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FOR TRANSFER

DECLARATION OF MERIDIAN TOWERS PRIVATE RESIDENCES
HORIZONTAL PROPERTY REGIME

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Real Estate Deputy

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By: [Signature]
Real Estate Deputy

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**DECLARATION OF MERIDIAN TOWERS PRIVATE RESIDENCES
HORIZONTAL PROPERTY REGIME**

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**DECLARATION OF MERIDIAN TOWERS PRIVATE RESIDENCES
HORIZONTAL PROPERTY REGIME**

3965 North Meridian Street
25 East 40th Street
Indianapolis, Indiana 46208

THIS DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP is made and executed effectively this _____ day of _____, 2003, by Meridian Towers Development Corporation (hereinafter the "Declarant"), an Indiana corporation.

X Ref # 2003-0169292

Recitals:

A. Declarant is the owner of the fee simple title to Real Estate (the "Real Estate") described in Exhibit "A" attached hereto and incorporated herein as part of this Declaration, which Real Estate is located in Indianapolis, Marion County, Indiana.

B. Declarant, by execution of the Declaration hereby makes the Real Estate and all Improvements subject to a Horizontal Property Regime according to the provisions of Indiana Horizontal Property Law, Indiana Code 32-25-1 et seq., and the terms and conditions specifically set forth in this Declaration, such property shall hence forth be known and referred to as "Meridian Towers Private Residences Condominiums."

C. Declarant has caused to be established an Indiana not-for-profit corporation, entitled the "Meridian Towers Private Residences Association, Inc." which shall be responsible for the orderly administration and management of the Meridian Towers Private Residence Condominiums with each Owner of a Unit being assessed a proportionate share of Common Area Expenses made necessary for maintenance and operation of Meridian Towers Private Residence Condominiums.

D. Declarant shall have the reserved rights specifically set forth in Article IX of this Declaration with respect to Meridian Towers Private Residences Condominiums and the Meridian Towers Private Residences Association, Inc. including but not limited to the right to appoint persons to fill the vacant member position of the initial Board of Directors for Meridian Towers Private Residences Association, Inc.

NOW, THEREFORE, Declarant, as the record fee simple title holder of the Real Estate and Improvements, hereby declares as follows:

**ARTICLE I
DEFINITIONS, ACRONYMS AND MEANINGS**

Section 1.1. Definitions. The following terms shall have the following definitions and meanings in this Declaration:

1.1.01. *Association:* "Association" means the Meridian Towers Private Residences Association, Inc., an Indiana not-for-profit corporation, including its successors and assigns, the principal office of which is 3965 N. Meridian Street, Indianapolis, Indiana 46208. Copies of the By-Laws of which corporation are marked as Exhibit D attached hereto and incorporated herein by reference.

1.1.02. *Balconies:* "Balconies" means those attachments to the outside walls of the Buildings which are designated as Balconies on the Floor Plans, which shall be Limited Common Area appurtenant to the Building to which they are attached.

1.1.03. *Board:* "Board" means the board of directors as the governing body of the Association, as constituted at any time or from time to time.

1.1.04. *Building or Buildings*: "Building" or "Buildings" means the entirety of the structures located on the Real Estate which consists of two (2) high rise structures of seven (7) floors each, which contain residential units, including, without limitation, the structural components of such structure, the entryways, corridors, stairways, roofs, garages (partially covered) and other portions of the structure.

1.1.05. *By-Laws*: "By-Laws" means the By-Laws of the Association providing for the administration and management of the Regime as required by the Law, a true copy of which is marked as Exhibit D, attached to this Declaration and is recorded with Recorder of Marion County, Indiana.

1.1.06. *Common Areas and Facilities*: "Common Areas and Facilities" means all areas within and appurtenant to the Real Estate of the Meridian Towers Private Residence Condominiums, excepting the Units described in Exhibit C hereto.

1.1.07. *Common Expenses*: "Common Expenses" means all sums lawfully accessed against Owners or Co-Owners for the expenses of administration, including management and professional services, maintenance, operation, repair, and replacement of the Common Areas and Facilities; the cost of additions, alterations, or improvements to the Common Areas and Facilities; the cost of insurance required or permitted to be obtained by Board; utility expenses for the Common Areas and Facilities; heat and cooling expenses for the Units; any expenses for service, maintenance or repair of central heating and air conditioning systems including boilers, chillers, compressors and heat exchangers; any expenses designated as Common Expenses by the Law, this Declaration, or the By-Laws; if not separately metered or charged to the Unit Owners, the cost of waste removal, scavenger services, water, sewer, or other necessary utility services to the Buildings; and any other expenses lawfully incurred by or on behalf of the Association for the common benefit of all of the Unit Owners.

1.1.08. *County*: "County" means Marion County, Indiana.

1.1.09. *Declarant*: "Declarant" means Meridian Towers Development Corporation, an Indiana corporation, or any successor to it in title to the Real Estate, or any mortgagee acquiring title to all or any portion of the Property pursuant to a mortgage executed by the Declarant.

1.1.10. *Declaration*: "Declaration" means this instrument entitled *Declaration of Meridian Towers Private Residences Horizontal Property Regime*, including all Exhibits attached hereto, as amended and/or supplemented.

1.1.11. *First Mortgage*: "First Mortgage" means a bona fide first mortgage encumbering a Unit Ownership,

1.1.12. *First Mortgagee*: "First Mortgagee" means the holder of a First Mortgage lien on all or any part of the Real Estate and the holder of the first mortgage lien on a Unit which has given written notice of such mortgage to the Association.

1.1.13. *Floor Plan*: "Floor Plan" means the floor plans and building plans prepared by Cornerstone Surveys, Inc., registered Architects, under the date of the ____ day of March, 2003 and recorded with the Office of the Recorder of Marion County, Indiana as Instrument No. _____, a copy of which are attached hereto or incorporated herein by this reference as part of Exhibit B, as amended and/or supplemented from time to time, which set forth the measurements, elevations, and locations of the Meridian Towers Private Residence Condominiums, the location of the planes which constitute the perimeter boundaries of each Unit, the location of the respective Garages, a distinguishing number or other symbol to identify each Unit and such other data as may be required by the Law or this Declaration.

1.1.14. *Garage*: "Garage" means a portion of the Common Areas and Facilities which is delineated and designated on the Floor Plans as a Garage.

1.1.15. *Garage Space*: "Garage Space" means a portion of a Garage that is delineated on the Floor Plans and designated as a Garage Space. The respective Garage Space designated for each building shall be a Common Area and Facility of common use.

1.1.16. *Improvements*: "Improvements" means all of the Buildings and site improvements, without limitation, located on the Real Estate as of the date hereof, as the same may be altered, removed, enlarged, or modified from time to time.

1.1.17. *Law*: "Law" means the Horizontal Property Law of the State of Indiana, Indiana Code § 32-25-1 et seq., as amended and/or supplemented.

1.1.18. *Meridian Towers Private Residences Condominiums*: "Meridian Towers Private Residence Condominiums" means all the land, property, space comprising the Real Estate, all improvements and structures erected, constructed or contained therein, thereon or thereunder, including buildings, and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, hereby or hereafter submitted and subjected to the Law as part of the Meridian Towers Private Residences Condominiums

1.1.19. *Limited Common Areas and Facilities*: "Limited Common Areas and Facilities" means that portion of the Common Areas and Facilities which is designated by this Declaration or the Floor Plans as being a Limited Common Area and Facility appurtenant to and for the exclusive use of a Unit Owner, of an individual Unit, including as Exclusive Limited Common Areas and Facilities, the following, if any: (a) perimeter doors and windows which serve the Unit, (b) the interior surface of perimeter walls, ceilings and floors which define the boundary planes of the Unit, (c) any of the outdoor decks designated on the respective buildings, and (d) any system or component part thereof which serves the Unit exclusively to the extent that such system or component part is located outside the boundaries of the Unit. Any patio or balcony adjoining or serving a Unit at any time shall be a Limited Common Area and Facility appurtenant to such Unit.

1.1.20. *Person*: "Person" means a natural individual, corporation, partnership, trustee, other legal entity or legal combination thereof capable of holding title to real property.

1.1.21. *Real Estate*: "Real Estate" means the land described in Exhibit A, attached hereto and incorporated herein.

1.1.22. *Record*: "Record" means to file a document in the Office of the Recorder of Marion County, Indiana.

1.1.23. *Regime*: "Regime" means the Horizontal Property Regime created by the recording of this Declaration.

1.1.24. *Relinquish Date*: "Relinquish Date" means the date on which any one of the following shall first occur: four (4) months after Declarant has conveyed eighty-four of the Units to purchasers for value; (b) the expiration of three (3) years from the date of the Recording of this Declaration; or (c) The date designated in written notice from the Declarant to all of the Unit Owners as being the Relinquish Date.

1.1.25. *Replacement Reserve*: "Replacement Reserve" means the fund to be held by the Association in accordance with the Law for the maintenance, repair, and replacement of the Common Areas and Facilities.

1.1.26. *Site Plan*: "Site Plan" means a drawing prepared by Cornerstone Surveys, Inc. , and certified as to accuracy, based on a legal survey of the Real Estate and Improvements as of the date thereon, included as a part of Exhibit B hereof, depicting the dimensions of the Real Estate and the location and dimensions of the Buildings on the Real Estate.

1.1.27. *Undivided Interest*: "Undivided Interest" means the percentage ownership interest in the

fee simple title of the Common Areas and Facilities appurtenant to a Unit for all purposes, including voting, as allocated on Exhibit C hereto from time to time. The Undivided Interest shall be expressed as a percentage of the whole and shall be based on the size of each Unit in relation to the size of all Units in the Meridian Towers Private Residence Condominiums.

1.1.28. *Unit*: "Unit" means a part of the Meridian Towers Private Residences Condominiums, including one or more rooms, designed or intended for independent residential use and having lawful access to a public way. Each Unit shall consist of the space enclosed and bounded by the planes constituting the boundaries of such Unit as shown on the Floor Plans and the fixtures and improvements located wholly within such boundaries which serve such Unit exclusively. A Unit shall not include the following, wherever located: (a) any structural components of the Meridian Towers Private Residences Condominiums; or (b) any component of a system that serves more than one Unit where such component is an integral part of such system and is not intended to serve the Unit exclusively. Each Unit shall be identified on the Floor Plans by a distinguishing number or other symbol. The legal description of each Unit shall refer to such identifying number or symbol and every such description shall be deemed good and sufficient for all purposes, as provided in the Law.

