the damage and repairing and reconstructing the Building so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be a Circle Block Common Expense and assessed as part of the Circle Block Common Expenses.

(d) For purposes of subparagraph (a) and (c) above, repair, reconstruction and restoration shall mean construction or rebuilding of those portions of the Building which are not a Unit to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

(e) If there is a total destruction of the Building as determined per the provisions of Paragraph 17(a), the Building shall not be rebuilt, reconstructed or repaired unless the Co-Owners elect to rebuild, reconstruct and repair the Building by a vote of sixty-seven percent (67%) of the Circle Block Percentage Vote. In the event the Building is not to be rebuilt, reconstructed or repaired, the Premises shall be deemed and considered as to be removed from the provisions of the Act under Chapter 8, Section 16 of the Act and, in accordance with such Section of the Act:

(i) the Premises shall be deemed to be owned in common by the Owners;

(ii) the undivided interest in the Premises owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;

(iii) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Owner in the Premises; and

(iv) The Premises shall be subject to an action for partition by sale at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Premises, if any, shall be considered as one (1) fund and shall be divided among all the Owners in a percentage equal to the Circle Block Percentage Interest owned by each Owner in the Premises, after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Premises owned by each Owner.

(f) Immediately after a fire or other casualty or disaster causing damage to any property for which the Circle Block Board of Directors or the Circle Block Corporation has the responsibility of maintenance and repair, the Circle Block Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Circle Block Board of Directors may reasonably require.

(g) The proceeds of insurance collected on account of any such casualty, and the sums received by the Circle Block Board of Directors from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, in payment of the costs of reconstruction and repair in the following manner:

(i) If the amount of the estimated cost of reconstruction and repair is Two Hundred Fifty Thousand Dollars (\$250,000.00) or less, then the construction fund shall be disbursed in payment of such costs upon order of the Circle Block Board of Directors; provided, however, that upon request of a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided in the following Paragraph (ii).

(ii) If the estimated cost of reconstruction and repair is more than Two Hundred Fifty Thousand Dollars (\$250,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Indiana and employed by the Circle Block Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, and certifying (1) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (2) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (3) that the costs as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(iii) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications for the original construction of the Building or as the Building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Building stands.

(iv) In the event that there is any surplus of monies in the construction fund after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Circle Block Board of Directors as a reserve or may be used in the maintenance and operation of the Common Areas. The action of the Circle Block Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against another Owner for committing willful or malicious damage.

(h) If any Unit or portion thereof or any of the Common Areas is made the subject of a condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the affected Owners, Mortgagee or Mortgagees shall be given timely written notice of such proceeding or proposed acquisition. The Circle Block Corporation shall represent the Owners in any condemnation proceeding or any negotiation settlements or agreements with the condemning authority for acquisition of the Common Areas or any part thereof. In the event of a taking or acquisition of part or all of the Common Areas by a condemning authority, the award or proceeds of settlement shall be payable to the Circle Block Corporation to be held in trust for the Owners and Mortgagees as their interests may appear and the provisions of the Declaration relating to restoration and allocation of funds in the event of a casualty shall be applicable in the event of a condemnation.

18. Covenants and Restrictions.

(a) Additional covenants and restrictions applicable to the use and enjoyment of the Units and the Common Areas are set forth in the Circle Block Bylaws. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner or by the Circle Block Corporation. Present or future Owners or the Circle Block Corporation shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation.

(b) Additional covenants and restrictions applicable to the use and enjoyment of the Residential Units and the Limited Common Areas appurtenant to the Residential Units are set forth in the Residential Bylaws. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners of the Residential Units and shall run with the land and inure to the benefit of and be enforceable by any Owner of a Residential Unit or by the Residential Corporation. Present or future Owners of

Residential Units or the Residential Corporation shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation.

(c) Notwithstanding anything to the contrary contained herein or in the Circle Block Bylaws or the Residential Bylaws, including, but not limited to any covenants and restrictions set forth in the Circle Block Bylaws or the Residential Bylaws, the Declarant (and/or The Conrad Residences, LLC) may use and maintain any Units owned by the Declarant (and/or The Conrad Residences, LLC) and such other portions of the Premises, as the Declarant (and/or The Conrad Residences, LLC) may deem advisable or necessary in its sole discretion, to aid in the construction and sale of Residential Units, or to promote or effect sales of Residential Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Residential Units, storage areas, signs, construction offices, sales offices and management offices, so long as the same does not materially interfere with the use of the other Residential Units. The Declarant (and/or The Conrad Residences, LLC) shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by the Declarant (and/or The Conrad Residences, LLC) be or become part of the Common Areas, unless so designated by the Declarant (and/or The Conrad Residences, LLC), and the Declarant (and/or The Conrad Residences, LLC) shall have the right to remove the same from the Premises at any time.

19. Amendment of Declaration. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted 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.

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

(c) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the Circle Block Bylaws.

(d) Adoption. Any proposed amendment to this Declaration must be approved by a vote of ninety percent (90%) of the Circle Block Percentage Vote, except that any amendment that changes the calculation of Circle Block Percentage Interests or allocates burdens or costs in a manner other than in accordance with the Circle Block Percentage Interests must be approved by a vote of one hundred percent (100%) of the Circle Block Percentage Vote. In the event any Unit is subject to a first Mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its Mortgage interest to the Circle Block Board of Directors in accordance with the provisions of the Circle Block Bylaws.

(e) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Circle Block Corporation and shall include an affidavit stating that Owners representing the requisite Circle Block Percentage Vote have approved the amendment and shall be recorded in the Office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.

(f) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein to the contrary, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners or any other person or entity at any time prior to the Applicable Date 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 is necessary with respect to the Residential Units to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing & Urban Development, the Federal Housing Association, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, or

(iii) such amendment is necessary to correct clerical or typographical or scrivener's errors.

(g) Special Requirements. Unless specifically controlled by a more restrictive provision under Indiana law or otherwise provided herein, neither the Circle Block Corporation nor the Residential Corporation shall, without the prior written notice to all Mortgagees and the prior written consent of all of the Mortgagees (based upon one vote for each mortgage held on a Unit) and all of the Owners, be entitled to:

(i) by act or omission, seek to abandon or terminate the Condominium;

(ii) change the pro rata interest or obligations of any individual Unit for the purpose of: (A) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (B) determining the pro rata share of ownership of each Unit in the Common Areas;

(iii) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas (provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas shall not be deemed transfers within the meaning of this clause); or

(iv) use hazard insurance proceeds for losses to any part of the Premises (whether to Units or to Common Areas) for other than the repair, replacement or reconstruction of such Premises, except as provided in Paragraph 17 of this Declaration in case of substantial damage to the Units.

20. 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 Circle Block Bylaws, the Residential Bylaws (applicable only to Owners of Residential Units), the rules and regulations as adopted by the Circle Block Board of Directors and the rules and regulations as adopted by the Residential Board of Directors (applicable only to Owners of Residential Units), as each may be amended or supplemented from time to time. However, the rules and regulations as adopted by the Circle Block Board of Directors and/or the Residential Board of Directors, from time to time, may not unreasonably burden, impair or diminish the rights or interest of (a) the Hotel Unit Owner or interfere with the ability of the Hotel Unit Owner to use the Hotel Unit as a hotel, or (b) the Residential Units or interfere with the ability of the Residential Unit Owners to use their respective Residential Units for residential purposes. The Hotel Unit shall not be used in any manner that unreasonably burdens, impairs, or diminishes the use of the Residential Units for residential purposes. 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 Act, the Circle Block Bylaws, the Residential Bylaws and the rules and regulations respecting the Project as each may be amended or supplemented from time to time, except as such rules and regulations may be limited within this paragraph, 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 any interest or estate from time to time in a Unit or the Premises as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. 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 Project in any manner shall be subject to the Declaration, the Act, the Circle Block Bylaws, the Residential Bylaws and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

21. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his, her or its negligence or by that of any member of his family or his, her or its invitees, licensees, guests, employees, agents or lessees (including but not limited to damage caused by any pet or any automobile), to the extent that such expense is not covered by the proceeds of insurance received by the Circle Block Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his, her or its use, misuse, occupancy or abandonment of his, her or its Unit or its appurtenances or of the Common Areas or Limited Common Areas.

22. Cooperation. Each of the Circle Block Corporation and the Residential Corporation will cooperate and use reasonable good faith efforts to work together to implement the matters contemplated by this Declaration.

23. Granting of Easements. The Circle Block Corporation is granted the authority to grant easements in and to the Common Areas to utility companies upon such terms and conditions and for such consideration as it deems advisable, necessary or appropriate.

24. Reservation of Rights to the Use of the Common Areas.

(a) Declarant shall have, and hereby reserves, the right and an easement over, across, upon, along, in, through and under the Premises for the purposes of installing, maintaining, repairing, replacing, relocating and otherwise servicing infrastructure facilities and utility equipment, facilities and installations to serve the Premises and any portions of the Real Estate which are not part of the Premises, to provide access to and ingress and egress to and from the Premises and to and from any such portions of the Real Estate which are not part of the Premises, to make improvements to and within the Premises and any such portions of the Real Estate which are not part of the Premises, and to provide for the rendering of public and quasi-public services to the Premises and such portions of the Real Estate which are not part of the Premises. However, Declarant's exercise of its rights provided in this Paragraph 24(a) shall not unreasonably burden, impair, or diminish the use of the Hotel Unit or the Residential Units.

(b) Declarant reserves the right to use any of the Real Estate that is not annexed to or made subject to the Declaration for any purposes.

25. Easement for Utilities and Public and Quasi Public Vehicles. All public and quasi public vehicles, including, but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles and privately owned delivery vehicles, shall have the right to enter upon the Common Areas and Limited Common Areas of the Project in the performance of their duties. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to water, sewers, gas, telephones, cable, fiber optic and other information transmission media, and electricity on the Premises (collectively, the "Utilities"). By virtue of this easement, the companies providing Utilities are expressly permitted to erect and maintain the necessary equipment on the Premises and to affix and maintain wires, circuits, conduits and other equipment on, above, across and under the roofs and exterior walls of the Building.

26. Initial Management.

(a) As set forth in the Circle Block Bylaws, the initial Circle Block Board of Directors consists and will consist of persons appointed by Declarant. Such initial Circle Block Board of Directors may enter into a management agreement with Declarant (or a corporation or other entity affiliated with Declarant) or a third party for a term not to exceed one (1) year with either party having the right to terminate upon thirty (30) days' notice under which the management company will provide supervision, fiscal and general management and maintenance of the Common Areas (exclusive of the Limited Common Areas appurtenant to the Residential Units) and, in general, perform all of the duties and obligations of the Circle Block Corporation. Such management agreement may be renewed by the parties for additional terms of one (1) year. In the event no management agreement exists because of termination or otherwise, the Circle Block Corporation shall thereupon and thereafter resume performance of all such management duties, obligations and functions. Notwithstanding anything to the contrary contained herein prior to the Applicable Date, Declarant shall have, and Declarant hereby reserves to itself (either

through a management company or otherwise), the exclusive right to manage the Premises and to perform all the functions of the Circle Block Corporation.

(b) As set forth in the Residential Bylaws, the initial Residential Board of Directors consists and will consist of persons appointed by Declarant. Such initial Residential Board of Directors may enter into a management agreement with Declarant (or a corporation or other entity affiliated with Declarant) or a third party for a term not to exceed one (1) year with either party having the right to terminate upon thirty (30) days' notice under which the management company will provide supervision, fiscal and general management and maintenance of the Limited Common Areas appurtenant to the Residential Units and, in general, perform all of the duties and obligations of the Residential Corporation. Such management agreement may be renewed by the parties for additional terms of one (1) year. In the event no management agreement exists because of termination or otherwise, the Residential Corporation shall thereupon and thereafter resume performance of all such management duties, obligations and functions. Notwithstanding anything to the contrary contained herein prior to the Applicable Date, Declarant shall have, and Declarant hereby reserves to itself (either through a management company or otherwise), the exclusive right to manage the Limited Common Areas appurtenant to the Residential Units and to perform all the functions of the Residential Corporation.

27. Costs and Attorneys' Fees. In any proceeding arising because of failure of a party to perform hereunder or under the Circle Block Bylaws, the Residential Bylaws or the Act, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with such default or failure.

28. Waiver. No Owner may exempt himself, herself or itself from liability for his, her or its contribution toward the Circle Block Common Expenses and/or the Residential Common Expenses by waiver of the use or enjoyment of any of the Common Areas or the Limited Common Areas or by abandonment of his, her or its Unit.

29. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provisions of this Declaration, the Circle Block Bylaws or the Residential Bylaws filed herewith shall not impair or affect in any manner the validity, enforceability or affect the remaining provisions of this Declaration or the attached Circle Block Bylaws or Residential Bylaws.

30. Enforcement. The provisions of this Declaration, the Circle Block Bylaws, the Residential Bylaws, the Circle Block Articles of Incorporation, the Residential Articles of Incorporation or the Act may be enforced by the Circle Block Corporation, the Residential Corporation, as applicable, or by any aggrieved Owner through court proceedings for injunctive relief, for damages or for both.

31. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include the

masculine, feminine and neuter genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

32. Floor Plans. The Plans setting forth the layout, location, identification numbers, and dimensions of the Units and the Premises are incorporated into this Declaration by reference, and have been filed in the Office of the Recorder of Marion County, Indiana, in Horizontal Property Plan File, as Instrument No. 2006-0175536.

[Remainder of page left blank intentionally.]

EXHIBITS

Exhibit A - Legal Description of Real Estate

Exhibit B-1 - Bylaws

Exhibit B-2 - Residential Bylaws

Exhibit C - Schedule of Percentage Interests

EXHIBIT "A"

Legal Description of Real Estate

Lots 5 and 6, part of Lot 4, part of vacated Bird Street and part of vacated Court Street, all in Square 55 of the Donation Lands of the City of Indianapolis, Indiana, more particularly described as follows:

Beginning at the southwest corner of said Square 55; thence North 00 degrees 00 minutes 18 seconds West (assumed bearing) along the west line thereof a distance of 186.79 feet to the westerly extension of the south exterior face of the structural column line of a multi-story masonry parking garage building (measured at ground level as it existed on 04/29/04); thence North 89 degrees 59 minutes 30 seconds East along said column line a distance of 135.00 feet to the east line of vacated Bird Street; thence South 00 degrees 00 minutes 16 seconds East along said east line a distance of 50.34 feet to a point on a non-tangent curve to the left having a radius of 75.00 feet, the radius point of which bears North 38 degrees 25 minutes 10 seconds East; thence southeasterly along said curve an arc distance of 50.21 feet to the south line of vacated Court Street, said point bearing South 00 degrees 03 minutes 39 seconds West from said radius point; thence South 89 degrees 55 minutes 38 seconds West along said south line of vacated Court Street a distance of 46.53 feet to the east line of vacated Bird Street; thence South 00 degrees 00 minutes 16 East a distance of 120.00 feet to the south line of said Square 55; thence South 89 degrees 55 minutes 38 seconds West along said south line a distance of 135.00 feet to the Point of Beginning.

TOGETHER with those non-exclusive easements for access, ingress and egress, maintenance and construction as set forth in Article II, Sections 2.6.2 and 2.6.3 of that certain Artsgarden Reciprocal Easement Agreement dated as of April 30, 2003 and recorded June 10, 2003 as Instrument No. 2003-0121131 in the Office of the Recorder of Marion County, Indiana.

ALSO TOGETHER with those non-exclusive easements for connection, modification to structural systems and ingress and egress as set forth in that certain Declaration of Easement Agreement dated June 14, 2004 and recorded June 25, 2004 as Instrument No. 2004-0128325 in the Office of the Recorder of Marion County, Indiana.

ALSO TOGETHER with those exclusive and non-exclusive easements for construction, utilities and pedestrian and vehicular ingress and egress as set forth in Sections 2.01 and 2.02 of that certain Cross Easement Agreement dated June 14, 2004 and recorded June 30, 2004 as Instrument No. 2004-0128326 in the Office of the Recorder of Marion County, Indiana.

ALSO TOGETHER with parking rights as set forth in that certain Washington/Illinois Street Master Parking Agreement dated June 14, 2004 and recorded June 25, 2004 as Instrument No. 2004-128327 in the Office of the Recorder of Marion County, Indiana.

ALSO TOGETHER with those non-exclusive, permanent easements for operation, maintenance, repair, replacement, modification, alteration and removal of flashing to maintain closure between the two adjoining buildings and for use of the existing connector for pedestrian access as set forth in Sections 2.2.1 and 2.2.2 of Instrument No. 1999-0019109 in the Office of the Recorder of Marion County, Indiana.

AND ALSO TOGETHER with those non-exclusive easements as set forth in Section 3.02 of that certain Grant of Easements Agreement dated October 10, 1997 and recorded October 24, 1997 as Instrument No. 97-0160740 and re-recorded February 3, 1998 as Instrument No. 98-16385, as corrected by an Affidavit of Correction dated March 5, 1998 and recorded March 6, 1998 as Instrument No. 98-36576 in the Office of the Recorder of Marion County, Indiana.

ALSO TOGETHER with that certain three-dimensional aerial space vacated by Declaratory Resolution No. 2005-VAC-009(A), recorded September 14, 2005 as Instrument No. 2005-0153133, being the following described part of Washington Street in the Donation Lands of the City of Indianapolis, Indiana limited on its lower surface by a horizontal plane defined by an elevation of 725.5 feet (National Geodetic Vertical Datum of 1929) and being limited on its upper surface by a horizontal plane defined by an elevation of 769.5 feet:

Beginning at a point North 89 degrees 55 minutes 38 seconds East (assumed bearing) along the south line of Square 55 of said Donation Lands distant 84.21 feet from the southwest corner of said Square 55; thence continuing North 89 degrees 55 minutes 38 seconds East along said south line a distance of 34.13 feet; thence South 00 degrees 00 minutes 00 seconds East a distance of 26.00 feet; thence South 89 degrees 55 minutes 38 seconds West parallel with said south line of Square 55 a distance of 34.13 feet; thence North 00 degrees 00 minutes 00 seconds West a distance of 26.00 feet to the Point of Beginning, containing 887 square feet, more or less.

ALSO TOGETHER with that certain three-dimensional aerial space vacated by Declaratory Resolution No. 2005-VAC-009(A), recorded September 14, 2005 as Instrument No. 2005-0153133, being the following described part of Illinois Street in the Donation Lands of the City of Indianapolis, Indiana limited on its lower surface by a horizontal plane defined by an elevation of 723.5 feet (National Geodetic Vertical Datum of 1929) and being limited on its upper surface by a horizontal plane defined by an elevation of 735.5 feet:

Beginning at a point North 00 degrees 00 minutes 18 seconds West (assumed bearing) along the west line of Square 55 of said Donation Lands distant 127.08 feet from the southwest corner of said Square 55; thence North 90 degrees 00 minutes 00 seconds West a distance of 13.20 feet; thence North 00 degrees 00 minutes 18 seconds West parallel with said west line a distance of 18.00 feet; thence South 90 degrees 00 minutes 00 seconds East a distance of 13.20 feet to the west line of said Square 55; thence South 00 degrees 00 minutes 18 seconds East along said west line a distance of 18.00 feet to the Point of Beginning, containing 238 square feet, more or less.

ALSO TOGETHER with that certain three-dimensional aerial space vacated by Declaratory Resolution No. 2005-VAC-009(A), recorded September 14, 2005 as Instrument No. 2005-0153133, being the following described part of Washington Street in the Donation Lands of the City of Indianapolis, Indiana limited on its lower surface by a horizontal plane defined by an elevation of 711.5 feet (National Geodetic Vertical Datum of 1929) and being limited on its upper surface by a horizontal plane defined by an elevation of 752.5 feet:

Beginning at a point North 89 degrees 55 minutes 38 seconds East (assumed bearing) along the south line of Square 55 of said Donation Lands distant 12.25 feet from the southwest corner of said Square 55; thence continuing North 89 degrees 55 minutes 38 seconds East along said south line a distance of 47.21 feet; thence South 00 degrees 00 minutes 00 seconds West a distance of

2.00 feet; thence South 89 degrees 55 minutes 38 seconds West parallel with said south line of Square 55 a distance of 47.21 feet; thence North 00 degrees 00 minutes 00 seconds East a distance of 2.00 feet to the Point of Beginning.

EXHIBIT "B-1"

Bylaws

[see attached]

BYLAWS
OF THE
CIRCLE BLOCK CONDOMINIUM
AND OF
CIRCLE BLOCK OWNERS' ASSOCIATION, INC.

BYLAWS
OF THE
CIRCLE BLOCK CONDOMINIUM
AND OF
CIRCLE BLOCK OWNERS' ASSOCIATION, INC.

ARTICLE I
Identification and Applicability

Section 1.01. Identification and Adoption. These Circle Block Bylaws are adopted simultaneously with the execution of a certain Declaration creating the Circle Block Condominium (hereinafter sometimes referred to as the "Project") to which these Circle Block Bylaws are attached and made a part thereof. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Circle Block Bylaws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these Circle Block Bylaws and reference is specifically made to the Declaration containing definitions of terms. The provisions of these Circle Block Bylaws shall apply to the Premises and the administration and conduct of the affairs of the Circle Block Corporation. These Circle Block Bylaws shall also constitute the bylaws of the Circle Block Corporation.

Section 1.02. Name, Principal Office, and Resident Agent. The name of the Circle Block Corporation is Circle Block Owners' Association, Inc. (hereinafter referred to as the "Circle Block Corporation"). The initial post office address of the principal office of the Circle Block Corporation is 30 South Meridian Street, Suite 1200, Indianapolis Indiana 46204; and the name of its initial Resident Agent in charge of such office is Alvin E. Kite. The location of the principal office of the Circle Block Corporation or the designation of its Resident Agent, or both, may be changed at any time or from time to time when authorized by a majority of the Circle Block Board of Directors.

Section 1.03. Individual Application. All Owners, tenants, guests, invitees and other persons that might use or occupy a Unit or any part of the Premises, shall be subject to the restrictions, terms and conditions set forth in the Declaration, these Circle Block Bylaws and the Statute (as defined below), and to any rules and regulations adopted by the Circle Block Board of Directors as herein provided.

ARTICLE II
Meetings of the Circle Block Corporation

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, a meeting of the Members shall be held for the purpose of electing the Circle Block Board of Directors (subject to the provisions of Section 3.02 hereof), presenting the annual budget, and for such other purposes as may be necessary or required by the Declaration, these Circle Block Bylaws or the Statute.

Section 2.02. Annual Meetings. The annual meeting of the Members of the Circle Block Corporation shall be held on the second (2nd) Tuesday of January in each calendar year.

At the annual meeting, the Members shall (subject to the provisions of Section 3.02 hereof) elect the Circle Block Board of Directors of the Circle Block Corporation in accordance with the provisions of these Circle Block Bylaws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meeting. A special meeting of the Members of the Circle Block Corporation may be called by resolution of a majority of the Circle Block Board of Directors or upon a written petition of Owners who have not less than a majority of the Circle Block Percentage Vote of all Co-owners. The resolution or petition shall be presented to the President or Secretary of the Circle Block Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the resolution or petition.

Section 2.04. Notice and Place of Meetings. All meetings of the Members of the Circle Block Corporation shall be held at any suitable place in Marion County, Indiana, as may be designated by the Circle Block Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed by the Secretary of the Circle Block Corporation to each Member entitled to vote thereat by first class mail not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Hotel Owner at the address provided to the Secretary of the Circle Block Corporation and the notices shall be mailed or delivered to the Owners of the Residential Units at the addresses of their Residential Units, except that a copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Circle Block Corporation to each Mortgagee who (a) requests in writing that such notices be delivered to it, and (b) has furnished the Circle Block Corporation with its name and address in accordance with Section 8.01 of these Circle Block Bylaws. Such Mortgagee may designate a representative to attend the meeting.

Section 2.05. Waiver of Notice. Notice may be waived in writing, signed by the Member entitled to notice, and filed with the minutes or the corporate records. Attendance at or participation in any meeting (a) waives objection to lack of notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when the matter is presented.

Section 2.06. Voting and Conduct of Meetings.

(a) Number of Votes. On each matter coming before the meeting as to which an Owner is entitled to vote, such Owner shall be entitled to cast a vote equal to the Circle Block Percentage Interest applicable to such Owner's Unit.

(b) Multiple Owner. Where the Owner of a Unit constitutes or consists of more than one person, there shall be only one voting representative entitled to all of the Circle Block Percentage Vote allocable to that Unit. At the time of acquisition of title to a Unit by more than one person, those persons constituting such Owner shall file with the Secretary of the Circle Block

Corporation an irrevocable proxy appointing one (1) of such persons as the voting representative for such Unit, which proxy shall remain in effect until all of such persons constituting such Owner designate another voting representative in writing, such appointed representative relinquishes such appointment in writing, becomes incompetent, or dies, such appointment is otherwise rescinded by order of a court of competent jurisdiction, or persons constituting such Owner no longer own such Unit. Such appointed voting representative may grant a proxy to another to vote in his or her place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.06, which proxy shall not constitute a permanent relinquishment of his or her right to act as voting representative for the Unit.

(c) Voting by Entity or Trust. Where a trust, corporation, limited liability company or other entity is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of such corporation, limited liability company or other entity duly empowered by such entity may cast the vote to which such entity is entitled. The trustee of the trust or the agent or representative of such corporation, limited liability company, or other entity so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary or other officer of the Circle Block Corporation stating who is authorized to vote on behalf of said trust or entity. The certificate shall remain effective for future meetings or actions until rescinded or changed. Until rescinded or changed, Alvin E. Kite shall represent the Owner of the Hotel Unit. In the event that the Secretary of the Circle Block Corporation receives conflicting certificates, neither certificate shall be effective or binding upon the Circle Block Corporation.

(d) Proxy. An Owner may vote either in person or by his, her or its duly authorized and designated attorney in fact. Where voting is by proxy, the Owner shall duly designate his, her or its attorney in fact in writing, delivered to the Secretary or other officer of the Circle Block Corporation prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these Circle Block Bylaws, the Statute or the Indiana Nonprofit Corporation Act of 1991, as amended (hereinafter referred to as the "Statute"), the Owners representing fifty-one percent (51%) of the Circle Block Percentage Vote of all Co-owners shall constitute a quorum at all meetings.

(f) Official Action. Except where otherwise expressly provided in the Declaration, these Circle Block Bylaws, or the Statute, action of the Members is not official unless it is authorized by the Owners representing fifty-one percent (51%) of the Circle Block Percentage Vote.

(g) Conduct of Annual Meeting. The President of the Circle Block Corporation shall act as the Chairman of all annual meetings of the Circle Block Corporation if he or she is present. If the President of the Circle Block

Corporation is not present, then the Secretary of the Circle Block Corporation shall act as Chairman of the annual meeting, or in the absence of both the President and Secretary, then the Members present shall designate a representative to act as Chairman over the annual meeting at issue by a vote of a majority of the Circle Block Percentage Vote present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Circle Block Percentage Vote present at a meeting at which a quorum is present or such minutes have been previously approved.

(2) Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Circle Block Corporation and answer relevant questions of the Owners concerning the Circle Block Common Expenses and financial report for the prior year and the proposed budget for the current year.

(3) Budget. The budget for the current fiscal year shall be presented to the Owners.

(4) Election of the Circle Block Board of Directors. After the Applicable Date, nominations for the one (1) position on the Circle Block Board of Directors to be elected by the Owners of the Residential Units may be made by any Owner of a Residential Unit from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Circle Block Corporation at least seven (7) days prior to the date of the annual meeting. Voting for the Circle Block Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Director. Each Owner of a Residential Unit may cast the Circle Block Percentage Vote to which such Owner is entitled for the Circle Block Board position to be filled. The person receiving the highest number of votes shall be elected. Each voting Owner shall sign his, her or its ballot and identify his, her or its Residential Unit. The foregoing provisions are subject to the provisions of Section 6.1 of the Circle Block Articles and Article III hereof.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Circle Block Corporation at least seven (7) days prior to the date of the meeting; provided, that such written request

may be waived at the meeting if agreed to by a majority of the Circle Block Percentage Vote present at a meeting at which a quorum is present.

(6) Adjournment.

(h) Conduct of Special Meeting. The President of the Circle Block Corporation shall act as Chairman of any special meetings of the Circle Block Corporation if he or she is present. If the President of the Circle Block Corporation is not present, then the Secretary of the Circle Block Corporation shall act as Chairman of any special meetings, or in the absence of both the President and Secretary, then the Members present shall designate a representative to act as Chairman over the special meeting at issue. The Chairman shall call the meeting to order at the duly designated time, and the only business to be considered at such meeting shall be the consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

Section 2.07. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting of the Members if the action is approved by all of the Members. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

- (a) is signed by all of the Members; and
- (b) is filed with the Circle Block Corporation's minutes.

Section 2.08. Action by Written Ballot. Any action that may be taken at an annual meeting of the Members may be taken without a meeting if the Circle Block Corporation delivers a written ballot to every Member. A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A solicitation for votes by written ballot must (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than the election of Directors, and (c) specify the time by which a ballot must be received by the Circle Block Corporation to be counted. A written ballot may not be revoked.

Section 2.09. Means of Communication. The Circle Block Corporation may permit a Member to participate in an annual, regular, or special meeting through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member participating in a meeting by such means shall be considered present in person at the meeting.

ARTICLE III
Circle Block Board of Directors

Section 3.01. Management. The affairs of the Circle Block Corporation and the Project shall be governed and managed by the Circle Block Board of Directors (herein also called "Circle Block Board" or "Directors" and individually called "Director"). The Circle Block Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he or she is, or is deemed in accordance with the Declaration, the Articles or these Circle Block Bylaws to be, an Owner, including a person appointed as provided in this Article III.