1.1.29. *Unit Resident*: "Unit Resident" means an individual who resides in a Unit.

1.1.30. *Owner or Co-Owner*: "Owner" or "Co-Owner" means a Record owner, whether one or more Persons, of fee simple title to any Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.1.31. *Unit Ownership*: "Unit Ownership" means a part of the Meridian Towers Private Residences Condominiums consisting of one (1) Unit and its Undivided Interest.

1.1.32. *Veteran's Administration or VA*: "Veterans's Administration" or "VA" means the United States Department of Veterans Affairs.

1.1.33. *Voting Member*: "Voting Member" means the individual who shall be entitled to vote in person or by proxy at meetings of the Unit Owners, as more fully set forth in Article Four.

1.1.34. *Working Capital Fund*: "Working Capital Fund" means a fund created through the collection of funds at the time of conveyance of Units from the Declarant to purchasers for value.

ARTICLE II

Improvements, Encroachment, Easements and Property Rights

Section 2.1. Improvements: The Improvements consists of two (2) Buildings, respectively designated East Building and West Building, each containing 111 Units of single family residential units over underground parking garage and basement, outdoor pool with sundeck, hospitality/entertainment room, exercise rooms, sauna, driveways, parking areas, landscaped areas, storage rooms, brick walls, fences, and buried utility facilities, as more particularly set forth on the Site Plan included with the Floor Plans.

Section 2.2. Conveyances: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any Person having at any time any interest or estate in the Meridian Towers Private Residences Condominiums, and their respective heirs, successors, personal representatives or assigns regardless of whether the deed or other instrument which creates or conveys the interest or estate makes reference to this Declaration.

Section 2.3. Encroachment: In the event, by reason of the construction, repair, reconstruction, settlement or shifting of the Meridian Towers Private Residences Condominiums or any part thereof, (i) any

part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit, or (ii) any part of any Unit encroaches or shall hereafter encroach upon any part of any other Unit or the Common Areas and Facilities, then, in any such case, there shall be deemed to be an easement in favor of the Unit Owners and Association for the maintenance and use of any of the Common Areas and Facilities which may encroach upon a Unit and there shall be deemed to be an easement in favor of any Unit Owner for the exclusive use of any part of his Unit which shall encroach upon the Common Areas and Facilities or any other Unit; provided, however, that in no event shall an easement for any encroachment be created in favor of any Unit Owner if such encroachment occurred due to the intentional, willful or negligent conduct of such Unit Owner or his agent.

Section 2.4. Easements and Utility Easements.

(a) Each Unit Owner, as well as any tenant, guest, employee and invitees of the Owner or Co-Owner and the Declarant, shall have a nonexclusive easement for vehicular and pedestrian access over and across driveways and walkways from time to time located on the Meridian Towers Private Residences Condominiums, including, without limitation, those driveways and walkways which provide access to public ways.

(b) All public and private utilities serving the Meridian Towers Private Residences Condominiums are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through those portions of the Meridian Towers Private Residences Condominiums which are not improved with Buildings for the purpose of providing utility services to the Meridian Towers Private Residences Condominiums.

(c) Any governmental authority, including but not limited to police, fire and other emergency vehicles, which has jurisdiction over the Meridian Towers Private Residences Condominiums or which undertakes to provide services (including, without limitation, trash and garbage collection and U.S. Postal services) to the Meridian Towers Private Residences Condominiums are hereby declared, granted, and reserved access easements for ingress and egress to, over and across the Meridian Towers Private Residences Condominiums for the purpose of providing any such services.

Section 2.5. Additional Easements: In addition to the easements provided for in Section 2.4, the Board, on behalf of all of the Unit Owners, shall have the right and power (a) to grant such easements with respect to the Common Areas and Facilities (except the Limited Common Areas and Facilities) as the Board deems necessary and proper, including, without limitation, access easements for service vehicles operated by any governmental authority or private enterprise and/or easements related to the installation and operation of a cable or satellite television system or other communication systems and/or (b) to cancel, alter, change or modify any easement which affects the Meridian Towers Private Residences Condominiums and does not benefit a Unit Owner, as the Board may, in its discretion, determine. Without limiting the foregoing, until such time as the Declarant no longer holds title to a portion of the Meridian Towers Private Residences Condominiums, the Board shall grant such easements as the Declarant may from time to time request including, but not limited to, such easements as may be required to construct, keep and maintain improvements upon the Common Areas and Facilities or to provide owners of the Meridian Towers Private Residences Condominiums with necessary utility services. Each Person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Unit Ownership, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded.

Section 2.6. Real and Personal Property Taxes: Real estate taxes, special assessments, business personal property, and any other special taxes or charges of the State of Indiana or any duly authorized subdivision or agency thereof, are to be separately accessed and taxed to each Unit Owner as provided in the Law. In the event that following the date of this Declaration there shall be issued by the Marion County Treasurer one or more tax bills which are not based on assessments of individual Units, then the

Association shall pay such tax bill(s). If the tax bill is addressed to the Association and includes only Common Areas and Facilities, then the Association shall pay the tax bill and the amount thereof shall be included in the Assessments of the Unit Owners. If the tax bill is addressed to the Declarant, the predecessor in title to the Declarant, or the Association and is based on an assessment of property which includes one or more Units, then the Association shall pay the tax bill and the Unit Owners who were not separately billed by the Marion County Treasurer for real property taxes on their Units shall pay their prorata share of such taxes to the Association on demand, but not fewer than thirty (30) days prior to the due date(s) for payment of such taxes. The amounts of payment shall be allocated based on the Undivided Interests of the Units involved, after deducting any taxes attributable to business personal property owned by the Declarant or the predecessor in title to the Declarant. Any amounts of such taxes payable by a Unit Owner shall be a charge hereunder payable by the Unit Owner to the Association and failure of a Unit Owner to pay any such charge to the Association shall give rise to a lien against the Unit Owner's Unit under Section 6.01 and may be collected in the same manner as delinquent Assessments.

ARTICLE III

Covenants and Restrictions as to Use and Maintenance

Section 3.1. Ownership of Common Areas and Facilities: The percentage interest appertaining to each Unit (herein above defined as Undivided Interest) has been calculated in accordance with the Law and set forth in Exhibit C, attached hereto. Each Unit Owner shall own an undivided interest in the Common Areas and Facilities as a tenant in common with all the other Unit Owners in accordance with the Law. Exhibit C may not be changed without unanimous written approval of all Unit Owners and all First Mortgagees, except as hereinafter provided in Sections 4.8 or as otherwise permitted under the Law. The Common Areas and Facilities shall remain undivided and no Unit Owner shall bring any action for partition.

Section 3.2. Use of Common Areas and Facilities:

(a) No Unit Owner, tenant or Unit Resident shall use the Common Areas and Facilities or any part thereof, in any manner contrary to or in violation of any such rule and regulations deemed necessary and proper by the Board as amended and/or supplemented.

(b) Each Unit Owner shall have the right to use the Common Areas and Facilities, on a non-exclusive basis, in common with all other Unit Owners, as may be required for ingress and egress to and from his respective Unit, and for such other purposes not prohibited hereunder.

(c) Each Unit Owner shall have the right to the exclusive use and possession of the Exclusive Limited Common Areas and Facilities, if any, as such may be designated in the Floor Plans or this Declaration, that serve Owner's Unit and any other Limited Common Areas and Facilities that serve only such Unit Owner's Unit.

(d) Each Unit Owner shall have the right to the nonexclusive use, in common with other Unit Owners, of the Limited Common Areas and Facilities that serve his Unit and the Units of such other Unit Owners.

(e) The rights to use and possess the Common Areas and Facilities, including the Limited Common Areas and Facilities, as herein provided, shall extend to each Unit Owner, and the agents, servants, tenants, and invitees of each Unit Owner and such rights and easements shall be subject to and governed by the provisions of the Law, this Declaration, the By-Laws, zoning and land use restrictions and commitments, and the reasonable rules and regulations of the Board.

Section 3.3. Common Area and Facilities Leasing: The Board shall from time to time, lease and/or grant licenses or concessions with regard to part of the Common Areas and Facilities, provided any such lease, grant, license or concessions are appurtenant with the commercial space located on the first floor of the 3965 North Meridian Street Building and commercial space located in the 25 East 40th Street Building.

Section 3.4. Parking: Except as otherwise prohibited under Section 3.22 herein below and as limited by the number of any designated parking spaces, each Unit Owner and tenant or contract purchaser of a Unit Owner shall have the right to park an automobile, motorcycle or other motorized wheeled conveyance in a designated parking space (other than the Garage space) on the premises Meridian Towers Private Residences Condominiums, subject to reasonable rules and regulations adopted from time to time by the Association with respect to those parking spaces located on the Common Areas and Facilities.

Section 3.5. Right of Entry and Inspection: The Board or its agents, upon reasonable notice or, in the case of an emergency, without notice, shall have the right to enter any Unit, including any of the Limited Common Areas and Facilities appurtenant thereto, when necessary in exercise of its authority hereunder, or in connection with any maintenance, repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Unit Owners as practicable, and any damage caused thereby shall be repaired by the Board, as a Common Expense.

Section 3.6. Separate Mortgages: Each Unit Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his respective Unit Ownership. No Unit Owner shall have the right or authority to make or create, or to cause to be made or created, any mortgage or encumbrance or other lien on or affecting the Meridian Towers Private Residences Condominiums or any part thereof, except only to the extent of his Unit Ownership. In order to prevent any severance of Undivided Interests, no Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to Owner's Unit and corresponding percentage ownership in the Common Areas and Facilities.

Section 3.7. Maintenance, Repair and Replacement of Common Areas and Facilities:

(a) Except as otherwise specifically provided in this Declaration, cleaning, decorating, landscaping, maintenance, painting, repair and replacement of the Common Areas and Facilities shall be furnished by the Board as part of the Common Expenses.

(b) With respect to a particular category or class of Limited Common Areas and Facilities (other than the Exclusive Limited Common Areas and Facilities), instead of furnishing the maintenance, repair or replacement of such category or class of Limited Common Areas and Facilities as a Common Expense, the Board may, in its discretion, (i) require each Unit Owner to furnish such services to the Limited Common Areas and Facilities which are appurtenant to his Unit at his own expense, or (ii) furnish such services to the Limited Common Areas and Facilities but assess the cost thereof directly to the Unit Owners of Units benefited thereby on the basis of Undivided Interests or in equal shares, whichever the Board believes, in its sole discretion, to be appropriate.