Section 3.02. Circle Block Board of Directors.

(a) The initial Circle Block Board of Directors shall consist of three (3) Directors appointed by the Declarant, of which one (1) Director shall be an Owner of a Residential Unit (the "Initial Circle Block Board"). Notwithstanding anything to the contrary contained in, or any other provisions of, these Circle Block Bylaws or the Declaration or the Statute or elsewhere: (i) the Initial Circle Block Board shall hold office until the earlier of (A) December 31, 2010, or (B) one hundred twenty (120) days after the date on which all of the Residential Units erected thereby have been conveyed by Declarant or its successor (and/or The Conrad Residences, LLC) for the purpose of occupancy as single family residences (such date when the Initial Circle Block Board shall no longer hold office being herein referred to as the "Applicable Date"); and (ii) in the event of any vacancy or vacancies occurring in the Initial Circle Block Board for any reason or cause whatsoever, prior to the Applicable Date determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who each shall thereafter be deemed a member of the Initial Circle Block Board. Each Owner of a Residential Unit, by acceptance of a deed to a Residential Unit or by acquisition of any interest in a Residential Unit, shall be deemed to have appointed Declarant as such Owner's agent, attorney in fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote and to vote as Declarant determines on all matters as to which Members are entitled to vote under the Declaration, these Circle Block Bylaws, the Statute, or otherwise. This appointment of Declarant as such Owner's agent, attorney in fact and proxy shall not be affected by incompetence of the Owner granting the same.

(b) After the Applicable Date, two (2) of the Directors shall be appointed by the Owner of the Hotel Unit and one (1) of the Directors shall be elected by the Owners of the Residential Units.

Section 3.03. Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then, one of the persons constituting or representing the Owner (or a partner, officer, or trustee of such Owner) shall be eligible to serve on the Circle Block Board of Directors, except that no single Unit may be represented on the Circle Block Board of Directors by more than one person at a time. Notwithstanding the

foregoing, the Owner of the Hotel Unit may be represented on the Circle Block Board of Directors by more than one person at any time and any person appointed to the Circle Block Board of Directors by the Owner of the Hotel Unit shall be deemed to be an Owner for such purposes.

Section 3.04. Term of Office and Vacancy. The Initial Circle Block Board shall be deemed to be elected and re-elected as the Circle Block Board of Directors at each annual meeting until the Applicable Date. After the Applicable Date, each member of the Circle Block Board of Directors shall be appointed or elected for a term of one (1) year at every annual meeting of the Circle Block Corporation. There shall be separate nominations for the office of each Director to be elected at meetings after the Applicable Date. Each Director appointed or elected shall hold office throughout the term of his or her election and until his or her successor is elected and qualified. Subject to the provisions of Section 3.02 hereof as to the Initial Circle Block Board, any vacancy or vacancies occurring in the Circle Block Board shall be filled by appointment or election of the Owner or Owners entitled to appoint or elect such Director, such election to occur at a special meeting of the Members of the Circle Block Corporation to be called in accordance with the provisions of these Circle Block Bylaws for the designated purpose of electing such person or persons to fill any vacancy and to serve until such time as the next annual meeting, wherein Directors are elected or re-elected, as the case may be. The Director so filling a vacancy shall serve until the next annual meeting of the Members of the Circle Block Corporation and until his or her successor is elected and qualified.

Section 3.05. Removal of Directors. The Declarant may remove a Director from the Initial Circle Block Board at any time, with or without cause. A Director or Directors, except the members of the Initial Circle Block Board, may be removed with or without cause by vote of a majority of the Circle Block Percentage Vote of all Co-owners entitled to appoint or elect such Director at a special meeting of the Members duly called and constituted for such purpose. In such case, the successor shall be elected at the same meeting from eligible Owners nominated at the meeting pursuant to the applicable provisions of these Circle Block Bylaws. A Director so elected shall serve until the next annual meeting of the Owners and until his or her successor is duly elected and qualified.

Section 3.06. Duties of the Circle Block Board of Directors. The Circle Block Board of Directors shall provide for the administration of the Project, the maintenance, upkeep and replacement of the Common Areas (unless the same are otherwise the responsibility or duty of any Owner of a Unit or the Residential Corporation), the establishment of a budget and the collection and disbursement of the Circle Block Common Expenses. Subject to the terms and conditions of the Declaration, the Circle Block Board may, on behalf of the Circle Block Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Circle Block Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Circle Block Board in carrying out its duties, which include but shall not be limited to (except to the extent any of the following are otherwise the responsibility or duty of an Owner or the Residential Corporation, which include the Limited Common Areas appurtenant to the Residential Units):

- (a) protection and replacement of the Common Areas;

(b) procuring of utilities used in connection with the Project, removal of garbage and waste, and snow removal from the Common Areas and Limited Areas, as applicable;

(c) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Common Areas and, where applicable, the Limited Common Areas;

(d) surfacing, paving and maintaining private streets, parking areas and sidewalks to the extent the same are part of the Common Areas or Limited Common Areas;

(e) collection of the Circle Block Assessments from each Owner;

(f) preparation of the proposed annual budget, a copy of which shall be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;

(g) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year, such accounting to be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;

(h) procuring and maintaining for the benefit of the Owners, the Circle Block Corporation and the Circle Block Board the insurance coverages required under the Circle Block Articles or the Declaration and such other insurance coverages as the Circle Block Board, in its sole discretion, may deem necessary or advisable;

(i) the maintenance, repair, upkeep and replacement of the Common Areas, including but not limited to the maintenance, repair, upkeep and replacement of the following (if located in the Common Areas): (1) signage; (2) walls and gates; (3) landscaping; and (4) lighting; and

(j) taking such action or performing such tasks as are, in the Circle Block Board's discretion, beneficial to the Owners.

Section 3.07. Powers of the Circle Block Board of Directors. The Circle Block Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Circle Block Board of Directors in performing its duties, including keeping a record and minutes of all meetings; provided, however, except as otherwise provided in the Declaration, that any management agreement shall be terminable by the Circle Block Corporation for cause upon thirty (30) days written notice and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

(b) to purchase, lease or otherwise obtain for the benefit of the Owners or for the Circle Block Corporation to perform its duties such equipment, materials, labor and services as may be necessary in the judgment of the Circle Block Board of Directors;

(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Circle Block Board of Directors may be necessary or desirable in connection with the business and affairs of the Project and of the Circle Block Corporation;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Circle Block Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Common Areas and, where applicable, the Limited Common Areas (for which the Circle Block Corporation is responsible) and as otherwise necessary for the Circle Block Board of Directors to perform its duties;

(e) to include the costs of all of the above and foregoing as Circle Block Common Expenses and to pay all of such costs therefrom;

(f) to open and maintain a bank account or accounts in the name of the Circle Block Corporation;

(g) subject to Section 6.04, to promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Premises, including, without limitation, the Common Areas (in addition to those set forth in this Declaration) as the Circle Block Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Circle Block Board of Directors shall be promptly delivered or mailed to all Owners, and provided, further that such rules and regulations are not in conflict with any terms and provisions of the Declaration;

(h) to adopt an annual budget for each fiscal year for the purpose of estimating the total amount of Circle Block Common Expenses for such fiscal year; and

(i) to appoint committees of the Members.

Section 3.08. Limitation on Board Action. After the Applicable Date, the authority of the Circle Block Board of Directors to enter into contracts not approved as part of the annual budget shall be limited to contracts involving a total expenditure of less than One Hundred Thousand Dollars (\$100,000.00) in any twelve (12) consecutive calendar month period without the approval of a fifty-one percent (51%) of the Circle Block Percentage Vote of the Co-Owners.

Section 3.09. Compensation. No Director shall receive any compensation for his or her services. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Circle Block Common Expense.

Section 3.10. Meetings.

(a) Regular meetings of the Circle Block Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors.

(b) Special meetings of the Circle Block Board of Directors may be called by the President or any two (2) members of the Circle Block Board of Directors. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least five (5) days prior to the date of such special meeting, give notice to all of the Directors. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, or any of the contiguous counties, as shall be designated in the notice.

Section 3.11. Waiver of Notice. Before any meeting of the Circle Block Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his or her subsequent consent to the actions taken thereat, unless the Director at the beginning of the meeting or promptly upon the Director's arrival objects to holding the meeting and does not vote or assent to the action taken at the meeting, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Circle Block Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum and Voting. At all meetings of the Circle Block Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and unless otherwise expressly provided in the Circle Block Articles, the Declaration or these Circle Block Bylaws, the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Circle Block Board of Directors.

Section 3.13. Means of Communication. The Circle Block Board of Directors, or a committee thereof, may permit a Director or a committee member to participate in a meeting by or through the use of any means of communication by which all Directors or committee members participating may simultaneously hear each other during the meeting. A Director or a committee member participating in a meeting by such means shall be considered present in person at the meeting.

Section 3.14. Action By Written Consent. Any action required or permitted to be taken at any meeting of the Circle Block Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by all of the Directors or committee members and such written consent is included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent shall be effective when the last Director or committee members signs the consent, unless the consent specifies a prior or subsequent effective date. A consent signed as described in this Section 3.14 shall have the effect of a meeting vote and may be described as such in any document.

Section 3.15. Bonds.

(a) The Circle Block Board of Directors may require the Managing Agent, Treasurer, employees, officers and agents handling or responsible for funds of or administered on behalf of the Circle Block Corporation, to have surety bonds indemnifying the Circle Block Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication and other acts of fraud or dishonesty in a total amount not less than the estimated maximum amount of funds, including reserve funds, in the custody of the Circle Block Corporation or the Managing Agent, as the case may be, at any given time, but in no event less than a sum equal to three (3) months aggregate assessments on all Units, plus reserve funds. Such bonds shall also specifically include protection for any insurance proceeds received for any reason by the Circle Block Board of Directors.

(b) Any 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 expense of any such bonds, except those maintained by the Managing Agent, shall be a Circle Block Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non payment of premium) without at least ten (10) days prior written notice to the Circle Block Corporation and to all Mortgagees.

Section 3.16. Interest of Directors in Contracts. Any contract or other transaction between the Circle Block Corporation and one or more of its Directors, or between the Circle Block Corporation and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the Circle Block Corporation and any corporation, partnership, or association of which one or more of its Directors are shareholders, members, directors, officers or employees, or in which they are interested, or in which the Circle Block Corporation is a member, shareholder, or otherwise interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting of the Circle Block Board of Directors of the Circle Block Corporation which acts upon, or in reference to, such contract or transaction and notwithstanding his or her participation in such action, if the fact of such interest shall be disclosed or known to the Circle Block Board of Directors and the Circle Block Board of Directors shall, nevertheless, authorize, approve or ratify such contract or transaction.

ARTICLE IV
Officers

Section 4.01. Officers of the Circle Block Corporation. The principal officers of the Circle Block Corporation shall be the President, Secretary and Treasurer, all of whom shall be elected by the Circle Block Board of Directors. The Directors may appoint a Vice President, an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The officers of the Circle Block Corporation shall be elected annually by the Circle Block Board of Directors at the initial meeting of each new Circle Block Board of Directors. Upon an affirmative vote of a majority of all members of the Circle Block Board of Directors, any officer may be removed either with or without cause and his or her successor elected at any regular meeting of the Circle Block Board of Directors or at any special meeting of the Circle Block Board of Directors called for such purpose. Any vacancy or vacancies occurring in the offices of the Circle Block Corporation shall be filled by a vote of a majority of the Circle Block Board of Directors at any regular meeting of the Circle Block Board of Directors or at any special meeting of the Circle Block Board of Directors called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Circle Block Corporation. He or she shall preside at all meetings of the Circle Block Corporation and of the Circle Block Board of Directors, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association organized under the laws of Indiana, and to perform such other duties as the Circle Block Board of Directors may from time to time prescribe.

Section 4.04. The Vice President. The Circle Block Board of Directors may, from time to time, designate and elect a Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Circle Block Bylaws may prescribe or as shall, from time to time, be imposed upon him or her by the Board of Directors or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Circle Block Corporation and of the Circle Block Board of Directors, shall keep or cause to be kept a true and complete record of the proceedings of such meetings, and shall perform all other duties as from time to time may be prescribed by the Circle Block Board of Directors. The Secretary shall specifically see that all notices of the Circle Block Corporation or the Circle Block Board of Directors are duly given, mailed or delivered, in accordance with the provisions of these Circle Block Bylaws.

Section 4.06. The Treasurer. The Circle Block Board of Directors shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Circle Block Corporation and who shall perform such other duties incident to the office of Treasurer. He or she shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Circle Block Corporation. He or she shall immediately deposit all funds of the Circle Block Corporation coming into his or her hands in some reliable bank or other depository to be designated by the Circle Block Board of Directors and shall keep such bank account or accounts in the name of the Circle Block Corporation. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Circle Block Corporation to the extent appropriate as part of its duties.

Section 4.07. Assistant Officers. The Circle Block Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and an Assistant

Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Circle Block Bylaws or the Circle Block Board of Directors may prescribe.

ARTICLE V
Circle Block Assessments

Section 5.01. Annual Accounting. Annually, after the close of each fiscal year of the Circle Block Corporation, the Circle Block Board of Directors shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02. Proposed Annual Budget. Annually, on or before the end of each fiscal year, the Circle Block Board of Directors shall adopt an annual budget for the next fiscal year estimating the total amount of the Circle Block Common Expenses for the next fiscal year. Such budget may not increase by more than ten percent (10%) of the previous annual budget without the approval of a fifty-one percent (51%) of the Circle Block Percentage Vote. A copy of such budget shall be furnished to each Owner at or prior to December 15 of each year. The annual budget as presented to the Owners at the annual meeting of the Circle Block Corporation shall be the basis for the Circle Block Regular Assessment (hereinafter defined) during such fiscal year. The annual budget, the Circle Block Regular Assessment and all sums assessed by the Circle Block Corporation shall be established by using generally recognized accounting principles applied on a consistent basis. The annual budget and the Circle Block Regular Assessment shall, in addition, include the establishment and maintenance of an adequate replacement reserve fund for capital expenditures and replacement and repair of the Common Areas (exclusive of the Limited Common Areas appurtenant to the Residential Units), which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of such Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of such Common Areas shall be maintained by the Circle Block Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, selected from time to time by the Circle Block Board of Directors. The failure or delay of the Circle Block Board of Directors to prepare an annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Circle Block Common Expenses as herein provided, whenever determined.

Section 5.03. Circle Block Regular Assessments. The annual budget as adopted by the Circle Block Board of Directors shall, based on the estimated cash requirement for the Circle Block Common Expenses in the current fiscal year as set forth in said budget, contain an assessment against each Unit and the Circle Block Percentage Interest appurtenant thereto. Immediately following the adoption of the annual budget, each Owner shall be given written notice of the assessment against his, her or its respective Unit and the Circle Block Percentage Interest appurtenant thereto (herein called the "Circle Block Regular Assessment"). The aggregate amount of the Circle Block Regular Assessment shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Circle Block Regular Assessment against each Unit and the Circle

Block Percentage Interest appurtenant thereto shall be paid in advance in four (4) equal quarterly installments, on the first day of February, May, August and November of each fiscal year. In the event that the Circle Block Board of Directors has not adopted an annual budget and provided the Owners with notice of the current Circle Block Regular Assessment prior to the first day of February of any fiscal year, then the current Circle Block Regular Assessment shall be the amount of the Circle Block Regular Assessment for the prior fiscal year until such time as the Circle Block Board of Directors approves the annual budget for the current fiscal year and provides the Owners with notice of the current Circle Block Regular Assessment. Payment of the quarterly installments of the Circle Block Regular Assessment shall be made to the Circle Block Board of Directors or the Managing Agent, as directed by the Circle Block Board of Directors; provided, however, Owners may elect to pay assessments annually, in advance. The Circle Block Regular Assessment for the current fiscal year of the Circle Block Corporation shall become a lien on each separate Unit and the Circle Block Percentage Interest appurtenant thereto as of the first day of each fiscal year of the Circle Block Corporation, even though the final determination of the amount of such Circle Block Regular Assessment may not have been made by that date. The fact that an Owner has paid his, her or its Circle Block Regular Assessment for the current fiscal year in whole or in part based upon a previous budget and thereafter, before the annual budget and Circle Block Regular Assessment for the current fiscal year are finally determined and approved, sells, conveys or transfers his, her or its Unit and Circle Block Percentage Interest appurtenant thereto or any interest therein, shall not relieve or release such Owner or his, her or its successor as owner of such Unit and the Circle Block Percentage Interest appurtenant thereto from payment of the Circle Block Regular Assessment for such Unit and the Circle Block Percentage Interest appurtenant thereto as finally determined, and such Owner and his, her or its successor as owner of such Unit and Circle Block Percentage Interest appurtenant thereto shall be jointly and severally liable for the Circle Block Regular Assessment as finally determined. Owners shall be obligated to make a reconciling payment within thirty (30) days after notice that the annual budget has been adopted and the Circle Block Regular Assessment is established for the current fiscal year. Any statement of unpaid assessments furnished by the Circle Block Corporation pursuant to Section 5.05 hereof prior to the final determination and adoption of the annual budget and Circle Block Regular Assessment for the fiscal year in which such statement is made need not state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Circle Block Regular Assessment for such fiscal year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly installments of Circle Block Regular Assessments shall be due automatically on their respective due dates without any notice from the Circle Block Board of Directors or the Circle Block Corporation, and neither the Circle Block Board of Directors nor the Circle Block Corporation shall be responsible for providing any notice or statements to Owners for the same.

Section 5.04. Special Assessments. From time to time Circle Block Common Expenses of an unusual or extraordinary nature or not otherwise anticipated or budgeted for may arise. At such time and without the approval of the Owners, unless otherwise provided in these Circle Block Bylaws, the Declaration or the Statute, the Circle Block Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Circle Block Board of Directors, shall become a lien on each Unit and the Circle Block Percentage Interest appurtenant thereto, prorated in accordance with the Circle Block Percentage Interest of each Unit (herein called "Circle Block Special Assessment"). Without limiting the generality of

the foregoing provisions, Circle Block Special Assessments may be made by the Circle Block Board of Directors from time to time to pay for capital expenditures, or to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration. Circle Block Special Assessments related solely to Limited Common Areas shall be assessed solely against those Condominium Units to which such Limited Common Areas are appurtenant.

Section 5.05. Failure of Owner to Pay Circle Block Assessments.

(a) No Owner may exempt himself, herself or itself from paying Circle Block Regular Assessments and Circle Block Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Common Areas, of the Building, and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or by abandonment of the Unit belonging to him, her or it. Each Owner shall be personally liable for the payment of all Circle Block Regular Assessments and Circle Block Special Assessments which become due and payable during the period in which such Owner holds title to a Unit. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Circle Block Regular Assessment or Circle Block Special Assessment when due, the lien for such Circle Block Regular Assessment and/or Circle Block Special Assessment on the Owner's Unit may be filed and foreclosed by the Circle Block Board of Directors for and on behalf of the Circle Block Corporation as provided by law. Upon the failure of an Owner to make payments of any Circle Block Regular Assessment and/or Circle Block Special Assessment, within ten (10) days after any such Circle Block Regular Assessment and/or Circle Block Special Assessment (as applicable) is due (with such due dates being set forth in accordance with Sections 5.03 and 5.04 herein and the Declaration), the Circle Block Board of Directors, in its discretion, may (1) impose a late fee as provided in the Declaration (provided the same is uniformly imposed and enforced), (2) accelerate the entire balance of the budgeted and unpaid Circle Block Regular Assessments and/or Circle Block Special Assessments, and any and all fines, charges and late fees, applicable to the current full calendar year and all previous calendar years and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary, and (3) eliminate such Owner's right to vote during the pendency of any delinquency after such acceleration. The Circle Block Board of Directors may, at its option, bring a suit to recover a money judgment for any unpaid Circle Block Regular Assessment or Circle Block Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Circle Block Regular Assessment or Circle Block Special Assessment, whether by foreclosure or otherwise, the Circle Block Board of Directors, for and on behalf of the Circle Block Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Unit.

(b) Notwithstanding anything contained in this Section or elsewhere in the Declaration and these Circle Block Bylaws, the lien for any Circle Block Regular Assessment or Circle Block Special Assessment shall be subordinate to the lien of any Mortgage if and to the extent the Mortgage was recorded prior to the due date of any Circle Block Regular Assessment or Circle Block Special Assessment, and any sale or transfer of a Unit to a Mortgagee pursuant to a foreclosure on its Mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Circle Block Regular Assessment or Circle Block Special Assessment as to such installments which became due after the recordation of such Mortgage; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Unit, or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Circle Block Regular Assessments or Circle Block Special Assessments thereafter becoming due or from the lien therefor.

Section 5.06. Payment of Circle Block Regular Assessments. Payment of the Circle Block Regular Assessments prior to the Applicable Date with respect to each Unit and the Circle Block Percentage Interest appurtenant thereto that has been subjected to the Declaration shall commence on the dates set forth in the Declaration. In addition, at the initial closing of each Residential Unit and the Circle Block Percentage Interest appurtenant thereto (by sale from The Conrad Residences, LLC), the purchaser or new Owner is required to pay a sum equal to one-fourth (1/4) of the Declarant's estimate of the full year's Circle Block Regular Assessment applicable to such Residential Unit and the Circle Block Percentage Interest appurtenant as his, her or its initial contribution to the working capital of the Circle Block Corporation. Such amounts shall be used by the Circle Block Corporation for Circle Block Common Expenses, is not an advance payment of Circle Block Regular Assessments and will not be held in any trust or reserve account. Additionally, at each such closing, the purchaser of a Residential Unit shall pay his, her or its pro rata share of the Circle Block Regular Assessment due in the quarter of closing for the balance of the quarterly period. Thereafter, payment of the Circle Block Regular Assessment shall be made quarterly as provided in Section 5.03 hereof.

Section 5.07. Maintenance and Repairs.

(a) Every Owner shall promptly perform all maintenance and repair within his, her or its own Unit and the Limited Common Areas appurtenant thereto which, if neglected, would affect the value of the Premises. In addition, each Owner shall furnish, and shall be responsible at his, her or its own expense for, the maintenance, repairs and replacements of his or her Unit and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his, her or its own expense include, but are not necessarily limited to, water lines, gas lines, plumbing and electric lines which service the Owner's Unit only and are located within exterior walls of the Unit, including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Unit; all partitions

and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges, refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Unit); doors, lamps; interior grouting and/or caulking; and all other accessories appurtenant to the Unit or belonging to the Owner thereof.

(b) If, due to the willful, intentional or negligent acts or omissions of an Owner, of a member of his or her family, of a guest, tenant, invitee, or other occupant or visitor of such Owner, or of an Owner's pet or automobile, damage shall be caused to the Common Areas or to a Unit or Limited Common Area owned by or reserved in whole or in part for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Circle Block Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Circle Block Corporation, unless (and to the extent) such loss is covered by the Circle Block Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Circle Block Corporation, the cost of repairing such damage shall be added to and become a part of the Circle Block Regular Assessment to which such Owner's Unit is subject. Maintenance, repairs and replacements to the Common Areas shall be subject to the rules and regulations adopted from time to time by the Circle Block Board of Directors.

(c) To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Common Areas, then, subject to Section 6.04, the use thereof by the Owner of such Unit shall be subject to the rules and regulations adopted from time to time by the Circle Block Board of Directors. The authorized representatives of the Circle Block Corporation or the Circle Block Board of Directors or the Managing Agent for the Circle Block Corporation shall be entitled to reasonable access to any Unit as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or Limited Common Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Common Areas, to the extent the Circle Block Corporation has the obligation to so maintain, repair or replace.

ARTICLE VI

Restrictions, Entry and Rules and Regulations

Section 6.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Units, the Common Areas, the Limited Common Areas and the Premises shall be applicable to the Project and are in addition to those set forth in the Declaration:

(a) A Residential Unit shall only be used for residential purposes, subject to the use of portions of the Residential Unit in connection with a home operated business provided such activity complies with applicable zoning laws.

- (b) No additional buildings shall be erected or located on the Real Estate other than the Building as shown on the Plans or plans filed with such supplement or amendment to the Declaration, without the consent of the Circle Block Board of Directors.
- (c) No Owner of a Residential Unit shall or shall permit or suffer to be brought into or kept in such Residential Unit any highly flammable or combustible, or any explosive or other extra-hazardous fluid, material, chemical or substance except those in common use for ordinary household purposes, nor shall any Owner use the Unit or permit the Unit to be used in a manner that results in the increase in any insurance policy carried by the Circle Block Corporation or one or more other Owners, or which would be in violation of any law or ordinance.
- (d) No nuisance shall be permitted and no waste shall be committed in any Unit or Common Areas.
- (e) No Owner of a Residential Unit shall cause or permit any sign, signal, advertisement or illumination to be inscribed or exposed on or at or outside of any Residential Unit window or other part of the Building adjacent to Residential Units except unobtrusive religious articles or those approved in writing by the Circle Block Board; nor shall anything be projected out of any window or from any balcony or terrace of the Building without similar approval. Nothing (including, but not limited to, signs, antennae, satellite dishes, radio or television aerials or like appurtenances) shall be attached to or hung or displayed from any exterior wall of the Building or on or from any balcony, terrace or the outside portion of the windows by any Residential Owner. Nothing to the contrary contained in these Circle Block Bylaws, the Circle Block Articles or the Declaration shall limit or prohibit the Declarant (and/or The Conrad Residences, LLC) from placing or affixing or maintaining any sign or other media on the Premises in connection with the sale of Units. The Owner of the Hotel Unit may, at its expense, affix, place or display on the exterior or interior walls, doors, and windows of the Hotel Unit, signage concerning the business of the Owner of the Hotel Unit, which shall meet all applicable laws, ordinances, rules, and regulations. The Owner of the Hotel Unit may, at its expense, construct, place and attach to the Building an awning over and across a portion of the Real Estate, which shall meet applicable laws, ordinances, rules and regulations. Such signs and awning installed by the Owner of the Hotel Unit shall be maintained by the Owner of the Hotel Unit in good condition at all times.
- (f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas or on the Premises, except that pet dogs (not to exceed 60 pounds), cats, small caged birds, fish or any kind of service animal (e.g., seeing eye dog) may be kept in a Residential Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. An Owner shall be fully liable for any injury or damage to persons or property, including the Common Areas, caused by his or her

pet. Any pet which, in the judgment of the Circle Block Board of Directors, is causing or creating a nuisance, unreasonable disturbance, noise, damage or concerns for the safety of others shall be permanently removed from the Premises within ten (10) days after written notice from the Circle Block Board of Directors to the respective Owner to do so.

(g) Nothing shall be done or permitted in any Unit which will impair the structural integrity of the Building or which would structurally change the Building or which would affect the exterior appearance of any Residential Unit, except as otherwise provided in the Declaration or these Circle Block Bylaws. No Unit shall be used in any unlawful manner or in any manner which might cause injury to the reputation of the Project.

(h) The Owner of the Hotel Unit may, at its expense, construct and place improvements upon the Premises that would permit the use of a portion of the Premises, and the adjacent public sidewalk, to be used as an outdoor eatery (the "Outdoor Eatery Area"), which Outdoor Eatery Area shall meet applicable laws, ordinances, rules and regulations. During the seasonal periods of use of the Outdoor Eatery Area, the Owner of the Hotel Unit shall be responsible for maintaining the Outdoor Eatery Area free of dirt, rubbish, snow, ice, and unlawful obstructions, and in addition to the Outdoor Eatery Area, the Owner of the Hotel Unit shall also keep the area surrounding the Outdoor Eatery Area free of dirt and rubbish resulting from the Hotel Unit Owner's use of the Outdoor Eatery Area.

(i) All Owners and Members of their families, their guests, or invitees, and all occupants of any Residential Unit, or 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 promulgated and issued by the Circle Block Board of Directors governing the operation, use and enjoyment of the Common Areas (subject to Section 6.04).

(j) Except for vehicles being used by Declarant or by persons providing services to the Declarant or an Owner, no boats, campers, trailers of any kind, buses, mobile homes or trucks (other than a vehicle, the height of which will allow entrance to the garage), shall be permitted, parked or stored anywhere within the Real Estate. No repair work shall be done on the Real Estate or in the garage on any vehicles, including passenger automobiles.

(k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas.

(l) Common Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Circle Block Board of Directors (subject to Section 6.04).

Section 6.02. Compliance with Covenants, Conditions and Restrictions. Every Owner, mortgagee, lessee or other occupant of a Unit shall comply strictly with the covenants, conditions and restrictions set forth in the Declaration, with these Circle Block Bylaws and with the rules and regulations in relation to the use and operation of the Premises. A violation committed by any persons residing in, occupying or visiting a Unit at the invitation or with the implied or express permission of the Owner or any other occupant of the Unit, or committed by any agent, employee, business invitee, or contractor of the Owner or of any person occupying a Unit, shall be attributed to that Unit and the Owner thereof. An action seeking a declaratory judgment, the recovery of sums due for damages, or injunctive relief, or any or all of them may be maintained by the Circle Block Board of Directors against any Owner or other person entitled to occupy a Unit who refuses to comply or threatens to refuse to comply with any provisions of this Declaration, these Circle Block Bylaws, the rules and regulations, or any other document establishing ownership or control over any part of the Real Estate.