Section 3.8. Maintenance, Repair and Replacement of Units and Excluded Areas and Facilities:

(a) Each Unit Owner shall furnish and be responsible, at his expense, for all of the maintenance, repairs and replacements within his Unit and the Exclusive Limited Common Areas and Facilities, all internal installations of such Unit as appliances, plumbing (including all branch piping that serves an Owner's Unit) and electrical and any other utility service facilities located within Owner's Unit, and shall keep them in good condition and repair. The Board may, in its discretion, cause maintenance services to be performed within a Unit or to the Exclusive Limited Common Areas and Facilities appurtenant thereto upon the request of a Unit Owner and may charge a reasonable fee for such services. Without limiting the foregoing, to the extent that insurance carried by the Association covers damage to a Unit or the Exclusive Limited Common Areas and Facilities appurtenant thereto (including, without limitation, broken windows), the Association shall make any insurance proceeds received by the Association as a result of any such damage available to the Unit Owner to pay for or reimburse the Unit Owner for payment of the cost of repairing the damage.

(b) Whenever the Board shall determine, in its discretion, that any maintenance, repair, or replacement of any Unit or the Exclusive Limited Common Areas and Facilities, if any, appurtenant thereto is necessary to protect the Common Areas and Facilities or any other portion of the Meridian Towers Private

Residences Condominiums (i) if such work is made necessary through the fault of the Unit Owner, then the Board may direct the Unit Owner thereof to perform such maintenance, repair, or replacement and pay the cost thereof, or (ii) if such work is made necessary through no fault of the Unit Owner, then the Board may cause the work to be done and the cost thereof shall be a Common Expense. If a Unit Owner fails or refuses to perform any such maintenance, repair, or replacement within a reasonable time after being so directed by the Board pursuant to the preceding sentence, then the Board may cause such maintenance, repair, or replacement to be performed at the expense of such Unit Owner. The determination of whether or not the work is made necessary through the fault of the Unit Owner shall be made by the Board and such determination shall be final and binding.

Section 3.9. Additions, Alterations or Improvements:

(a) The Board may make additions, alterations, or improvements to the Common Areas and Facilities and charge the cost thereof as a Common Expense or, in the case of Limited Common Areas and Facilities, may charge the cost thereof to the Unit Owners benefited thereby (either on the basis of Undivided Interests or in equal shares, whichever the Board believes, in its sole discretion, to be appropriate). Subject to the provisions of Section 6.06, the cost of any such work to the Common Areas and Facilities may be paid out of a special assessment.

(b) No Unit Owner shall (x) make any addition, alteration or improvement to any part of the Common Areas and Facilities which is visible from outside of the Unit or (y) make any addition, alteration or improvement to his Unit or to the Exclusive Limited Common Areas and Facilities appurtenant thereto where such work alters the structure of the Condominium Building in which the Unit is located or increases the cost of insurance required to be carried by the Board hereunder, without the prior written consent of the Board. Furthermore, no alteration may be made in violation of Indiana Code § 32-1-6-9. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Unit Owner (i) upon the Unit Owner's agreement that any addition, alteration or improvement will be substantially similar in quality of construction and design to any similar addition, alteration or improvement constructed by Declarant and (ii) upon Unit Owner's agreement either (A) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (B) to pay to the Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

- (1) Require the Unit Owner to remove the addition, alteration or improvement and restore the Meridian Towers Private Residences Condominiums to its original condition, all at the Unit Owner's expense; or
- (2) If the Unit Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Unit Owner for the cost thereof as determined by the Board; or
- (3) Ratify the action taken by the Unit Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions that it may impose upon the giving of its prior consent under this Section.

(c) No person shall have the right to cause any addition, alteration, or improvement to or within Meridian Towers Private Residences Condominiums unless it conforms to all zoning and land use restrictions and commitments applicable to Meridian Towers Private Residences Condominiums.

Section 3.10. Negligence: Each Unit Owner shall be liable for the acts of or the negligence or willful acts or omission of a Unit Resident, family member, a pet, guest or other occupant or invitee of such Unit Resident, damage shall be caused to a part of the Meridian Towers Private Residences Condominiums and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then

upon demand by the Board the Unit Owner of the Unit in which such Unit Resident resides shall pay for such damage and such maintenance, repairs, and replacements, as may be determined by the Board. To the extent such damage is reimbursed to the Association by insurance, if any, carried by the Association, the Unit Owner shall pay to the Association the deductible amount under any applicable insurance policy and any amounts not covered by such insurance. The Unit Owner shall pay the amount of any increase in insurance premiums occasioned by Unit Owner's use, misuse, occupancy, or abandonment of his Unit, its appurtenances, the Limited Common Areas, or the Common Areas and Facilities.

Section 3.11 . Restrictions on Use.

(a) Each Unit shall be used in conformity with all land use and zoning restrictions and commitments. Except as provided in Section (d) below, only those business, trade, occupation or profession allowed under the By-Laws or by the Board shall be conducted, maintained or permitted on any part of the Meridian Towers Private Residences Condominiums.

(b) Each Garage Space shall only be used to park one (1) automobile, motorcycle or motorized wheeled conveyance and for no other purpose. As specifically set forth in Section 3.22 herein below, the over night parking of any recreational vehicles is prohibited .

(c) No use of a Unit or any other part of Meridian Towers Private Residences Condominiums will be made or permitted if it violates any law or violates any zoning or land use restrictions or covenants.

(d) The Condominium units 1 D-E and 1 A-W (i) may be used for any lawful purpose; (ii) the interior improved as the owner thereof elects in accordance with applicable governmental requests; (iii) the spaces may be divided as the owner deems desirable, including as suitable for commercial retail or office space tenants; (iv) exterior signage, identifying occupants of the specified units including an exterior five foot high monument sign shall be allowed; (v) parking shall be available for the occupants and their invitees in all non-assigned parking areas; and (vi) occupants and their invitees shall have non-exclusive use of loading and dumpster areas. Condominium assessments shall be in accordance with their respective interest in the common areas. Any commercial, retail or office use or signs relating thereto are only available upon approval by the City of Indianapolis of a rezoning or a zoning variance. All uses and signage within or related to said units shall conform to applicable governmental regulations.

Section 3.12. Mechanic's Lien: The Board may cause to be discharged any mechanic's lien or other encumbrance, in any amount necessary, which, in the opinion of the Board, may constitute a lien against the Meridian Towers Private Residences Condominiums or Common Areas and Facilities, rather than against a particular Unit Ownership. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be liable jointly and severally for the amount necessary to discharge the same and for all costs and expenses (including attorneys' fees and expenses) incurred by reason of such lien, any such amounts shall be specially assessed as to any such Unit Owners.

Section 3.13. Acts Affecting Insurance Coverage: Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the Meridian Towers Private Residences Condominiums or contents thereof, applicable for residential use, without prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which will result in the cancellation of insurance on the Meridian Towers Private Residences Condominiums, or contents thereof, or which would be in violation of any law.

Section 3.14. Signs: No "For Sale," "For Rent," or any other sign, pictures, banners or posters of any kind or other form of solicitation or advertising or window display shall be maintained or permitted on the Meridian Towers Private Residences Condominiums except units 1 D-E and 1 A-W without the prior written approval of the Board. All signs shall conform to and be limited by applicable governmental regulations.

Section 3.15. Animals/Pets: No more than two (2) pets may be kept in any Unit. No Unit Resident shall be permitted to keep or raise any such pet for commercial purposes. The Board may from time to time adopt rules and regulations governing the keeping of pets in the Units. Such rules and regulations may prohibit certain species of pets or pets of more than a specified weight from being kept in the Units. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from a Unit upon three (3)

days' written notice from the Board to the Unit Owner of the Unit containing such pet, and the decision of the Board shall be final.

Section 3.16. Antennae: Subject to the Telecommunication Act of 1996 and other applicable Federal, state or local laws, ordinances or regulations, no mast, satellite dish, antennae or other structure for transmitting or receiving messages or programs by radio or television shall be erected, permitted or maintained in or upon any part of the Meridian Towers Private Residences Condominiums without the prior written approval of the Board.

Section 3.17. Prohibited Temporary Structures and Outbuildings: No structure of a temporary character, including, without limitation, a camper, trailer, recreational vehicle, mobile home, tent, solarium, greenhouse, shack or other outbuilding shall be used, stored or maintained anywhere in or on the Meridian Towers Private Residences Condominiums either temporarily or permanently, except as expressly approved, in writing, by the Board.

Section 3.18. Structural Impairment: Nothing shall be done in, on or to any part of the Meridian Towers Private Residences Condominiums which would impair the structural integrity of any Condominium Building or structure located on the Meridian Towers Private Residences Condominiums.

Section 3.19. Plantings: No plants or seeds, or other things or conditions, harboring or breeding infectious plant disease or noxious insects shall be introduced or maintained in or upon any part of the Meridian Towers Private Residences Condominiums without the prior written approval of the Board.

Section 3.20. Proscribed Activities: No noxious or offensive activity shall be carried on in the Meridian Towers Private Residences Condominiums and nothing shall be done in the Meridian Towers Private Residences Condominiums, either willfully or negligently, which may be or become an annoyance or nuisance to the Unit Owners or occupants of the Units. Unit Owner shall not place or cause or permit to be placed in the vestibules, stairways and other Common Areas and Facilities of a similar nature, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 3.21. Exterior Exposure Nuisance: No Unit Resident shall cause or permit clothes, sheets, blankets, laundry of any kind, or other similar articles shall be hung out on any part of the Common Areas and Facilities except as permitted by rules and regulations of the Board. The Meridian Towers Private Residences Condominiums shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board.

Section 3.22. Parking Restrictions: No boats, recreational or commercial vehicles, campers, mobile homes or trailers shall be parked overnight in any outdoor parking areas or driveway on the Meridian Towers Private Residences Condominiums, without the prior written consent of the Board. Except for emergency repairs, no repairs to vehicles shall be performed on the Meridian Towers Private Residences Condominiums. Parking on the Meridian Towers Private Residences Condominiums shall be subject to rules and regulations of the Board.

Section 3.23. Rules and Regulations:

(a) The use and enjoyment of the Meridian Towers Private Residences Condominiums shall be subject to reasonable rules and regulations duly adopted by the Board from time to time following procedures, if any, required under the Law.