After giving not less than ten (10) days prior written notice to an Owner who has not complied, and after giving such party the opportunity to be heard by the Circle Block Board of Directors, the Circle Block Board of Directors shall have the right to impose a fine of not more than \$500, as liquidated damages, for the second violation of any of the condominium documents referred to in this Section 6.02 attributable to a particular Owner in a calendar year (whether or not this second violation involves the same term or provision of the above-described condominium documents as the first violation) against that Owner and the Unit and the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest. For a third violation of any of the condominium documents referred to in this Section 6.02 attributable to the same Owner in the same calendar year (whether or not this third violation involves the same term or provision of the above described condominium documents as the first or second violations), the Circle Block Board of Directors, after giving the above described notice and opportunity to be heard, may levy a fine, as liquidated damages, against that Owner and the Unit and the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest in an amount not in excess of \$1,000. For the fourth and every subsequent such violation of any of the condominium documents referred to in this Section 6.02 by the same Owner in the same calendar year (whether these violations involve the same term or provision as the previous violations), the Circle Block Board of Directors, after giving the above described notice and opportunity to be heard, may levy a fine, as liquidated damages, against that Owner and the Unit and the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest in an amount not in excess of \$1,500.

All fines described above, any fines imposed by the Circle Block Board of Directors and any and all expenses incurred by the Circle Block Corporation in enforcing any of the terms and provisions of the condominium instruments, including reasonable attorney's fees, may be levied as Circle Block Special Assessments against the Owner in question and his, her or its Unit and the Circle Block Percentage Interest appurtenant thereto, subject to the limitations or approvals of Circle Block Special Assessments.

Any action brought by the Circle Block Corporation hereunder may be brought in its own name, in the name of its Circle Block Board of Directors or in the name of the Managing Agent. In any case of flagrant or repeated violation by an Owner, he, she or it may be required by the Circle Block Board of Directors to give sufficient surety or sureties for his, her or its future

compliance with the covenants, conditions and restrictions contained in this Declaration and with these Circle Block Bylaws and rules and regulations.

Section 6.03. Right of Entry. All Owners and occupants of a Unit shall be deemed to have granted the right of entry thereto to the Managing Agent or any other person authorized by the Circle Block Board of Directors in case of any emergency originating in or threatening his, her or its Unit or the Building in which it is located, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.04. Right of Circle Block Board to Adopt Rules and Regulations. The Circle Block Board of Directors may promulgate and adopt such additional rules and regulations regarding the operation of the Building and the Premises, including but not limited to the use of the Common Areas, as it may deem necessary from time to time, and such rules as are adopted may be amended by a vote of a majority of the Circle Block Board of Directors. Notwithstanding the foregoing or any other provision in these Circle Block Bylaws to the contrary, the ability of the Circle Block Board of Directors to promulgate and adopt rules and regulations is expressly limited in that the authority to adopt rules and regulations with respect to the Residential Units and the Limited Common Areas appurtenant to the Residential Units is vested with the Residential Corporation. The Circle Block Board of Directors shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners. Such rules may further restrict the provisions contained in these Circle Block Bylaws.

ARTICLE VII Amendment to Circle Block Bylaws

Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, these Circle Block Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration. Amendments to these Circle Block Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Marion County, Indiana, as required by the Declaration and the Statute.

ARTICLE VIII Mortgages

Section 8.01. Notice to the Circle Block Corporation. Any Owner who places a first mortgage lien upon his, her or its Unit or the Mortgagee shall notify the Secretary of the Circle Block Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary, and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these Circle Block Bylaws or the Statute shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the

name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these Circle Block Bylaws or the Statute shall be required and no Mortgagee shall be entitled to vote on any matter to which such Mortgagee otherwise may be entitled by virtue of the Declaration, these Circle Block Bylaws, the Statute, or proxy granted to such Mortgagee in connection with the mortgage.

The Circle Block Corporation shall, upon request of a Mortgagee who has furnished the Circle Block Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under the Declaration or these Circle Block Bylaws which is not cured within thirty (30) days. Any Mortgagee shall have the right to inspect the books and records of the Circle Block Corporation during normal business hours.

A guarantor or insurer of a Mortgage may, upon written request to the Circle Block Corporation giving the Circle Block Corporation its name and address, receive from the Circle Block Corporation any notice that would be given to a Mortgagee also be given to the applicable insurer or guarantor.

Section 8.02. Notice of Unpaid Circle Block Assessments. The Circle Block Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Circle Block Regular Assessments or Circle Block Special Assessments against the Unit, which statement shall be binding upon the Circle Block Corporation and the Owners, and any Mortgagee or grantee of the Unit shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statement.

ARTICLE IX Miscellaneous

Section 9.01. Fiscal Year. The fiscal year of the Circle Block Corporation shall be the calendar year.

Section 9.02. Member Compensation. No Member of the Circle Block Corporation shall have or receive any earnings from the Circle Block Corporation as a result of being an officer or Director of the Circle Block Corporation, except a Member may receive principal and interest on monies loaned or advanced to the Circle Block Corporation as provided in the Statute, provided such loan is approved by a unanimous vote of the Circle Block Board of Directors.

Section 9.03. Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Circle Block Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the business of the Circle Block Corporation, unless otherwise directed by the Circle Block Board of Directors, or unless otherwise required by law, be signed by the President or, in his absence, the Treasurer.

Section 9.04. Financial Statement. Upon the written request of any entity that has an interest in any Unit, the Circle Block Corporation shall prepare and furnish to such entity within

a reasonable time a financial statement of the Circle Block Corporation for the immediately preceding fiscal year.

Section 9.05. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provisions of these Circle Block Bylaws shall not impair or affect in any manner the validity, enforceability or affect the rest of these Circle Block Bylaws.

EXHIBIT "B-2"

Residential Bylaws

[see attached]

BYLAWS
OF
THE CONRAD RESIDENCES OWNERS' ASSOCIATION, INC.

BYLAWS
OF
THE CONRAD RESIDENCES OWNERS' ASSOCIATION, INC.

ARTICLE I
Identification and Applicability

Section 1.01. Identification and Adoption. These Residential Bylaws are adopted simultaneously with the execution of a certain Declaration creating the Circle Block Condominium (hereinafter sometimes referred to as the "Project") to which these Residential Bylaws are attached and made a part thereof. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Residential Bylaws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these Residential Bylaws and reference is specifically made to the Declaration containing definitions of terms. The provisions of these Residential Bylaws shall apply to the Residential Units and the Limited Common Areas appurtenant thereto and the administration and conduct of the affairs of the Residential Corporation.

Section 1.02. Name, Principal Office, and Resident Agent. The name of the Residential Corporation is The Conrad Residences Owners' Association, Inc. (hereinafter referred to as the "Residential Corporation"). The initial post office address of the principal office of the Residential Corporation is 30 South Meridian Street, Suite 1200, Indianapolis Indiana 46204; and the name of its initial Resident Agent in charge of such office is Alvin E. Kite. The location of the principal office of the Residential Corporation or the designation of its Resident Agent, or both, may be changed at any time or from time to time when authorized by a majority of the Residential Board of Directors.

Section 1.03. Individual Application. All Owners, tenants, guests, invitees and other persons that might use or occupy a Residential Unit shall be subject to the restrictions, terms and conditions set forth in the Declaration, these Residential Bylaws and the Statute (as defined below), and to any rules and regulations adopted by the Residential Board of Directors as herein provided.

ARTICLE II
Meetings of the Residential Corporation

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, a meeting of the Members shall be held for the purpose of electing the Residential Board of Directors (subject to the provisions of Section 3.02 hereof), presenting the annual budget, and for such other purposes as may be necessary or required by the Declaration, these Residential Bylaws or the Statute.

Section 2.02. Annual Meetings. The annual meeting of the Members of the Residential Corporation shall be held on the second (2nd) Tuesday of January in each calendar year. At the annual meeting, the Members shall (subject to the provisions of Section 3.02 hereof) elect the Residential Board of Directors of the Residential Corporation in accordance with the provisions

of these Residential Bylaws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meeting. A special meeting of the Members of the Residential Corporation may be called by resolution of a majority of the Residential Board of Directors or upon a written petition of Owners who have not less than a majority of the Residential Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Residential Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the resolution or petition.

Section 2.04. Notice and Place of Meetings. All meetings of the Members of the Residential Corporation shall be held at any suitable place in Marion County, Indiana, as may be designated by the Residential Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed by the Secretary of the Residential Corporation to each Member entitled to vote thereat by first class mail not less than ten (10) days prior to the date of such meeting. The notices shall be mailed or delivered to the Owners of the Residential Units at the addresses of their Residential Units, except that a copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Residential Corporation to each Mortgagee who (a) requests in writing that such notices be delivered to it, and (b) has furnished the Residential Corporation with its name and address in accordance with Section 8.01 of these Residential Bylaws. Such Mortgagee may designate a representative to attend the meeting.

Section 2.05. Waiver of Notice. Notice may be waived in writing, signed by the Member entitled to notice, and filed with the minutes or the corporate records. Attendance at or participation in any meeting (a) waives objection to lack of notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when the matter is presented.

Section 2.06. Voting and Conduct of Meetings.

(a) **Number of Votes.** On each matter coming before the meeting as to which an Owner of a Residential Unit is entitled to vote, such Owner shall be entitled to cast a vote equal to the Residential Percentage Interest applicable to such Owner's Unit. The Residential Percentage Interest of each Residential Unit shall be a percentage equal to the sum of:

- (1) the total square footage of the particular Residential Unit, and
- (2) the square footage of any Limited Common Areas limited to the exclusive use of the Residential Unit, and
- (3) such Residential Unit's proportionate share of the Limited Common Areas appurtenant to the Residential Units but not limited to the exclusive use of such Residential Unit,

(4) divided by the sum of the total square footage of all Residential Units and the appurtenant Limited Common Areas to such Residential Units which, from time to time, have been submitted and subjected to the Statute and the Declaration. The initial Residential Percentage Interest of each Owner of a Residential Unit as calculated in accordance with this Section 2.06 is set forth on Schedule 1 attached hereto and made a part hereof.

(b) Residential Percentage Vote. The Residential Percentage Interest appertaining to each Residential Unit shall also be the Residential Percentage Vote allocable to the Owner thereof in all matters where Owners have a vote with respect to the Residential Units.

(c) Multiple Owner. Where the Owner of a Residential Unit constitutes or consists of more than one person, there shall be only one voting representative entitled to all of the Residential Percentage Vote allocable to that Residential Unit. At the time of acquisition of title to a Residential Unit by more than one person, those persons constituting such Owner shall file with the Secretary of the Residential Corporation an irrevocable proxy appointing one (1) of such persons as the voting representative for such Residential Unit, which proxy shall remain in effect until all of such persons constituting such Owner designate another voting representative in writing, such appointed representative relinquishes such appointment in writing, becomes incompetent, or dies, such appointment is otherwise rescinded by order of a court of competent jurisdiction, or persons constituting such Owner no longer own such Residential Unit. Such appointed voting representative may grant a proxy to another to vote in his or her place at a particular meeting or meetings pursuant to paragraph (e) of this Section 2.06, which proxy shall not constitute a permanent relinquishment of his or her right to act as voting representative for the Residential Unit.

(d) Voting by Entity or Trust. Where a trust, corporation, limited liability company or other entity is an Owner of a Residential Unit or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of such corporation, limited liability company or other entity duly empowered by such entity may cast the vote to which such entity is entitled. The trustee of the trust or the agent or representative of such corporation, limited liability company, or other entity so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary or other officer of the Residential Corporation stating who is authorized to vote on behalf of said trust or entity. The certificate shall remain effective for future meetings or actions until rescinded or changed. In the event that the Secretary of the Residential Corporation receives conflicting certificates, neither certificate shall be effective or binding upon the Residential Corporation.

(e) Proxy. An Owner of a Residential Unit may vote either in person or by his, her or its duly authorized and designated attorney in fact. Where voting

is by proxy, the Owner of a Residential Unit shall duly designate his, her or its attorney in fact in writing, delivered to the Secretary or other officer of the Residential Corporation prior to or at the commencement of the meeting.

(f) Quorum. Except where otherwise expressly provided in the Declaration, these Residential Bylaws, the Statute or the Indiana Nonprofit Corporation Act of 1991, as amended (hereinafter referred to as the "Statute"), the Owners of Residential Units representing fifty-one percent (51%) of the Residential Percentage Vote shall constitute a quorum at all meetings.

(g) Official Action. Except where otherwise expressly provided in the Declaration, these Residential Bylaws, the Statute or the Statute, action of the Members is not official unless it is authorized by the Owners of the Residential Units representing fifty-one percent (51%) of the Residential Percentage Vote.

(h) Conduct of Annual Meeting. The President of the Residential Corporation shall act as the Chairman of all annual meetings of the Residential Corporation if he or she is present. If the President of the Residential Corporation is not present, then the Secretary of the Residential Corporation shall act as Chairman of the annual meeting, or in the absence of both the President and Secretary, then the Members present shall designate a representative to act as Chairman over the annual meeting at issue by a vote of a majority of the Residential Percentage Vote present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Residential Percentage Vote present at a meeting at which a quorum is present or such minutes have been previously approved.

(2) Treasurer's Report. The Treasurer shall report to the Owners of the Residential Units concerning the financial condition of the Residential Corporation and answer relevant questions of the Owners of the Residential Units concerning the Residential Common Expenses and financial report for the prior year and the proposed budget for the current year.

(3) Budget. The budget for the current fiscal year shall be presented to the Owners of the Residential Units.

(4) Election of the Residential Board of Directors. After the Applicable Date, nominations for the three (3) positions on the Residential Board of Directors to be elected by the Owners of the Residential Units may be made by any Owner of a

Residential Unit from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Residential Corporation at least seven (7) days prior to the date of the annual meeting. Voting for the Residential Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Director. Each Owner of a Residential Unit may cast the Residential Percentage Vote to which such Owner is entitled for the Residential Board position to be filled. The persons receiving the highest number of votes shall be elected. Each Owner of a Residential Unit shall sign his, her or its ballot and identify his, her or its Residential Unit. The foregoing provisions are subject to the provisions of Section 6.1 of the Residential Articles and Article III hereof.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Residential Corporation at least seven (7) days prior to the date of the meeting; provided, that such written request may be waived at the meeting if agreed to by a majority of the Residential Percentage Vote present at a meeting at which a quorum is present.

(6) Adjournment.

(i) Conduct of Special Meeting. The President of the Residential Corporation shall act as Chairman of any special meetings of the Residential Corporation if he or she is present. If the President of the Residential Corporation is not present, then the Secretary of the Residential Corporation shall act as Chairman of any special meetings, or in the absence of both the President and Secretary, then the Members present shall designate a representative to act as Chairman over the special meeting at issue. The Chairman shall call the meeting to order at the duly designated time, and the only business to be considered at such meeting shall be the consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

Section 2.07. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting of the Members if the action is approved by all of the Members. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

- (a) is signed by all of the Members; and
- (b) is filed with the Residential Corporation's minutes.

Section 2.08. Action by Written Ballot. Any action that may be taken at an annual meeting of the Members may be taken without a meeting if the Residential Corporation delivers a written ballot to every Member. A written ballot must set forth each proposed action and

provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A solicitation for votes by written ballot must (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than the election of Directors, and (c) specify the time by which a ballot must be received by the Residential Corporation to be counted. A written ballot may not be revoked.