(b) The Board may levy a reasonable charge upon the Unit Owners for a violation of any part of this Declaration, as amended from time to time, and of any duly adopted rule or regulation, in accordance with the procedures set forth in Section 7.3.

Section 3.24. Lease of Unit by Owner: Any Unit Owner shall have the right to lease all (but not less than all) of his Unit upon such terms and conditions as the Unit Owner may deem advisable, except, that no Unit shall be leased for a term of fewer than six (6) months. Any such lease shall be in writing, a copy of which must be delivered to the Association, and shall provide that the lease and the lessee shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. The Board may adopt such rules and regulations applicable to the leasing of Units as it deems advisable and necessary. Notwithstanding anything contained herein, the provisions of this Section and any rules or regulations adopted pursuant hereto by the Board shall not at any time apply to any Units owned by the Declarant.

Section 3.25. Garage Spaces: The respective Garages and any delineated parking spaces therein are Common Areas, as set forth in Exhibit C. Any Unit Owner who lets his Unit or sells his Unit on contract shall also let or sell, as the case may be, the right to use any such Garage Space appurtenant to such Unit to the same tenant or purchaser, subject to Board approval.

Section 3.26. Alteration by Combination of Units: Subject to the provisions of Article IX, with the prior approval of the Board, which approval shall not be unreasonably withheld, the Unit Owner of two adjacent Units, including, Units located beside, above, or below each other or a Unit which is located in the airspace above another Unit ("Adjacent Units") shall be permitted to remove a portion of the wall, ceiling, floor or other partition in the Common Areas and Facilities between the Adjacent Units (at the Unit Owner's sole cost and expense) in order to permit access between the Adjacent Units so that the Adjacent Units may be combined and used together as one home. No combination requiring the removal or partial removal of load bearing wall shall be approved by the Board. The Unit Owner of the Adjacent Units shall have the exclusive right to use and enjoy the portion of the Common Areas and Facilities between the Adjacent Units that has been removed and shall be solely responsible for the maintenance of such area. If the Unit Owner of the Adjacent Unit desires to separate the Adjacent Units for use and occupancy as separate homes, the Unit Owner shall so notify the Board and shall restore the wall, ceiling, floor, or other partition between the Units to the condition which the wall, ceiling, floor or other partition was in before it was removed or otherwise altered by the Unit Owner of the Adjacent Units. From and after the restoration of such wall, ceiling, floor, or other partition, the portion of the Common Areas and Facilities that had previously been used by the Unit Owner of the Adjacent Units shall be maintained by the Association. In the event of the removal of a portion of the wall, ceiling, floor or other partition in the Common Areas and Facilities between Adjacent Units as provided for in this Section, the Adjacent Units shall each continue to be individual Units for purposes of this Declaration and the Undivided Interest assigned to each of the Adjacent Units shall not be changed. Prior to combining the Adjacent Units, the Unit Owner shall provide the following documents to the Board: (a) the consent of the applicable Fire Marshal, (b) a drawing prepared and certified by an architect licensed by the State of Indiana; (c) an indemnification agreement satisfactory to the Board; (d) all appropriate building permits; and (e) insurance policies satisfactory to the Board to support such indemnification and all other risks which may be created by such work and the joinder of the Units.

ARTICLE IV **Insurance**

Section 4.1. Insurance by Association: The Board shall have the authority to and shall obtain insurance for the Meridian Towers Private Residences Condominiums against loss or damage by fire and such other hazards as may be required under the Law, as the Board may deem desirable, or as reasonably required by First Mortgagees, for not less than one hundred percent (100%) of the full insurable replacement cost of the Common Areas and Facilities and the Units. The "full insurable replacement cost" of the Buildings, including Units, Common Areas and Facilities as well as Limited Common Areas and Facilities, shall be determined from time to time by the Board, which determination may be based upon appropriate insurance appraisals, insurable replacement cost and insurable replacement costs shall be deemed to include the cost of restoring the Buildings, including the Units, Common Areas and Facilities as well as the Limited Common Areas and Facilities of any part thereof, to substantially the same condition in which they existed prior to damage or destruction. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such

insurance shall be payable to, the Board as trustee for each of the Unit Owners in accordance with their Undivided Interests. All such policies of insurance (i) shall contain standard mortgage clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated by any act or neglect of any Unit Owner, (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement thereof, such option shall not be exercisable if the Unit Owners elect to sell the Meridian Towers Private Residences Condominiums or remove the Meridian Towers Private Residences Condominiums from the provisions of the Law, (iv) to the extent possible, shall provide that such policy shall not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' written notice to the First Mortgagee of each Unit Ownership, and (v) shall contain waivers of subrogation with respect to the Association and its directors, officers, employees and agents (including the managing agent), Unit Owners, occupants of the Unit, First Mortgagees, and the Declarant and shall name all such parties as additional insured parties as their interests may appear.

Section 4.2. Distribution of Proceeds: Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Unit Owners and their First Mortgagees in the following manner:

(a) *Reconstruction or improvement.* In case of fire or any other casualty or disaster, other than complete destruction of any Buildings, the Improvements shall be reconstructed and the insurance proceeds applied to reconstruct the Improvements in the same manner, style and quality as they were originally constructed. A First Mortgagee shall be notified by the Association in a timely fashion in the event of substantial damage to or destruction of any Unit or any part of the Common Areas and Facilities or Limited Common Areas and Facilities. In the event of complete destruction of any Building, the Building will not be reconstructed and the insurance proceeds, if any, shall be divided among the Unit Owners and First Mortgagees as their respective interests may appear in accordance with the Undivided Interests of each Unit Owner and the Real Estate shall be considered removed from the Regime under Indiana code 32-1-6-28 unless by a vote of two-thirds of all of the Unit Owners a decision is made to rebuild the Building, in which case the insurance proceeds shall be applied towards such rebuilding and any excess of construction costs over the insurance proceeds shall be paid by the Unit Owners according to their Undivided Interests. The determination of whether any building is totally destroyed shall be made by a vote of the Unit Owners at a meeting called for that purpose after prior written notice to all Unit Owners. First Mortgagees shall be bound by the Unit Owner's decision and may consent by written instrument. In the event sums are required in excess of the insurance proceeds in order to rebuild the Buildings in the event of a casualty, the additional sums required shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided under Indiana statutes and in these instruments.

(b) *Failure to Repair or Rebuild.* If the Owners decide a Building is totally destroyed after a casualty or disaster, the Property shall be deemed to be owned in common by the Owners according to the Percentage Interest of each Owner with liens and rights to partition being handled as set forth in Indiana Code 32-1-6-21 as amended and supplemented from time to time.

Section 4.3. Insurance Trustee. The Board may engage the services of any bank or trust company authorized to do trust business in Indiana to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine to be consistent with the provisions of the Law and this Declaration. The fees of such corporate trustee shall be Common Expenses. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Law and this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Units or Common Areas and Facilities. Payment by an insurance company to the Board of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

Section 4.4. Association as Agent. The Board of Directors is hereby irrevocably appointed as agent and is hereby granted a power coupled with an interest, as attorney in fact, for each Unit Owner and for each holder of any other interest in Meridian Towers Private Residences Condominiums (excepting First Mortgagees) to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(a) In no event may the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their First Mortgagees.

(b) The Association is required to secure insurance policies that will provide for the following if such provisions are obtainable:

- (1) A waiver of subrogation by the insurer as to any claims against the Association, the Declarant, the Owners and their respective servants, agents and guests;
- (2) That the master liability policy may not be canceled, invalidated or suspended on account of the conduct of any one or more individual Owners;
- (3) That neither the master liability policy nor the master casualty policy may be canceled, invalidated or suspended on account of the conduct of any officer or employee or the Board of Directors of the Association or for any other reason without at least 30 days prior notice in writing to the Board of Directors;
- (4) That a "no other insurance" clause in the master policy shall exclude individual Owners' policies from consideration.

Section 4.5. Additional Insurance: The Board shall also have the authority to and shall obtain the following insurance:

(a) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Unit Owner occurring in, on or about the Meridian Towers Private Residences Condominiums or upon, in or about the streets, private drives and passageways and other areas adjoining the Meridian Towers Private Residences Condominiums, in such amounts as the Board shall deem desirable (but not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence);

(b) Such worker s compensation insurance as may be necessary to comply with applicable laws;

(c) Employer' s liability insurance in such amounts as the Board shall deem desirable;

(d) Fidelity bond indemnifying the Association, the Board and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling the funds of the Association, the Board or the Unit Owners in such amounts as the Board shall deem desirable and as required by the Law or applicable requirements of Fannie Mae;

(e) Directors and officers liability insurance; and

(f) Such other insurance in such reasonable amounts as may be required under the Law or applicable requirements of Fannie Mae.

Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. To the extent possible, all of such policies shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days'

prior written notice to the Association and First Mortgagees who specifically request such notice. The premiums for such insurance shall be Common Expenses.

Section 4.6. Unit Owner Insurance: Each Unit Owner shall obtain his own insurance on the contents of his own Unit and furnishings and personal property therein, and his personal property stored elsewhere on the Meridian Towers Private Residences Condominiums, and his personal liability to the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Unit Owners. Each Unit Owner shall promptly report, in writing to the Board, any betterments or improvements to his Unit without prior request from the Board. Unless otherwise specifically agreed to by the Board, the Unit Owner shall be responsible for insuring any such betterments and improvements to his Unit as well as obtaining such general liability insurance to afford protection against loss and water damage caused by the Unit Owner to the betterments and improvements in a Unit of another, with such limits as the Board shall reasonably determine from time to time. The Board shall not be responsible for obtaining insurance on such betterments or improvements and shall not be obligated to apply any insurance proceeds from policies it is obligated to maintain hereunder to restore the affected Unit to a condition better than the condition existing prior to the making of such betterments or improvements.

Section 4.7. Waiver of Subrogation: Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its directors and officers, the Declarant, the Declarant's beneficiary, the manager and the managing agent if any, and their respective employees and agents, for damage to the Common Areas and Facilities, the Units, or to any personal property located in the Units or Common Areas and Facilities, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

Section 4.8. Condemnation:

(a) In the case of a taking or condemnation by competent authority of any part of the Meridian Towers Private Residences Condominiums, the Association shall, if necessary, restore the improvements in the remaining portion of the Meridian Towers Private Residences Condominiums to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. Any proceeds or awards paid to the Association shall be applied first to the cost of any restoration and any remaining portion of such proceeds or awards shall be, in the discretion of the Board, either (i) applied to pay the Common Expenses or (ii) distributed to the remaining Unit Owners and their respective First Mortgagees, as their interests may appear, based on their current Undivided Interests. Each Unit Owner appoints the Association as attorney-in-fact for the purpose of representing him in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas and Facilities or any part thereof.

(b) In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Law and the court which has jurisdiction of the action shall adjust the Undivided Interests of the remaining Units in a just and equitable manner and as provided under the Law, and if the court fails to make such adjustment, such adjustment may be made by the Board. The President and Secretary of the Association shall execute and Record an instrument on behalf of the Association as required by the Law which amends this Declaration, effective as of the effective date of the taking or condemnation, to reflect the removal of such property from the Meridian Towers Private Residences Condominiums and adjustments, if any, in the Undivided Interests as a result of an occurrence covered by this Section. From and after the effective date of the amendment referred to in the preceding sentence, the Unit Owner of a Unit which is removed in part or in whole from the Meridian Towers Private Residences Condominiums shall only be liable for the payment of assessments based on the Undivided Interest, if any, allocated to the Unit in the amendment.

ARTICLE V
Meridian Towers Private Residences Association, Inc.

Section 5.1. Meridian Towers Private Residences Association: Declarant shall cause the Association to be incorporated as a nonprofit corporation under the Indiana Nonprofit Corporation Act of 1991 (the "Act"). The Association shall be the governing body for all of the Unit Owners and for the administration and operation of the Meridian Towers Private Residences Condominiums as provided in the Law, this Declaration and the By-Laws. All agreements and determinations lawfully made by the Association shall be deemed to be binding on all Unit Owners and their respective successors and assigns.

Section 5.2. Membership:

(a) All Unit Owners shall be Members of the Association which shall be composed of a single class of Membership. There shall be one membership per Unit Ownership and Membership shall be appurtenant to and, notwithstanding the provisions of Section 23-17-8-1 of the Act, may not be separated from ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Unit within ten (10) days after such change.

(b) Each Unit owner shall designate one (1) individual as the "Voting Member" who, directly or by his/her proxy, shall be entitled to vote at the meeting of Unit Owners. No person shall be eligible to be a Voting Member unless they own all or part of the fee simple title to the Unit in question, are the personal representative of a Unit Owner, or are an officer, general partner, member, or beneficiary of the corporation, partnership, limited liability company, or trust which is the Unit Owner.

Section 5.3. Board: From and after the Relinquish Date, the Board shall consist of such number of individuals as provided for in the By-Laws, each of whom shall be a Unit Owner or a Voting Member. The Board shall be elected at each annual meeting of the Unit Owners as provided in the By-Laws, marked as Exhibit D, attached hereto.

Section 5.4. Voting Rights: Whenever a vote of the members of the Association is required, at any meeting of such members or otherwise, such votes shall be cast by the Voting Members or their proxies; provided that a Unit Resident who is a contract purchaser of a Unit from a contract seller other than the Declarant, shall have the right to vote for directors of the Association unless such contract seller expressly retains such right in writing. Except as otherwise specifically required under the Law, this Declaration or the By-Laws, each Voting Member shall have a vote for each Unit which the Voting Member represents equal to the Undivided Interest appurtenant to the Unit.

Section 5.5. Managing Agent: Prior to the Relinquish Date, the Board may enter into any management agreement it deems appropriate under the circumstances; provided, however, that no such management agreement may provide for a penalty for early termination, must be terminable upon not more than 90 days prior written notice, and must be terminable at any time on or after the Relinquish Date. Commencing on the Relinquish Date and continuing thereafter, the Board may not enter into any management agreement covering the management of the Meridian Towers Private Residences Condominiums that has an original term in excess of two years. Each management agreement must be terminable for cause by the Association on thirty (30) days' written notice, and must be terminable without cause or payment of a termination fee by either party on not more than ninety (90) days' written notice.

Section 5.6. Director and Officer Liability: The Association shall represent and warrant, that upon the effectiveness of this Declaration, neither the directors nor officers of the Association whether elected or designated by the Declarant shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or officers, except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, to the extent permissible under the applicable laws of the State of Indiana and the United States, and the Articles and By-Laws of the Association, against all contractual and other liabilities to others arising out of contracts made by or arising from performance and discharge of his or her duties as a directors or manager on behalf of the Unit Owners or the Association unless any such contract or act shall have been

made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, administrative, or other, in which a director or officer may be involved by virtue of such person being or having been a director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as a director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as a director or officer.

Section 5.7. Real Estate Tax Relief: Upon the affirmative vote of Voting Members representing a majority of the votes in the Association or the affirmative vote of two-thirds of the members of the Board, the Board, on behalf of all the Unit Owners, shall have the authority to seek relief for the Unit Owners from any real estate taxes, special assessments or other governmental charges, and any expenses incurred in connection therewith shall be Common Expenses. If the Association undertakes such tax appeals, all Unit Owners who have pending appeals involving the same tax assessment year shall transfer management and control of such appeals to the Association.

Section 5.8. Litigation: Upon the affirmative vote of not less than a simple majority of the elected Directors, the Board may initiate and prosecute judicial or administrative proceedings in the name of the Association if the Directors reasonably believe in good faith that such actions are in the best interest of the Association. However, at any annual meeting or special meeting called for such purpose, a two-thirds majority of the Members may vote to withdraw from such litigation, in which event the Board shall withdraw from such litigation at the earliest possible time if the Association will not suffer damages to the opposing party by reason of such withdrawal.

Section 5.9. Interested Directors or Officers:

(a) Prior to the Relinquish Date, the Board of Directors may enter into any contract with any person or entity affiliated with the Declarant or any Director, provided that the terms of the contract are fair and reasonable to the Association. Any such contract may be canceled by the Board of Directors after the Relinquish Date.

(b) After the Relinquish Date, a contract or other transaction between the Association and one or more of its Directors or Officers, or between the Association and any firm of which one or more of its directors or officers are Members, or in which any Director or Officer hold a beneficial interest therein, or between the Association and any other corporation or association of which one or more of the Directors or Officers are shareholders, members, directors, officers, or employees, or in which such Directors or Officers are beneficial interest holders, shall be void because of this relationship or interest unless the Board of Directors expressly authorizes, approves, or ratifies the contract or transaction solely on the determination by the Board of Directors that the contract or transaction is fair and reasonable to the Association. Each Director and Officer shall promptly disclose all relevant facts with respect to such actual or potential conflicts of interests to the Board of Directors. Directors who have such conflicts of interest shall be counted in determining the presence of a quorum at a meeting of the Board of Directors that authorizes, approves, or ratifies the contract or transaction, but they may not move for approval of the contract, etc., or second such motion, and they shall not vote on the motion. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common, equitable, or statutory law applicable thereto, but shall create liability for conflict of interest and breach of fiduciary duty in the event of violation hereof.

ARTICLE VI
Assessments

Section 6.1. Creation of Lien and Personal Obligations: The Declarant, for each Unit Ownership

hereby covenants, and each Unit Owner of a Unit Ownership by acceptance of a deed thereby, shall be and is deemed to covenant and hereby agrees to pay to the Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Unit Ownership and shall be a continuing lien upon the Unit Ownership against which each such assessment is made. Each such assessment, or other charge or payment, together with such interests and costs, shall also be the personal obligation of the Unit Owner of such Unit Ownership at the time when the assessment or other charge or payment is due.

Section 6.2. Purpose of Assessment: The assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Association, to administer the affairs of the Association, and to pay the Common Expenses.

Section 6.3. Assessment Period: The Board shall, no less than sixty (60) days prior to the fiscal year end of the Association and no less than thirty (30) days prior to final adoption thereof, the Board shall furnish each Unit Owner with a proposed budget for the next fiscal year which shall show the following, with reasonable explanations and itemizations:

(a) The estimated Common Expenses with an allocation of portions thereof for the payment of real estate taxes, if any;

(b) The estimated amount, if any, to maintain adequate reserves for contingencies for Common Expenses;

(c) The amount to be added to the Replacement Reserve;

(d) The estimated net available cash receipts from sources other than assessments;

(e) The amount of the "Annual Assessment", which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) and (c) above, minus the amounts determined in (d) above, minus the excess funds and plus the funds shortage, if any, from the current year's operation; and

(f) That portion of the Annual Assessment which shall be payable by the Unit Owner with respect to his Unit each month (the "Monthly Assessment") until the next Annual Assessment or revised Annual Assessment becomes effective, which monthly portion shall be equal to one twelfth (1/12th) of the Annual Assessment multiplied by the Unit's Undivided Interest.

(g) Prior to Relinquish Date, the Declarant shall not be required to pay assessments with respect to unoccupied Units owned by the Declarant which are being offered for the first time for sale by the Declarant. If the common expenses incurred for maintenance and repair (but not replacements) of the general Common Areas and Facilities prior to Relinquish Date exceed the amount payable by the Owners (other than the Declarant) and by the Declarant (with respect to Units owned by Declarant which are occupied by tenants) for such purpose prior to Relinquish Date during the Assessment Period, then the Declarant shall pay the excess of such common expenses to the Association as and when needed by the Association. For purposes of the foregoing calculation, common expenses shall not include disbursements from the Replacement Reserves.

Section 6.4. Payment of Assessments: On or before the first day of the fiscal year, and on or before the first day of each and every month thereafter until the effective date of the next Annual Assessment, each Unit Owner shall pay to the Association, or as it may direct, that portion of the Annual Assessment which is payable by such Unit Owner as Monthly Assessment. Anything herein to the contrary notwithstanding, prior to the first conveyance of a Unit by Declarant to a bona fide purchaser for value, all expenses relating to the administration, operation, maintenance, repair and replacement of the Meridian Towers Private Residences Condominiums shall be paid by the Declarant and during such period there shall be no assessments payable to the Association.

Section 6.5. Revised Assessment: If the Annual Assessment proves to exceed funds reasonably needed, then the Board may decrease the Monthly Assessments as of the first day of a month by the giving of written notice thereof (together with a revised budget for the balance of the year and reasons for the decrease) not less than ten (10) days prior to the effective date of the decreased assessment.