Section 2.09. Means of Communication. The Residential Corporation may permit a Member to participate in an annual, regular, or special meeting through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member participating in a meeting by such means shall be considered present in person at the meeting.

ARTICLE III Residential Board of Directors

Section 3.01. Management. The affairs of the Residential Corporation shall be governed and managed by the Residential Board of Directors (herein also called "Residential Board" or "Directors" and individually called "Director"). The Residential Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he or she is, or is deemed in accordance with the Declaration or these Residential Bylaws to be, an Owner of a Residential Unit, including a person appointed as provided in this Article III.

Section 3.02. Residential Board of Directors.

(a) The initial Residential Board of Directors shall consist of three (3) Directors appointed by the Declarant, of which all three (3) Directors shall be Owners of Residential Units (the "Initial Residential Board"). Notwithstanding anything to the contrary contained in, or any other provisions of, these Residential Bylaws or the Declaration or the Statute or elsewhere: (i) the Initial Residential Board shall hold office until the earlier of (A) December 31, 2010, or (B) one hundred twenty (120) days after the date on which all of the Residential Units erected thereby have been conveyed by Declarant or its successor (and/or The Conrad Residences, LLC) for the purpose of occupancy as single family residences (such date when the Initial Residential Board shall no longer hold office being herein referred to as the "Applicable Date"); and (ii) in the event of any vacancy or vacancies occurring in the Initial Residential Board for any reason or cause whatsoever, prior to the Applicable Date determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who each shall thereafter be deemed a member of the Initial Residential Board. Each Owner of a Residential Unit, by acceptance of a deed to a Residential Unit or by acquisition of any interest in a Residential Unit, shall be deemed to have appointed Declarant as such Owner's agent, attorney in fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable

Date determined as provided above, to exercise all of said Owner's right to vote and to vote as Declarant determines on all matters as to which Members are entitled to vote under the Declaration, these Residential Bylaws, the Statute, or otherwise. This appointment of Declarant as such Owner's agent, attorney in fact and proxy shall not be affected by incompetence of such Owner granting the same.

(b) After the Applicable Date, all three (3) of the Directors shall be appointed by the Owners of the Residential Units. Notwithstanding any provision in these Residential Bylaws to the contrary, the Owner of the Hotel Unit shall have the right to appoint a non-voting, ex-officio member of the Residential Board of Directors.

Section 3.03. Qualifications. Where an Owner of a Residential Unit consists of more than one person or is a partnership, corporation, trust or other legal entity, then, one of the persons constituting or representing the Owner of a Residential Unit (or a partner, officer, or trustee of such Owner) shall be eligible to serve on the Residential Board of Directors, except that no single Residential Unit may be represented on the Residential Board of Directors by more than one person at a time. Any person appointed to the Residential Board of Directors by the Owner of the Hotel Unit pursuant to Section 3.02 of these Residential Bylaws shall be deemed to be an Owner for such purposes.

Section 3.04. Term of Office and Vacancy. The Initial Residential Board shall be deemed to be elected and re-elected as the Residential Board of Directors at each annual meeting until the Applicable Date. After the Applicable Date, each Member of the Residential Board of Directors shall be appointed or elected for a term of one (1) year at every annual meeting of the Residential Corporation. There shall be separate nominations for the office of each Director to be elected at meetings after the Applicable Date. Each Director appointed or elected shall hold office throughout the term of his or her election and until his or her successor is elected and qualified. Subject to the provisions of Section 3.02 hereof as to the Initial Residential Board, any vacancy or vacancies occurring in the Residential Board shall be filled by appointment or election of the Residential Owners, such election to occur at a special meeting of the Members of the Residential Corporation to be called in accordance with the provisions of these Residential Bylaws for the designated purpose of electing such person or persons to fill any vacancy and to serve until such time as the next annual meeting, wherein Directors are elected or re-elected, as the case may be. The Director so filling a vacancy shall serve until the next annual meeting of the Members of the Residential Corporation and until his or her successor is elected and qualified.

Section 3.05. Removal of Directors. The Declarant may remove a Director from the Initial Residential Board at any time, with or without cause. A Director or Directors, except the members of the Initial Residential Board, may be removed with or without cause by vote of the Owners of Residential Units holding a majority of the Residential Percentage Vote at a special meeting of the Members duly called and constituted for such purpose. In such case, the successor shall be elected at the same meeting from eligible Owners of Residential Units nominated at the meeting pursuant to the applicable provisions of these Residential Bylaws. A

Director so elected shall serve until the next annual meeting of the Owners of Residential Units and until his or her successor is duly elected and qualified.

Section 3.06. Duties of the Residential Board of Directors. The Residential Board of Directors shall provide for the administration of the Residential Corporation, the maintenance, upkeep and replacement of the Limited Common Areas appurtenant to the Residential Units, the establishment of a budget and the collection and disbursement of the Residential Common Expenses. Subject to the terms and conditions of the Declaration, the Residential Board may, on behalf of the Residential Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Residential Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Residential Board in carrying out its duties, which include but shall not be limited to:

- (a) protection and replacement of the Limited Common Areas appurtenant to the Residential Units (except as limited in the Declaration),
- (b) procuring of utilities used in connection with the Limited Common Areas appurtenant to the Residential Units, removal of garbage and waste, and snow removal from the Limited Common Areas appurtenant to the Residential Units, as applicable;
- (c) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Limited Common Areas appurtenant to the Residential Units;
- (d) surfacing, paving and maintaining private streets, parking areas and sidewalks to the extent the same are part of the Limited Common Areas appurtenant to the Residential Units;
- (e) collection of the Residential Assessments from each Owner of a Residential Unit;
- (f) preparation of the proposed annual budget; a copy of which shall be mailed or delivered to each Owner of a Residential Unit at the same time as the notice of annual meeting is mailed or delivered;
- (g) preparing and delivering annually to the Owners of Residential Units a full accounting of all receipts and expenses incurred in the prior year, such accounting to be delivered to each Owner of a Residential Unit simultaneously with delivery of the proposed annual budget for the current year;
- (h) procuring and maintaining for the benefit of the Owners of the Residential Units, the Residential Corporation and the Residential Board the insurance coverages required under the Residential Articles or the Declaration and such other insurance coverages as the Residential Board, in its sole discretion, may deem necessary or advisable;

(i) The maintenance, repair, upkeep and replacement of the Limited Common Areas appurtenant to the Residential Units (except as limited in the Declaration); and

(j) Taking such action or performing such tasks as are, in the Residential Board's discretion, beneficial to the Owners of the Residential Units.

Section 3.07. Powers of the Residential Board of Directors. The Residential Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Residential Board of Directors in performing its duties, including keeping a record and minutes of all meetings; provided, however, except as otherwise provided in the Declaration, that any management agreement shall be terminable by the Residential Corporation for cause upon thirty (30) days written notice and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

(b) to purchase, lease or otherwise obtain for the benefit of the Owners of the Residential Units or for the Residential Corporation to perform its duties such equipment, materials, labor and services as may be necessary in the judgment of the Residential Board of Directors;

(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Residential Board of Directors may be necessary or desirable in connection with the business and affairs of the Residential Corporation;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Residential Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Limited Common Areas appurtenant to the Residential Units and as otherwise necessary for the Residential Board of Directors to perform its duties;

(e) to include the costs of all of the above and foregoing as Residential Common Expenses and to pay all of such costs therefrom;

(f) to open and maintain a bank account or accounts in the name of the Residential Corporation;

(g) subject to Section 6.04 below, to promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Residential Units and the Limited Common Areas appurtenant to the Residential Units as the Residential Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Residential Board of Directors shall be promptly delivered or mailed to all Owners of Residential

Units, and further provided that such rules and regulations are not in conflict with any terms and provisions of the Declaration;

(h) to adopt an annual budget for each fiscal year for the purpose of estimating the total amount of Residential Common Expenses for such fiscal year; and

(i) to appoint committees of the Members.

Section 3.08. Limitation on Board Action. After the Applicable Date, the authority of the Residential Board of Directors to enter into contracts not approved as part of the annual budget shall be limited to contracts involving a total expenditure of less than Twenty-Five Thousand Dollars (\$25,000.00) in any twelve (12) consecutive calendar month period without the approval of a fifty-one percent (51%) of the Residential Percentage Vote.

Section 3.09. Compensation. No Director shall receive any compensation for his or her services. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Residential Common Expense.

Section 3.10. Meetings.

(a) Regular meetings of the Residential Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors.

(b) Special meetings of the Residential Board of Directors may be called by the President or any two (2) members of the Residential Board of Directors. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least five (5) days prior to the date of such special meeting, give notice to all of the Directors. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, or any of the contiguous counties, as shall be designated in the notice.

Section 3.11. Waiver of Notice. Before any meeting of the Residential Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his or her subsequent consent to the actions taken thereat, unless the Director at the beginning of the meeting or promptly upon the Director's arrival objects to holding the meeting and does not vote or assent to the action taken at the meeting, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Residential Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum and Voting. At all meetings of the Residential Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and unless otherwise expressly provided in the Residential Articles, the Declaration or these Residential

Bylaws, the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Residential Board of Directors.

Section 3.13. Means of Communication. The Residential Board of Directors, or a committee thereof, may permit a Director or a committee member to participate in a meeting by or through the use of any means of communication by which all Directors or committee members participating may simultaneously hear each other during the meeting. A Director or a committee member participating in a meeting by such means shall be considered present in person at the meeting.

Section 3.14. Action By Written Consent. Any action required or permitted to be taken at any meeting of the Residential Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by all of the Directors or committee members and such written consent is included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent shall be effective when the last Director or committee members signs the consent, unless the consent specifies a prior or subsequent effective date. A consent signed as described in this Section 3.14 shall have the effect of a meeting vote and may be described as such in any document.

Section 3.15. Bonds.

(a) The Residential Board of Directors may require the Managing Agent, Treasurer, employees, officers and agents handling or responsible for funds of or administered on behalf of the Residential Corporation, to have surety bonds indemnifying the Residential Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication and other acts of fraud or dishonesty in a total amount not less than the estimated maximum amount of funds, including reserve funds, in the custody of the Residential Corporation or the Managing Agent, as the case may be, at any given time, but in no event less than a sum equal to three (3) months aggregate assessments on all Residential Units, plus reserve funds. Such bonds shall also specifically include protection for any insurance proceeds received for any reason by the Residential Board of Directors.

(b) Any 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 expense of any such bonds, except those maintained by the Managing Agent, shall be a Residential Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non payment of premium) without at least ten (10) days prior written notice to the Residential Corporation and to all Mortgagees.

Section 3.16. Interest of Directors in Contracts. Any contract or other transaction between the Residential Corporation and one or more of its Directors, or between the Residential Corporation and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the Residential Corporation and any corporation,

partnership, or association of which one or more of its Directors are shareholders, members, directors, officers or employees, or in which they are interested, or in which the Residential Corporation is a member, shareholder, or otherwise interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting of the Residential Board of Directors of the Residential Corporation which acts upon, or in reference to, such contract or transaction and notwithstanding his or her participation in such action, if the fact of such interest shall be disclosed or known to the Residential Board of Directors and the Residential Board of Directors shall, nevertheless, authorize, approve or ratify such contract or transaction.

ARTICLE IV Officers

Section 4.01. Officers of the Corporation. The principal officers of the Residential Corporation shall be the President, Secretary and Treasurer, all of whom shall be elected by the Residential Board of Directors. The Directors may appoint a Vice President, an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The officers of the Residential Corporation shall be elected annually by the Residential Board of Directors at the initial meeting of each new Residential Board of Directors. Upon an affirmative vote of a majority of all members of the Residential Board of Directors, any officer may be removed either with or without cause and his or her successor elected at any regular meeting of the Residential Board of Directors or at any special meeting of the Residential Board of Directors called for such purpose. Any vacancy or vacancies occurring in the offices of the Residential Corporation shall be filled by a vote of a majority of the Residential Board of Directors at any regular meeting of the Residential Board of Directors or at any special meeting of the Residential Board of Directors called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Residential Corporation. He or she shall preside at all meetings of the Residential Corporation and of the Residential Board of Directors, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association organized under the laws of Indiana, and to perform such other duties as the Residential Board of Directors may from time to time prescribe.

Section 4.04. The Vice President. The Residential Board of Directors may, from time to time, designate and elect a Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Residential Bylaws may prescribe or as shall, from time to time, be imposed upon him or her by the Residential Board of Directors or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Residential Corporation and of the Residential Board of Directors, shall keep or cause to be kept a true and complete record of the proceedings

of such meetings, and shall perform all other duties as from time to time may be prescribed by the Residential Board of Directors. The Secretary shall specifically see that all notices of the Residential Corporation or the Residential Board of Directors are duly given, mailed or delivered, in accordance with the provisions of these Residential Bylaws.

Section 4.06. The Treasurer. The Residential Board of Directors shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Residential Corporation and who shall perform such other duties incident to the office of Treasurer. He or she shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Residential Corporation. He or she shall immediately deposit all funds of the Residential Corporation coming into his or her hands in some reliable bank or other depository to be designated by the Residential Board of Directors and shall keep such bank account or accounts in the name of the Residential Corporation. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Residential Corporation to the extent appropriate as part of its duties.

Section 4.07. Assistant Officers. The Residential Board of Directors may, from time to time, designate and elect from among the Owners of the Residential Units an Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Residential Bylaws or the Residential Board of Directors may prescribe.

ARTICLE V Residential Assessments

Section 5.01. Annual Accounting. Annually, after the close of each fiscal year of the Residential Corporation, the Residential Board of Directors shall cause to be prepared and furnished to each Owner of a Residential Unit a financial statement prepared by a certified public accountant or firm of certified public accountants, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02. Proposed Annual Budget. Annually, on or before the end of each fiscal year, the Residential Board of Directors shall adopt an annual budget for the next fiscal year estimating the total amount of the Residential Common Expenses for the next fiscal year. Such budget may not increase by more than ten percent (10%) of the previous annual budget without the approval of a fifty-one percent (51%) of the Residential Percentage Vote. A copy of such budget shall be furnished to each Owner of a Residential Unit at or prior to December 15 of each year. The annual budget as presented to the Owners of Residential Units at the annual meeting of the Residential Corporation shall be the basis for the Residential Regular Assessment (hereinafter defined) during such fiscal year. The annual budget, the Residential Regular Assessment and all sums assessed by the Residential Corporation shall be established by using generally recognized accounting principles applied on a consistent basis. The annual budget and the Residential Regular Assessment shall, in addition, include the establishment and maintenance of an adequate replacement reserve fund for capital expenditures and replacement and repair of the Limited Common Areas which are appurtenant to the Residential Units, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of

the such Limited Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of such Limited Common Areas shall be maintained by the Residential Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, selected from time to time by the Residential Board of Directors. The failure or delay of the Residential Board of Directors to prepare an annual budget and to furnish a copy thereof to the Owners of the Residential Units shall not constitute a waiver or release in any manner of the obligations of the Owners of the Residential Units to pay the Residential Common Expenses as herein provided, whenever determined.