Section 6.6. Special Assessment: The Board may levy a special assessment (i) to pay (or build up reserves to pay) extraordinary expenses incurred (or to be incurred) by the Association for a specific purpose including, without limitation, to make major repairs, additions, alterations or improvements to the Common Areas and Facilities, or (ii) to cover an unanticipated deficit under the current or prior year's budget. Each special assessment shall be approved, in advance, by action of the Unit Owners. Each Unit Owner shall be responsible for the payment of the amount of the special assessment multiplied by his Unit's Undivided interest. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the amount and reasons therefore, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

Section 6.7. Annual Report: Within not more than ninety (90) days time after the close of the Association's fiscal year, the Board shall furnish each Unit Owner with an itemized account of the Common Expenses and Garage Expenses for such fiscal years actually incurred or paid, together with an indication of which portions of the Common Expenses for such fiscal years were incurred or paid for capital expenditures or repairs or the payments of real estate taxes, if any, and with a tabulation of the amounts collected for the Annual Assessment and showing the net excess or deficit of income over expenditures, plus reserves.

Section 6.8. Replacement Reserve: The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Areas and Facilities, including a reserve fund for replacements (the "Replacement Reserve"). The Board shall determine the appropriate level of the Replacement Reserve based on a periodic review of the useful life of improvements to the Common Areas and Facilities and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Areas and Facilities or the purchase of equipment to be used by the Association in connection with its duties hereunder. The Replacement Reserve may be built up by the assessments levied against any commercial spaces, special assessment or out of the Annual Assessment as provided in the budget. The Replacement Reserve funds shall be maintained in a separate interest bearing account with a bank or savings association. Each budget shall disclose that percentage of the Annual Assessment which shall be added to the Replacement Reserve and shall also disclose (i) which portion thereof is for capital expenditures with respect to the Common Areas and Facilities and (ii) which portion thereof is for capital expenditures with respect to property owned or to be owned by the Association, if any. Special accounts set up for portions of the Replacement Reserve to be used to make capital expenditures with respect to the Common Areas and Facilities shall be held by the Association as agent and trustee for the Unit Owners in an interest-bearing account in accordance with the Law and such accounts shall be deemed to have been funded by capital contributions to the Association by the Unit Owners.

Section 6.9. Working Capital Fund: Prior to the Relinquish Date, upon the closing of the first sale of each Unit by the Declarant to a purchaser for value, the purchasing Unit Owner shall make a contribution to the Working Capital Fund of the Association in an amount equal to two (2) monthly installments of the then current Monthly Assessment for that Unit. Prior to the Relinquish Date, the Association and the Declarant shall not spend any part of the Working Capital Fund for any purpose. On the Relinquish Date, the Declarant shall pay to the Association for deposit to the Working Capital Fund an amount equal to two (2) months of common expenses, not including Replacement Reserve contributions, for each Unit then owned by the Declarant (the "Relinquish Deposit"). Thereafter, upon the sale of a Unit by the Declarant, it may collect from the purchaser an amount equal to the Relinquish Deposit attributable to such Unit. After the Relinquish Date, the Association shall have full access to the Working Capital Fund only to pay for unforeseen expenses or to purchase additional equipment and services for the Association. In no event will the Association, the Declarant, or the Unit Owners be permitted to use the Working Capital Fund for the purpose of paying for normal common

expenses or supplementing the Replacement Reserve.

Section 6.10. Non-Payment Assessments: Any assessments or other charges or payments which a Unit Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid within thirty (30) days after the due date, it shall bear interest from the due date at one and one-half percent (1½ %) per month, and the Board (i) may bring an action against the Unit Owner personally obligated to pay the same, together with interest, costs, other collection charges, and reasonable attorneys' fees of any such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action and (ii) may enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may in its discretion charge reasonable late fees for the late payment of assessments or other charges. No Unit Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse, abandonment or transfer of his Unit.

Section 6.11. Association's Lien Subordinated to Mortgages: The lien on each Unit Ownership provided for in Section 6.1 for assessments or other charges or payments shall be subordinate to the lien of any First Mortgage on the Unit Ownership Recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in Section 6.1 shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure of a First Mortgage, such transfer of title shall to the extent permitted by law shall not extinguish the lien for any assessments or other charges or payments under Section 6.1 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Unit Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Unit Ownership as provided in Section 6.1.

Section 6.12. Statement of Account: Upon seven (7) days' notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, a Unit Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from the Unit Owner as of the date of the statement. The statement shall be executed by a duly authorized officer or agent of the Association and shall be binding on the Association.

Section 6.13. Payment of Real Estate Taxes on Behalf of Unit Owners: During any year in which the real estate taxes levied on all or any part of the Meridian Towers Private Residences Condominiums are not based on individual assessments of Units, the Association shall pay such taxes and shall be reimbursed by the Unit Owners who owe such taxes for all such taxes, including applicable interest, penalties, and other charges included in the tax bill(s). In the event an allocation of such taxes among two (2) or more Unit Owners shall be required, the allocation shall be based on the respective Undivided Interests of the Units involved. If a Unit Owner shall fail to pay the appropriate amount to the Association within seven (7) days following the Association's demand for reimbursement, then the Association shall be entitled to all of the rights and remedies described in Section 6.10 hereof to recover the amounts owed to the Association from such Unit Owner. Any right to recover real estate taxes shall not be deemed subordinated by this Declaration to the lien of any First Mortgage and the Association shall be subrogated to the rights of the Marion County Treasurer as provided at law for the recovery of real estate taxes paid.

ARTICLE VII

Remedies, Enforcement and Expenses

Section 7.1. Self-Help: Subject to the provisions of Section 7.3, in the event of a violation by a Unit Owner of the provisions, covenants or restrictions of the Law, this Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the

Board, upon not less than ten (10) days' prior written notice, shall have the right to enter upon that part of the Meridian Towers Private Residences Condominiums where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach, provided, however, that where the violation or breach involves an improvement located within the boundaries of a Unit, judicial proceedings shall be instituted before any items of construction can be altered or demolished. Any and all expenses in connection with the exercise of the right provided by this section shall be charged to and assessed against the violating Unit Owner.

Section 7.2. Other Remedies: In addition to or in conjunction with the remedies set forth above, in the event of a violation by a Unit Owner of the Law, this Declaration, the By-Laws, or rules and regulations of the Board, the Board may levy reasonable fines or the Board or its agents shall have the right to bring an action at law or in equity against the Unit Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Unit Ownership, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof, (iv) for any combination of the remedies set forth in this Article or (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

Section 7.3. Enforcement: Prior to the imposition of any fine and concurrently with the sending of the initial notices described in Section 7.1, the Board shall notify the Unit Owner or Unit Resident, as the case may be, in writing of the violation of the rule or regulation and the Board's proposed remedy. Any Unit Owner or Unit Resident who receives such notice may, within three (3) days after receipt of such notice, demand a hearing before the Board or its authorized committee. At such hearing a member of the Board shall present to the Unit Owner or Unit Resident the grounds for the notice and the Unit Owner or Unit Resident shall have an opportunity to challenge such grounds and to present any evidence on his behalf subject to such reasonable rules of procedure as may be established by the Board or its authorized committee, which rules shall adhere to the generally accepted standards of due process. If the Unit Owner or Unit Resident demands a hearing as herein provided, such hearing shall be held within four (4) days after the Board receives the demand and no action shall be taken by the Board until the hearing has been held and notice of the decision of the Board or its authorized committee and the terms thereof has been delivered to the Unit Owner or Unit Resident. The decision of the Board or its authorized committee shall be rendered within three (3) days after the hearing and such decision shall be final and binding on the parties.

Section 7.4. Costs and Expenses: All expenses incurred by the Board in connection with the enforcement of the provisions of this Declaration or in connection with the exercise of its rights and remedies under this Article, including without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at a rate of interest equal to one and one-half percent (1 ½ %) per month, shall be charged to and assessed against the defaulting Unit Owner, and the Association shall have a lien for all the same upon such Unit Owner's Unit Ownership, as provided in Section 6.1.

Section 7.5. Enforcement by Unit Owners: Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Unit Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Unit Ownership to enforce any lien created hereunder.

Article VIII

Rights of First Mortgagees and Third Parties

Section 8.1. Notice to First Mortgagees, Insurers or Guarantors: Each First Mortgagee and each

insurer ("Insurer") or guarantor ("Guarantor") of a First Mortgage shall have the right to examine the books and records of the Association at any reasonable time and to have an audited statement of the Association's operations prepared for a fiscal year at its own expense. Upon the specific written request of a First Mortgagee, Insurer, or Guarantor to the Board, such requesting party shall receive so much of the following as is designated in the request:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Unit Owner of the Unit covered by the First Mortgagee's First Mortgage;

(b) Any audited or unaudited financial statements of the Association, which are prepared for the Association and distributed to the Unit Owners; provided, however, that commencing with the second fiscal year the Association shall prepare and make available copies of audited financial statements for the preceding fiscal year;

(c) Copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative;

(d) Notice of any proposed action, which would require the consent of a specified percentage of First Mortgagees, Insurers, or Guarantors pursuant to Section 8.2;

(e) Notice of the decision of the Unit Owners to make any material amendment to this Declaration, the By-Laws, or the Articles of Incorporation of the Association;

(f) Notice of substantial damage to or destruction of any Unit (in excess of \$1,000) or any part of the Common Areas and Facilities (in excess of \$10,000);

(g) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Meridian Towers Private Residences Condominiums;

(h) Notice of any sixty (60)-day delinquency in paying Monthly Assessments or Special Assessments or other charges owed to the Association by the Unit Owner of the Unit, which is subject to a First Mortgage held, insured, or guaranteed by the requesting party;

(i) Copies of notices received by the Association of the lapse, cancellation, or substantial modification of any insurance policy or fidelity bond carried by the Association; and

(j) The right to be treated as an "Eligible Mortgagee" for purposes of Section 8.2.

The request of a First Mortgagee, Insurer, or Guarantor shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a First Mortgagee, Insurer, or Guarantor who has made a proper request therefore shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a First Mortgagee, Insurer, or Guarantor hereunder and may refuse to respond to multiple requests from the same or similar parties.

Section 8.2. Consent of Eligible Mortgagees and Unit Owners:

(a) A First Mortgagee that has submitted a written request to the Association to notify it of any proposed action that requires the consent of a specified percentage of First Mortgagees is an "Eligible Mortgagee." An Eligible Mortgagee has, in addition to its other rights set forth herein and in its mortgage documents, the special voting rights described in this section.

(b) Amendments to the Declaration and By-Laws, or actions by the Association, must be approved by Unit Owners who own at least Sixty-seven percent (67%) of the total Undivided Interests in

Meridian Towers Private Residences Condominiums, and approved by Eligible Mortgagees who hold First Mortgages on Fifty-one (51%) of the Undivided Interests of Units subject to First Mortgages held by Eligible Mortgagees, if they constitute a change in any of the following: (1) voting rights; (2) responsibility for maintenance and repairs; (3) reallocation of Undivided Interests in or the rights to use Common Areas and Facilities or Limited Common Areas and Facilities; (4) definition of the boundaries of any Units; (5) convertibility of Units into Common Areas and Facilities or vice versa; (6) expansion or contraction of the Meridian Towers Private Residences Condominiums or the addition, annexation or withdrawal of property to or from the Meridian Towers Private Residences Condominiums; (7) imposition of restrictions on the leasing of Units; (8) impositions of any restriction on a Unit Owner's right to sell or transfer a Unit; (9) a decision by the Association to establish self-management if professional management had been required previously by the Declaration, Articles of Incorporation, By-Laws, or by an Eligible Mortgagee; (10) restoration or repair of the Meridian Towers Private Residences Condominiums (after hazard damage or partial condemnation) in a manner other than that specified in the Declaration; (11) any action to terminate the legal status of the Meridian Towers Private Residences Condominiums after substantial destruction or condemnation occurs or for any other reason; (12) any provisions which expressly benefit First Mortgagees or guarantors or insurers of First Mortgages; (13) the abandonment or termination of the horizontal property regime for reasons other than substantial destruction or condemnation of the Meridian Towers Private Residences Condominiums; provided that this action shall require the consent of Eligible Mortgagees who hold First Mortgages on Fifty-one (51 %) of the Undivided Interests of Units subject to First Mortgages held by Eligible Mortgagees; and, provided, further, that the affirmative consent of an Eligible Mortgagee shall be assumed if such Eligible Mortgagee fails to respond to a written proposal for such amendment within thirty (30) days of receiving proper notice; (14) the partition or subdivision of a Unit; (15) the abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Areas and Facilities, (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Meridian Towers Private Residences Condominiums and except for the encumbrance, sale or transfer of an Undivided Interest in connection with the encumbrance, sale or transfer of a Unit Ownership); (16) the sale of the Meridian Towers Private Residences Condominiums; (17) the removal of a portion of the Meridian Towers Private Residences Condominiums from the provisions of the Law and this Declaration; and/or (21) The use of hazard insurance proceeds for losses to the Meridian Towers Private Residences Condominiums (whether to Units or to the Common Areas and Facilities) for other than the repair, replacement, or reconstruction of such Units or Common Areas and Facilities.

Section 8.3. Insurance Proceeds Condemnation Awards: In the event of (i) any distribution to Unit Owners of any excess insurance proceeds following the complete restoration of substantial damage to, or destruction of, any part of the Meridian Towers Private Residences Condominiums or (ii) any distribution to Unit Owners of the excess proceeds of any award or settlement following repair or restoration of the Meridian Towers Private Residences Condominiums as a result of condemnation or eminent domain proceedings, any such distribution shall be made to the Unit Owners and their respective First Mortgagees, as their interests may appear, and no Unit Owner or other party shall be entitled to priority over the First Mortgagee of a Dwelling Unit with respect to any such distribution to or with respect to such Unit; provided, that, nothing in this Section shall be construed to deny to the Association the right to apply any such proceeds to repair or replace damaged portions of the Meridian Towers Private Residences Condominiums, to restore what remains of the Meridian Towers Private Residences Condominiums after condemnation or taking by eminent domain of a part of the Meridian Towers Private Residences Condominiums, or to apply such excess to the payment of Common Expenses or to increase the Replacement Reserve.

Section 8.4. Disclosure of Information: The Association shall keep on hand at the offices of the Association, or at the office of the Secretary if there is no Association office, current copies of this Declaration, the Articles of Incorporation, the By-Laws, and other rules and regulations duly adopted by the Board. All Unit Owners, mortgages, insurers, and guarantors of first mortgages that are secured by Units shall have the right to inspect the above documents and the books, records, and financial statements of the Association during normal business hours.

ARTICLE IX

Declarant's Reservation of Rights

Section 9.1. General: In addition to any rights or powers reserved or granted to the Declarant under the Law, this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, the rights of Declarant under this Article reserved or granted shall terminate at such time as the Declarant no longer is vested with or controls title to any portion of the Meridian Towers Private Residences Condominiums.

Section 9.2. Promotional Endeavors: Declarant shall have the right, in its discretion, to maintain on the Meridian Towers Private Residences Condominiums model Units, sales, leasing, management, and/or administrative offices (which may be located in a Unit or in the Common Areas and Facilities), displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Meridian Towers Private Residences Condominiums for the purpose of showing the Meridian Towers Private Residences Condominiums to prospective purchasers or lessees of Units, all without the payment of any fee or charge whatsoever other than the assessments payable by the Declarant with respect to Units owned by the Declarant. Such promotional efforts shall include, but not be limited to, occupying all or part of the Clubhouse for marketing and sales of Units, decorating and maintaining as many as _____ Units as models at any one time, and relocating such models as they are sold to other unsold Units.

Section 9.3. Construction: Declarant, its agents and contractors shall have the right to come upon the Meridian Towers Private Residences Condominiums to construct improvements thereon and to make alterations, repairs or improvements to the Meridian Towers Private Residences Condominiums and shall have the right to store equipment and materials used in connection with such work on the Meridian Towers Private Residences Condominiums without payment of any fee or charge whatsoever.

Section 9.4. Board Appointment The Declarant shall have the exclusive right and duty to designate, elect, qualify, appoint, remove, substitute, replace and otherwise control the three (3) sole and exclusive Members of the Board until such time as the initial meeting of the Unit Owners (which shall occur no later than thirty (30) days after the Relinquish Date) and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Law, this Declaration or the By-Laws shall be held and performed by the Declarant.

ARTICLE X Amendments

Section 10.1. Special Amendment: Declarant reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association (Fannie Mae), the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the VA, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee First Mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Law, or (iv) to correct errors, ambiguities, inconsistencies or omissions in this Declaration or any Exhibit thereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Unit Owner as attorney-in-fact. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to a portion of the Meridian Towers Private Residences Condominiums.

Section 10.2. Amendment by Unit Owners:

(a) Subject to the provisions of Section 8.2 and 10.1 except as otherwise provided in the Law, this Declaration may be amended, modified, enlarged or otherwise changed in whole or in part by the affirmative vote of Voting Members (either in person or by proxy), or by an instrument executed by Unit Owners, representing at least 2/3 of the Undivided Interests; except that the provisions relating to the rights of Declarant may be amended only upon the written consent of the Declarant.

(b) No amendment shall become effective until Recorded.

ARTICLE XI
Miscellaneous

Section 11.1. Severability: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions and reservations, by legislation, judgment or court order shall not affect any liens, charges, rights, benefits and privileges and other provisions of this Declaration, which shall remain in full force and effect.

Section 11.2. Notices: Any notice sent to any Unit Owner under the provisions of this Declaration shall be deemed to have been properly given when mailed, postage prepaid, to the last known address of such Unit Owner as it appears on the records of the Association at the time of such mailing, or upon delivery by special courier or overnight delivery service to the Unit Owner's Unit.

Section 11.3. Captions/Conflicts: The Article and Section headings herein are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between the statements made in the recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions contained in the body of this Declaration shall govern.

Section 11.4. Assignment by Declarant: All rights that are specified in this Declaration to be rights of the Declarant are assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (including, whether by foreclosure or deed-in-lieu of foreclosure) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party that previously exercised or subsequently shall exercise such rights. Transfer of a deed to a Unit shall not be deemed to transfer any of the Declarant's rights to act as the Declarant hereunder.

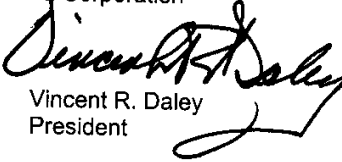
Section 11.5. Exhibits: The following exhibits are either attached hereto or incorporated herein by reference:

- Exhibit A: Legal Description of the Real Estate
- Exhibit B: The Floor Plans and Site Plan
- Exhibit C: Schedule of Units, Undivided Interests, and Garage Spaces
- Exhibit D: By-Laws of Meridian Towers Private Residences Association, Inc.

(Signatures on the following page)

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed as of this day of June 12, 2003.

Meridian Towers Development Corporation,
an Indiana Corporation


By: 
Vincent R. Daley
President

STATE OF ~~INDIANA~~ Illinois)
)SS:
COUNTY OF ~~WARRICK~~ Cook)

Before me, a Notary Public in and for said County and State, and resident of said County, personally appeared Vincent R. Daley, President of Meridian Towers Development Corporation who acknowledges the execution of the above Declaration, as his free and voluntary act and as the free and voluntary act of said corporation for the uses therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal this 12 day of June, 2003.

My County of Residence:



Notary Public (Signature)

My Commission Expires:

Christa L. Heitkotter

Notary Public (Printed)



Approved 8/15/2003
Washington Township Assessor
By: 

Real Estate Deputy

EXHIBIT A
LEGAL DESCRIPTION OF REAL ESTATE

PARCEL I:

A part of Lot No. 16 in Martindale and Company=s Subdivision of the West half of the Southwest Quarter of Section 13, Township 16 North, Range 3 East, an Addition to the City of Indianapolis, the plat of which is recorded in Plat Book 4, Page 21, and recorded in Plat Book 8, page 95, in the Office of the Recorder of Marion County, Indiana; except 5.0 feet by parallel lines take off the entire East end thereof for the opening and widening of Pennsylvania Street, together with a 15.0 foot wide strip West of and adjacent to and extending the entire length of West end of said lot, being a part of Meridian Street vacated, said part being more particularly described as follows:

Beginning at a point of intersections of the South line of 40th Street and the East line of Meridian Street, as now located and established, said point being 15.0 feet West of the West line of aforesaid Lot No. 16; running thence South along and with the said East line of Meridian Street, as now established, 177.0 feet; thence Eastwardly parallel to the South line of aforesaid Lot No. 16, a distance of 297.46; thence Northwardly parallel to the West line of Lot 16 a distance of 177.0 feet to a point in the South line of 40th Street, as now established; thence Westwardly along and with said South line 297.46 feet to the place beginning.