Section 5.03. Regular Assessments. The annual budget as adopted by the Residential Board of Directors shall, based on the estimated cash requirement for the Residential Common Expenses in the current fiscal year as set forth in said budget, contain an assessment against each Residential Unit and the Circle Block Percentage Interest appurtenant thereto. Immediately following the adoption of the annual budget, each Owner of a Residential Unit shall be given written notice of the assessment against his, her or its respective Residential Unit and the Circle Block Percentage Interest appurtenant thereto (herein called the "Residential Regular Assessment"). The aggregate amount of the Residential Regular Assessment shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Residential Regular Assessment against each Residential Unit and the Circle Block Percentage Interest appurtenant thereto shall be paid in advance in four (4) equal quarterly installments, on the first day of February, May, August and November of each fiscal year. In the event that the Residential Board of Directors has not adopted an annual budget and provided the Owners of the Residential Units with notice of the current Residential Regular Assessment prior to the first day of February of any fiscal year, then the current Residential Regular Assessment shall be the amount of the Residential Regular Assessment for the prior fiscal year until such time as the Residential Board of Directors approves the annual budget for the current fiscal year and provides the Owners of the Residential Units with notice of the current Residential Regular Assessment. Payment of the quarterly installments of the Residential Regular Assessment shall be made to the Residential Board of Directors or the Managing Agent, as directed by the Residential Board of Directors; provided, however, Owners of Residential Units may elect to pay assessments annually, in advance. The Residential Regular Assessment for the current fiscal year of the Residential Corporation shall become a lien on each separate Residential Unit and the Circle Block Percentage Interest appurtenant thereto as of the first day of each fiscal year of the Residential Corporation, even though the final determination of the amount of such Residential Regular Assessment may not have been made by that date. The fact that an Owner of a Residential Unit has paid his, her or its Residential Regular Assessment for the current fiscal year in whole or in part based upon a previous budget and thereafter, before the annual budget and Residential Regular Assessment for the current fiscal year are finally determined and approved, sells, conveys or transfers his, her or its Residential Unit and the Circle Block Percentage Interest appurtenant thereto or any interest therein, shall not relieve or release such Owner or his, her or its successor as owner of such Residential Unit and the Circle Block Percentage Interest appurtenant thereto from payment of the Residential Regular Assessment for such Residential Unit and the Circle Block Percentage Interest appurtenant thereto as finally determined, and such Owner and his, her or its successor as owner of such Residential Unit and the Circle Block Percentage Interest appurtenant thereto shall be jointly and severally liable for the Residential Regular Assessment as finally determined.

Owners of Residential Units shall be obligated to make a reconciling payment within thirty (30) days after notice that the annual budget has been adopted and the Residential Regular Assessment is established for the current fiscal year. Any statement of unpaid assessments furnished by the Residential Corporation pursuant to Section 5.05 hereof prior to the final determination and adoption of the annual budget and Residential Regular Assessment for the fiscal year in which such statement is made need not state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Residential Regular Assessment for such fiscal year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly installments of Residential Regular Assessments shall be due automatically on their respective due dates without any notice from the Residential Board of Directors or the Residential Corporation, and neither the Residential Board of Directors nor the Residential Corporation shall be responsible for providing any notice or statements to Owners of Residential Units for the same.

Section 5.04. Special Assessments. From time to time Residential Common Expenses of an unusual or extraordinary nature or not otherwise anticipated or budgeted for may arise. At such time and without the approval of the Owners of Residential Units, unless otherwise provided in these Residential Bylaws, the Declaration or the Statute, the Residential Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Residential Board of Directors, shall become a lien on each Residential Unit and the Circle Block Percentage Interest appurtenant thereto, prorated in accordance with the Residential Percentage Interest of each Residential Unit (herein called "Residential Special Assessment"). Without limiting the generality of the foregoing provisions, Residential Special Assessments may be made by the Residential Board of Directors from time to time to pay for capital expenditures. Residential Special Assessments related solely to Limited Common Areas appurtenant to a particular Residential Unit or a subset of Residential Units shall be assessed solely against those Residential Units to which such Limited Common Areas are appurtenant (e.g., assessments to pay for carpet replacements on a particular floor of the Building shall be assessed solely against the Residential Units located on such floor).

Section 5.05. Failure of Owner of a Residential Unit to Pay Residential Assessments.

(a) No Owner of a Residential Unit may exempt himself, herself or itself from paying Residential Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Limited Common Areas appurtenant to the Residential Units and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Limited Common Areas appurtenant to the Residential Units or by abandonment of the Residential Unit belonging to him, her or it. Each Owner of a Residential Unit shall be personally liable for the payment of all Residential Assessments which become due and payable during the period in which such Owner holds title to a Residential Unit. Where the Owner of a Residential Unit constitutes more than one person, the liability of such persons shall be joint and several. If any Owner of a Residential Unit shall fail, refuse or neglect to make any payment of any Residential Assessment when due, the lien for such Residential Assessment on the Owner's Residential Unit may be filed and foreclosed by the Residential Board of

Directors for and on behalf of the Residential Corporation as provided by law. Upon the failure of an Owner of a Residential Unit to make payments of any Residential Assessment, within ten (10) days after any such Residential Assessment is due (with such due dates being set forth in accordance with Sections 5.03 and 5.04 herein and the Declaration), the Residential Board of Directors, in its discretion, may (1) impose a late fee as provided in the Declaration (provided the same is uniformly imposed and enforced), (2) accelerate the entire balance of the budgeted and unpaid Residential Assessments, and any and all fines, charges and late fees, applicable to the current full calendar year and all previous calendar years and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary, and (3) eliminate such Owner's right to vote during the pendency of any delinquency after such acceleration. The Residential Board of Directors may, at its option, bring a suit to recover a money judgment for any unpaid Residential Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Residential Assessment, whether by foreclosure or otherwise, the Residential Board of Directors, for and on behalf of the Residential Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Residential Unit.

(b) Notwithstanding anything contained in this Section or elsewhere in the Declaration and these Residential Bylaws, the lien for any Residential Assessment shall be subordinate to the lien of any Mortgage if and to the extent the Mortgage was recorded prior to the due date of any Residential Assessment, and any sale or transfer of a Residential Unit to a Mortgagee pursuant to a foreclosure on its Mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Residential Assessment as to such installments which became due after the recordation of such Mortgage; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Residential Unit, or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Residential Assessments thereafter becoming due or from the lien therefor.

Section 5.06. Payment of Residential Regular Assessments. Payment of the Residential Regular Assessments prior to the Applicable Date with respect to each Residential Unit shall commence on the dates set forth in the Declaration. In addition, at the initial closing of each Residential Unit (by sale from The Conrad Residences, LLC), the purchaser or new Owner is required to pay a sum equal to one-fourth (1/4) of the Declarant's estimate of the full year's Residential Regular Assessment applicable to such Residential Unit as his, her or its initial contribution to the working capital of the Residential Corporation. Such amounts shall be used by the Residential Corporation for Residential Common Expenses, is not an advance payment of Residential Regular Assessments and will not be held in any trust or reserve account. Additionally, at each such closing, the purchaser of a Residential Unit shall pay his, her or its pro

rata share of the Residential Regular Assessment due in the quarter of closing for the balance of the quarterly period. Thereafter, payment of the Residential Regular Assessment shall be made quarterly as provided in Section 5.03 hereof.

Section 5.07. Maintenance and Repairs.

(a) Every Owner of a Residential Unit shall promptly perform all maintenance and repair within his, her or its own Residential Unit and the Limited Common Areas appurtenant thereto which, if neglected, would affect the value of the Premises. In addition, each Owner of a Residential Unit shall furnish, and shall be responsible at his, her or its own expense for, the maintenance, repairs and replacements of his or her Residential Unit and all equipment serving the same. Such maintenance, repairs and replacements which each Owner of a Residential Unit is responsible to make personally and at his, her or its own expense include, but are not necessarily limited to, water lines, gas lines, plumbing and electric lines which service the Owner's Residential Unit only and are located within exterior walls of the Residential Unit, including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Residential Unit; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges, refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Residential Unit); doors, lamps; interior grouting and/or caulking; and all other accessories appurtenant to the Residential Unit or belonging to the Owner thereof.

(b) If, due to the willful, intentional or negligent acts or omissions of an Owner of a Residential Unit, of a member of his or her family, of a guest, tenant, invitee, or other occupant or visitor of such Owner, or of an Owner of a Residential Unit's pet or automobile, damage shall be caused to the Limited Common Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Residential Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Residential Corporation, unless (and to the extent) such loss is covered by the Residential Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner of a Residential Unit upon demand by the Residential Corporation, the cost of repairing such damage shall be added to and become a part of the Residential Assessment to which such Owner's Residential Unit is subject. Maintenance, repairs and replacements to the Residential Units or Limited Common Areas appurtenant to the Residential Units shall be subject to the rules and regulations adopted from time to time by the Residential Board of Directors.

(c) To the extent that equipment, facilities and fixtures within any Residential Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Residential Units or any Limited Common Areas appurtenant thereto, then the use thereof by the Owner of such Residential Unit

shall be subject to the rules and regulations adopted from time to time by the Residential Board of Directors. The authorized representatives of the Residential Corporation, the Residential Board of Directors or the Managing Agent for the Residential Corporation shall be entitled to reasonable access to any Residential Unit as may be required in connection with maintenance, repairs or replacements of or to the Limited Common Areas appurtenant thereto, or any equipment, facilities or fixtures affecting or serving other Residential Units or any Limited Common Areas appurtenant thereto.

ARTICLE VI
Restrictions, Entry and Rules and Regulations

Section 6.01. Restrictions on Use. The following restrictions on the use and enjoyment by the Owners of the Residential Units of the Residential Units, the Common Areas, the Limited Common Areas and the Premises shall be applicable to the Project and are in addition to those set forth in the Declaration:

(a) A Residential Unit shall only be used for residential purposes, subject to the use of portions of the Residential Unit in connection with a home operated business provided that such business does not materially interfere with the other Residential Unit Owners, which determination, if the matter is raised by a Residential Unit Owner, shall be made by the Residential Board of Directors. No Residential Unit located on any floor of the Building may be partitioned or subdivided without the prior written consent of the Residential Board of Directors.

(b) No Owner of a Residential Unit shall or shall permit or suffer to be brought into or kept in such Residential Unit any highly flammable or combustible, or any explosive or other extra-hazardous fluid, material, chemical or substance except those in common use for ordinary household purposes.

(c) No Owner of a Residential Unit shall cause or permit any sign, signal, advertisement or illumination to be inscribed or exposed on or at or outside of any Residential Unit window or other part of the Building adjacent to Residential Units except unobtrusive religious articles or those approved in writing by the Residential Board. Nothing (including, but not limited to, signs, antennae, satellite dishes, radio or television aerials or like appurtenances) shall be attached to or hung or displayed from any exterior wall of the Building or on or from any balcony, terrace or the outside portion of the windows by any Residential Owner. Nothing to the contrary contained in these Residential Bylaws, the Residential Articles or the Declaration shall limit or prohibit the Declarant (and/or The Conrad Residences, LLC) from placing or affixing or maintaining any sign or other media on the Premises in connection with the sale of Residential Units.

(d) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Residential Unit or in the Limited Common Areas appurtenant

thereto, except that pet dogs (not to exceed 60 pounds), cats, small caged birds, fish or any kind of service animal (e.g., seeing eye dog) may be kept in a Residential Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. An Owner of a Residential Unit shall be fully liable for any injury or damage to persons or property, including the Limited Common Areas appurtenant to the Residential Units, caused by his or her pet. The Residential Board of Directors may adopt such rules and regulations regarding pets as it may deem necessary from time to time including, but not limited to, a requirement that any Owner of a Residential Unit desiring to bring a pet on the Premises shall execute a responsibility agreement and deposit with the Residential Board of Directors a security deposit in an amount to be determined by the Residential Board of Directors to cover any damage that may be caused by such pet. Any such security deposit shall be returned to the Owner of the Residential Unit when the pet is permanently removed from the Premises, except to the extent said deposit has been used to repair damage caused by such pet. Any requirement for the depositing of such a security deposit shall not be deemed to release or in any way limit an Owner of a Residential Unit's responsibility and liability for injury and damage caused by his or her pets. Any pet which, in the judgment of the Residential Board of Directors, is causing or creating a nuisance, unreasonable disturbance, noise, damage or concerns for the safety of others shall be permanently removed from the Premises within ten (10) days after written notice from the Residential Board of Directors to the respective Owner to do so.

(e) All Owners of a Residential Unit and members of their families, their guests, or invitees, and all occupants of any Residential Unit, or other persons entitled to use the same and to use and enjoy the Limited Common Areas appurtenant thereto or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Residential Board of Directors governing the operation, use and enjoyment of the Residential Units and the Limited Common Areas appurtenant thereto.

(f) Except for vehicles being used by Declarant or by persons providing services to the Declarant or an Owner, no boats, campers, trailers of any kind, buses, mobile homes or trucks (other than a vehicle, the height of which will allow entrance to the garage), shall be permitted, parked or stored anywhere within the Real Estate. No repair work shall be done on the Real Estate or in the garage on any vehicles, including passenger automobiles.

(g) No Owner of a Residential Unit shall be allowed to plant trees, landscape or do any gardening in any of the Limited Common Areas appurtenant to the Residential Units.

(h) Limited Common Areas appurtenant to the Residential Units shall be used only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Residential Board of Directors.

(i) No Owner may rent or lease his Residential Unit for transient or hotel purposes.

(j) Any Owner who leases a Residential Unit shall lease the entire Residential Unit for at least a six (6) month period and shall have a written lease, and such lease shall provide that the lease is subject to the provisions of the Declaration, these Residential Bylaws and the rules and regulations as adopted by the Residential Board of Directors, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. A copy of each such lease shall be delivered to the Residential Corporation or Managing Agent.

Section 6.02. Compliance with Covenants, Conditions and Restrictions. Every Owner of a Residential Unit, mortgagee, Lessee or other occupant of a Residential Unit shall comply strictly with the covenants, conditions and restrictions set forth in the Declaration, with these Residential Bylaws and with the rules and regulations. A violation committed by any persons residing in, occupying or visiting a Residential Unit at the invitation or with the implied or express permission of the Owner of the Residential Unit or any other occupant of the Residential Unit, or committed by any agent, employee, business invitee, or contractor of the Owner of the Residential Unit or of any person occupying a Residential Unit, shall be attributed to that Residential Unit and the Owner thereof. An action seeking a declaratory judgment, the recovery of sums due for damages, or injunctive relief, or any or all of them may be maintained by the Residential Board of Directors against any Owner of a Residential Unit or other person entitled to occupy a Residential Unit who refuses to comply or threatens to refuse to comply with any provisions of this Declaration, these Residential Bylaws, the rules and regulations, or any other document establishing ownership or control over any part of the Residential Units and the Limited Common Areas appurtenant thereto.

After giving not less than ten (10) days prior written notice to an Owner of a Residential Unit who has not so complied, and after giving such party the opportunity to be heard by the Residential Board of Directors, the Residential Board of Directors shall have the right to impose a fine of not more than \$500, as liquidated damages, for the second violation of the covenants, conditions and restrictions set forth in the Declaration, these Residential Bylaws or the rules and regulations, attributable to a particular Owner of a Residential Unit in a calendar year (whether or not this second violation involves the same term or provision of the above-described documents as the first violation) against that Owner and the Residential Unit and the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest. For a third violation thereof attributable to the same Owner in the same calendar year (whether or not this third violation involves the same term or provision of the above described documents as the first or second violations), the Residential Board of Directors, after giving the above described notice and opportunity to be heard, may levy a fine, as liquidated damages, against that Owner and the Residential Unit and the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest in an amount not in excess of \$1,000. For the fourth and every subsequent such violation thereof by the same Owner in the same calendar year (whether these violations involve the same term or provision as the previous violations), the Residential Board of Directors, after giving the above described notice and opportunity to be heard, may levy a fine, as liquidated damages, against that Owner and the Residential Unit and

the Circle Block Percentage Interest appurtenant thereto in which such Owner holds an ownership interest in an amount not in excess of \$1,500.

All fines described above, any fines imposed by the Residential Board of Directors and any and all expenses incurred by the Residential Corporation in enforcing any of the terms and provisions of the condominium instruments, including reasonable attorney's fees, may be levied as Residential Special Assessments against the Owner in question and his, her or its Residential Unit and the Circle Block Percentage Interest appurtenant thereto, subject to the limitations or approvals of Residential Special Assessments.

Any action brought by the Residential Corporation hereunder may be brought in its own name, in the name of its Residential Board of Directors or in the name of the Managing Agent. In any case of flagrant or repeated violation by an Owner of a Residential Unit, he, she or it may be required by the Residential Board of Directors to give sufficient surety or sureties for his, her or its future compliance with the covenants, conditions and restrictions contained in this Declaration and with these Residential Bylaws and rules and regulations.

Section 6.03. Right of Entry. All Owners of Residential Units and occupants of a Residential Unit shall be deemed to have granted the right of entry thereto to the Managing Agent or any other person authorized by the Residential Board of Directors in case of any emergency originating in or threatening his, her or its Residential Unit, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his, her or its Residential Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner of a Residential Unit. In case of emergencies, such right of entry shall be immediate.

Section 6.04. Right of Board to Adopt Rules and Regulations. The Residential Board of Directors may promulgate and adopt such additional rules and regulations regarding the operation of the Limited Common Areas appurtenant to the Residential Units as it may deem necessary from time to time, and such rules as are adopted may be amended by a vote of a majority of the Residential Board of Directors. The Residential Board of Directors shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners of Residential Units. Such rules may further restrict the provisions contained in these Residential Bylaws.

ARTICLE VII

Amendment to the Residential Bylaws

Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, these Residential Bylaws may be amended in the substantially the same manner, and subject to the same limitations and requirements, as amendments to the Declaration; provided, that appropriate accommodations and adjustments shall be made to reflect the fact that these Residential Bylaws relate to the Residential Units and the Residential Corporation and provided, further, that any proposed amendment to these Residential Bylaws must be approved by a vote of eighty percent (80%) of the Residential Percentage Vote, except that any

amendment that changes the calculation of Residential Percentage Interests or allocates burdens or costs in a manner other than in accordance with the Residential Percentage Interests must be approved by a vote of one hundred percent (100%) of the Residential Percentage Vote. Amendments to these Residential Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Marion County, Indiana, as required by the Declaration and the Statute.

ARTICLE VIII
Mortgages

Section 8.01. Notice to Residential Corporation. Any Owner of a Residential Unit who places a first mortgage lien upon his, her or its Residential Unit or the Mortgagee shall notify the Secretary of the Residential Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary, and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these Residential Bylaws or the Statute shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner of a Residential Unit or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these Residential Bylaws or the Statute shall be required and no Mortgagee shall be entitled to vote on any matter to which such Mortgagee otherwise may be entitled by virtue of the Declaration, these Residential Bylaws, the Statute, or proxy granted to such Mortgagee in connection with the mortgage.

The Residential Corporation shall, upon request of a Mortgagee who has furnished the Residential Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under the Declaration or these Residential Bylaws which is not cured within thirty (30) days. Any Mortgagee shall have the right to inspect the books and records of the Residential Corporation during normal business hours.

A guarantor or insurer of a Mortgage may, upon written request to the Residential Corporation giving the Residential Corporation its name and address, receive from the Residential Corporation any notice that would be given to a Mortgagee also be given to the applicable insurer or guarantor.

Section 8.02. Notice of Unpaid Residential Assessments. The Residential Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Residential Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Residential Regular Assessments or Residential Special Assessments against the Residential Unit, which statement shall be binding upon the Residential Corporation and the Owners of Residential Units, and any Mortgagee or grantee of the Residential Unit shall not be liable for, nor shall the Residential Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statement.

ARTICLE IX
Miscellaneous

Section 9.01. Fiscal Year. The fiscal year of the Residential Corporation shall be the calendar year.

Section 9.02. Member Compensation. No Member of the Residential Corporation shall have or receive any earnings from the Residential Corporation as a result of being an officer or Director of the Residential Corporation, except a Member may receive principal and interest on monies loaned or advanced to the Residential Corporation as provided in the Statute, provided such loan is approved by a unanimous vote of the Residential Board of Directors.

Section 9.03. Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Residential Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the business of the Residential Corporation, unless otherwise directed by the Residential Board of Directors, or unless otherwise required by law, be signed by the President or, in his absence, the Treasurer.

Section 9.04. Financial Statement. Upon the written request of any entity that has an interest in any Residential Unit, the Residential Corporation shall prepare and furnish to such entity within a reasonable time a financial statement of the Residential Corporation for the immediately preceding fiscal year.

Section 9.05. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provisions of these Residential Bylaws shall not impair or affect in any manner the validity, enforceability or affect the rest of these Residential Bylaws.

SCHEDULE 1

Schedule of Percentage Interests

Unit	Residential Percentage Interest
1	N/A
2	2.2188%
3	5.7887%
4	6.0853%
5	2.5205%
6	4.2438%
7	3.5528%
8	5.8264%
9	2.0524%
10	8.0503%
11	9.0482%
12	7.2941%
13	9.8112%
14	6.9752%
15	9.5763%
16	16.9560%

EXHIBIT "C"

Schedule of Percentage Interests

Unit	Circle Block Percentage Interest
1	75.2776%
2	0.5485%
3	1.4311%
4	1.5044%
5	0.6232%
6	1.0492%
7	0.8783%
8	1.4404%
9	0.5074%
10	1.9902%
11	2.2369%
12	1.8033%
13	2.4256%
14	1.7244%
15	2.3675%
16	4.1920%

CONSENT OF MORTGAGEE

The undersigned, LASALLE BANK NATIONAL ASSOCIATION, individually and as agent for The Huntington National Bank, being the holder of an existing mortgage and other security on the Premises described in the above and foregoing Declaration hereby consents to the recording of the above and foregoing Declaration of Circle Block Condominium and the submission of the Premises described therein to the provisions of the Condominium Law of the State of Indiana as provided therein, and further agrees that its mortgage and other security with respect to the Premises shall be subordinate and subject to the provisions of the Act and the above and foregoing Declaration and Exhibits attached thereto and the documents incorporated therein; provided, however, except and to the extent that the mortgage and other security are subordinated by this Consent, such mortgage and other security shall remain in full force and effect, and that this consent shall not waive, invalidate or discharge the lien of the Mortgage nor subordinate the lien thereof to the lien of any charges or assessments created by the Declaration.

EXECUTED this 14th day of September, 2006.

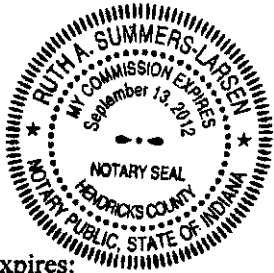
LASALLE BANK NATIONAL ASSOCIATION,
individually and as agent for The Huntington
National Bank

By: J M Thorne
Printed: John M Thorne
Title: Senior Vice President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared John M. Thorne, the Senior Vice President of LaSalle Bank National Association, and who acknowledged the execution of the foregoing "Consent of Mortgagee" for and on behalf of said entity.

WITNESS my hand and Notarial Seal this 14th day of September, 2006.



Ruth A. Summers-Larsen
Notary Public

(Printed Signature)

My Commission Expires: _____

My County of Residence: _____

... DEPARTMENT OF REVENUE ...
... FOR TRANSFER ...
966811 JUN 10 13
... FOR TRANSFER ...

6

Cross Reference: Instrument No. 2006-0175536 and 2006-0175537

FIRST AMENDMENT TO DECLARATION

This FIRST AMENDMENT TO DECLARATION (this "Amendment") is executed as of the 3rd day of May, 2008, by Alvin E. Kite, President of Circle Block Owners' Association, Inc. ("Circle Block Corporation") and The Conrad Residences Owners' Association, Inc. ("Residential Association"), Greg Tinsley, Secretary of Circle Block Corporation, and Sarah Lechleiter, Secretary of Residential Association.

RECITALS

- A. Circle Block Condominium was created by that certain Declaration of Circle Block Condominium, dated November 8, 2006, and recorded November 16, 2006 as Instrument Number 2006-0175537 in the Marion County Recorder's Office (the "Declaration").
- B. The floor plans for Circle Block Condominium were recorded as Instrument Number 2006-0175536 in the Marion County Recorder's Office (the "Plans").
- C. The Bylaws of Circle Block Corporation (the "Circle Block Bylaws") were recorded as Exhibit "B-1" of the Declaration.
- D. The Bylaws of Residential Corporation were recorded as Exhibit "B-2" of the Declaration (the "Residential Bylaws").
- E. The Board of Directors of Circle Block Corporation and the Board of Directors of the Residential Corporation proposed resolutions to adopt amendments to the Declaration, the Plans, the Circle Block Bylaws and the Residential Bylaws.
- F. The Members of Circle Block Corporation and Residential Corporation adopted and approved the following amendments to the Declaration, the Plans, the Circle Block Bylaws and the Residential Bylaws.

NOW, THEREFORE, by recordation of this Amendment, the Declaration, the Plans, the Circle Block Bylaws and the Residential Bylaws are hereby amended as follows:


1. Unit 7 and Unit 8 are hereby combined into a single Unit as shown on a revision to the Plans recorded as Instrument Number 208-7258 (the "Revised Plans") and designated as "Unit 7A".
2. Unit 3 is hereby separated into two separate Units as shown on the Revised Plans and designated as "Unit 3A" and "Unit 3B".
3. The Area Tabulation on Sheet No. 3 of the Plans is hereby deleted in its entirety and replaced with the Area Tabulation contained in the Revised Plans.
4. The Schedule of Residential Percentage Interests attached to the Residential Bylaws as Schedule 1 is hereby deleted in its entirety and replaced with Schedule 1 attached hereto.
5. The Schedule of Circle Block Percentage Interests attached to the Declaration as Exhibit "C" is hereby deleted in its entirety and replaced with Exhibit "C" attached hereto.
6. There shall not be a weight restriction on pet dogs. Specifically, the phrase "(not to exceed 60 pounds)" is hereby deleted in Section 6.01(f) of the Circle Block Bylaws and in Section 6.01(d) of the Residential Bylaws.
7. All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Declaration.
8. All other terms of the Declaration remain unchanged and in full force and effect.

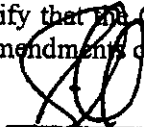
[SIGNATURE PAGES FOLLOW]

AFFIDAVIT

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

We, Alvin E. Kite, President of Circle Block Owners' Association, Inc., and Greg Tinsley, Secretary of Circle Block Owners' Association, Inc., hereby execute the foregoing First Amendment to Declaration and hereby certify that the Owners representing the requisite Circle Block Percentage Vote have approved the amendments contained therein.


Alvin E. Kite, President *J.L.M.*


Greg Tinsley, Secretary

Subscribed and sworn to before me this 31st day of May, 2008.


Signature

My Commission Expires:


Printed _____ Notary Public
County of Residence: _____

SEAL
DAMYAN W. PROUT
NOTARY PUBLIC, STATE OF INDIANA
NO. 532885
COUNTY OF JOHNSON
COMMISSION EXPIRES APRIL 27, 2012

AFFIDAVIT

STATE OF INDIANA)
) SS:
COUNTY OF MARION)


We, Alvin E. Kite, President of The Conrad Residences Owners' Association, Inc., and Sarah Lechleiter, Secretary of The Conrad Residences Owners' Association, Inc., hereby execute the foregoing First Amendment to Declaration and hereby certify that the Owners representing the requisite Residential Percentage Vote have approved the amendments contained therein.


Alvin E. Kite, President *J.E.M.*

Sarah Lechleiter
Sarah Lechleiter, Secretary

Subscribed and sworn to before me this 31st day of May, 2008.

SEAL
DAMYAN W. PROUT
NOTARY PUBLIC, STATE OF INDIANA
NO. 632865
COUNTY OF JOHNSON
COMMISSION EXPIRES APRIL 27, 2012

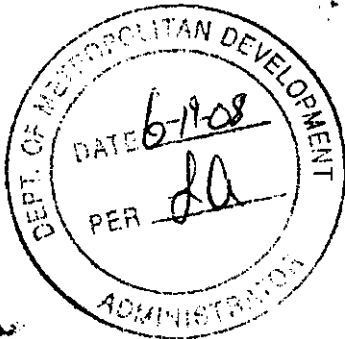

Sarah Lechleiter
Signature

My Commission Expires:

Printed _____ Notary Public
County of Residence: _____

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Matthew G. DeLaruelle.

This instrument was prepared by Matthew G. DeLaruelle, ICE MILLER LLP, Suite 3100, Indianapolis, IN 46282.



SCHEDULE 1

Schedule of Percentage Interests

Unit	Residential Percentage Interest
1	N/A
2	2.2188%
3A	4.3912%
3B	1.3975%
4	6.0853%
5	2.5205%
6	4.2438%
7A	9.3792%
9	2.0524%
10	8.0503%
11	9.0482%
12	7.2941%
13	9.8112%
14	6.9752%
15	9.5763%
16	16.9560%

EXHIBIT "C"

Schedule of Percentage Interests

Unit	Circle Block Percentage Interest
1	75.2776%
2	0.5485%
3A	1.0856%
3B	0.3455%
4	1.5044%
5	0.6232%
6	1.0492%
7A	2.3187%
9	0.5074%
10	1.9902%
11	2.2369%
12	1.8033%
13	2.4256%
14	1.7244%
15	2.3675%
16	4.1920%