PARCEL II:

The East Half of a parcel of land described as: Lot Sixteen (16) in Martindale and Company=s Subdivision of the West Half of the Southwest Quarter of Section 13, Township 16 North, Range 3 East, an addition to the City of Indianapolis, the plat of which is recorded in Plat Book 4, page 21, and re-recorded in Plat Book 8, page 95, in the Office of the Recorder of Marion County, Indiana, except 5.00 feet by parallel lines taken off the entire East end thereof for the opening and widening of Pennsylvania Street, together with a 15.00 foot strip of and adjacent and to extending the entire length of the west end of said Lot Sixteen (16), being part of Meridian Street vacated. Said East Half of said parcel also being described as:

Beginning on the North line of said Lot Sixteen (16), 5 feet West of the Northeast corner of said Lot Sixteen (16) as originally platted, said point being also the intersection of the South line of East 40th Street and the West line of Pennsylvania Street as now located; running thence West 297.46 feet, more or less, on and along said North line of said Lot Sixteen (16) to a point, (said point being the Northeast corner of a certain tract of land conveyed to Solby Co., Inc., by deed dated February 1, 1962, and recorded in Deed Record 1908, page 455, in the Office of the Recorder of Marion County, Indiana); thence South 257 feet to a point in the South line of said Lot Sixteen (16), said point being equidistant from the West line of Pennsylvania Street and the East line of Meridian Street, as said streets are now located; thence East 297.46 feet, more or less, to the West line of Pennsylvania Street, as now located and established; thence North 257 feet on and along said West line of Pennsylvania Street to the point of beginning.

EXHIBIT B

THE FLOOR PLANS AND SITE PLANS

See Meridian Towers Horizontal Property Regime Sheets
1 through 24 Recorded at this date.

EXHIBIT C
SCHEDULE OF UNITS AND UNDIVIDED INTERESTS

Meridian Towers - East Building

Unit #	%	Unit #	%	Unit #	%
1A	2.655	3A	1.013	4A	1.013
2A	1.013	3B	1.013	4B	1.013
2B	1.013	3C	0.672	4C	0.672
2C	0.672	3D	0.703	4D	0.703
2D	0.703	3E	0.670	4E	0.670
2E	0.670	3F	0.670	4F	0.670
2F	0.670	3G	0.672	4G	0.672
2G	0.672	3H	0.703	4H	0.703
2H	0.703	3J	1.013	4J	1.013
2J	1.013	3K	1.013	4K	1.013
2K	1.013				
5A	1.013	6A	1.013	7A	1.013
5B	1.013	6B	1.013	7 B & D	1.176
5C	0.672	6C	0.672	7C	0.672
5D	0.703	6D	0.703	7E	0.670
5E	0.670	6E	0.670	7F	0.670
5 F & H	1.373	6 F & H	1.373	7G	0.670
5G	0.672	6 G & J	1.683	7 H & K	1.710
5J	1.013	6K	1.013	7J	1.013
5K	1.013				
C-1	1.709				
Total East Building					52.666

Meridian Towers - West Building

Unit #	%	Unit #	%	Unit #	%
2A	0.801	3A	0.801	4A	0.801
2B	0.801	3B	0.801	4B	0.801
2C	0.656	3C	0.656	4C	0.656
2D	0.961	3D	0.961	4D	0.961
2E	0.607	3E	0.607	4E	0.607
2F	0.961	3F	0.961	4F	0.961
2G	0.656	3G	0.656	4G	0.656
2H	0.801	3H	0.801	4H	0.801
2J	0.801	3J	0.801	4J	0.801
5A	0.801	6A	1.01	7A	0.801
5B	0.801	6B	0.801	7B	0.801
5C	0.656	6C	0.656	7C	0.656
5D	0.961	6D	0.713	7D	0.961
5E	0.607	6E	0.607	7E	0.607
5F	0.961	6F	0.961	7F	0.961
5G	0.656	6G	0.656	7G	0.656
5H	0.801	6H	0.801	7H & J	1.602
5J	0.801	6J	0.801		
Commercial Space	5.094				
Total West Building					47.325
Total East Building					<u>52.666</u>
					100.000

EXHIBIT D

**BYLAWS
OF
MERIDIAN TOWERS PRIVATE RESIDENCES ASSOCIATION, INC.
An Indiana nonprofit Corporation**

**ARTICLE I
NAME OF CORPORATION**

Section 1.01. Name. The of the corporation is Meridian Towers Private Residences Association, Inc. ("Meridian Towers Association" and/or "Association").

**ARTICLE II
PURPOSE AND POWERS**

Section 2.01. Purposes. The purposes of this Association are to act on behalf of its collective members, with respect to the overall administration, care, enhancement, improvement, maintenance, operation and replacement of real estate and personal property, and for the promotion of the health, safety and welfare of the members, on a not-for-profit basis. All capitalized terms contained herein, which are not otherwise defined herein, shall have the same meanings as set forth in the Declaration of Meridian Towers Private Residences ("Declaration").

Section 2.02. Powers. The Association shall have and exercise all powers as are now or may hereinafter be granted by the Indiana Nonprofit Corporation Act (the "Act"), Indiana Code Section 23-17-1-1 et seq., as amended; the Declaration of the Meridian Towers Private Residences Condominiums ("Declaration"), the Articles of Incorporation of Meridian Towers Private Residences Association, Inc. and the Bylaws of the Meridian Towers Privates Residences Association, Inc. ("Bylaws").

**ARTICLE III
OFFICES**

Section 3.01. Registered Office. The Association shall have and continuously maintain in the State of Indiana a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Indiana as the Board may from time to time determine.

Section 3.02. Principal Office. The Association's principal office shall be maintained at 3965 North Meridian Street, Indianapolis, Indiana 46208, or at the office of the managing agent engaged by the Association.

ARTICLE IV
MEMBERS

Section 4.01. Membership. Unit Owners shall be Members of the Association which shall be composed of a single class of Membership. There shall be one membership per Unit Ownership and Membership shall be appurtenant to and, notwithstanding the provisions of Section 23-17-8-1 of the Act, may not be separated from ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Unit within ten (10) days after such change.

Section 4.02. Voting Rights. Each Unit Ownership shall designate one (1) individual as the "Voting Member" who, directly or by his/her proxy, shall be entitled to vote at the meeting of Unit Owners. No person shall be eligible to be a Voting Member unless they own all or part of the fee simple title to the Unit in question, are the personal representative of a Unit Owner, or are an officer, general partner, member, or beneficiary of the corporation, partnership, limited liability company, or trust which is the Unit Owner. Each such Voting Member shall be designated by the Unit Ownership in writing to the Board, and if in the case of multiple individual Unit Owners no designation is given, then the Board may, at its election, either recognize an individual Unit Owner as the Voting Member for each such Unit. Any or all Unit Owners may be present at any meeting of the Unit Owners, but the voting rights shall be vested exclusively in the Voting Member; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his/her duly authorized attorney-in-fact and filed with the secretary before the meeting. No proxy shall be valid subsequent to any meeting wherein such proxy was offered for vote nor shall any extension of any such proxy be valid.

Section 4.03. Annual Meetings. The initial meeting of Unit Owners shall be held upon not less than twenty-one (21) days' written notice given by the Declarant. If not called earlier by the Declarant, the initial meeting of the Unit Owners shall be held not more than thirty (30) days after the Relinquish Date. The first annual meeting of the Unit Owners shall be held on the first Thursday of May immediately following the initial meeting and an annual meeting shall be held on the first Thursday of each May thereafter. Each such meeting shall be held at such time designated by the Board from time to time.

Section 4.04. Place of Meetings; Quorum. Meetings of the Unit Owners shall be held on the Meridian Towers Private Residences Condominium premises or at such other place in the State of Indiana, convenient to the Unit Owners, as may be designated in any notice of meeting. Voting Members holding twenty percent (20%) of the votes, represented in person or by proxy, shall constitute a quorum. The voting of a majority of the votes entitled to be cast by the Voting Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Voting Members, unless a greater proportion is required by Law, the Declaration or these Bylaws.

Section 4.05. Special Meetings. Special meetings of the Unit Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members or for any other reasonable purpose. Said meeting shall be called by written notice, authorized by the President, by the Board or by the Unit Owners who have in the aggregate not less than thirty percent (30%) of votes.

Section 4.06. Notice of Membership Meetings. Written notice of any membership meeting of the Unit Owners shall state the time, date, place and purpose or purposes of the meeting and be delivered to all Voting Members not less than ten (10) and not more than thirty (30) days before the date of the meeting. Notices of meetings shall be delivered either personally or by mail to each Unit Owner entitled to vote therein, addressed to each such person at the address given by him/her to the Board for the purposes of service of such notice, or to the unit of the Unit Owner to which such voting rights appertain, if no address has been given to the Board. Matters to be submitted at special meetings of Unit Owners shall be submitted to the Board at least ten (10) days prior to the special meeting, who shall then submit the matters to the Voting Members.

Section 4.07. Voting. The total of votes for all Voting Members shall be _____, and, except as otherwise required by the Declaration, these Bylaws or the Law, shall be divided among the Voting Members in accordance with the percentages of Undivided Interests appurtenant to the respective Unit Ownerships they represent. Voting Members may vote in person or by proxy. Any proxy or other designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board or the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or beneficiary of a Unit Owner. The beneficiary of the Declarant or its agent shall be the Voting Member with respect to any Unit Ownership owned by the Declarant. The affirmative vote of 75% of the votes entitled to be cast shall be required for the following action: (a) merger or consolidation of the Association; and (b) exchange, lease, mortgage, pledge, sale or other disposition of all, or substantially all of the property and assets of the Association. The affirmative vote of 75% of the votes entitled to be cast shall be required for the purchase or sale of land or of Units on behalf of all Unit Owners.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number. The number of directors on the Board of Directors of the Association is fixed at and shall be seven (7).

Section 5.02. Declarant Designated Boards. Notwithstanding anything herein to the contrary, until the first meeting of the Unit Owners after the Relinquishment Date, the Board shall consist of three (3) individuals from time to time designated by the Declarant or the Declarant's beneficiary. Such individuals may, but need not, be Unit Owners and shall serve at the discretion of the Declarant.

Section 5.03. Boards Subsequent to Relinquishment Date. At the first meeting of the Unit Owners, the Voting Members shall elect the Board pursuant to the Law than thirty (30) days after the Relinquishment Date) the Voting Members shall elect the Board (as provided for in the Law) in the manner hereinafter provided to replace the Board established under Section 5.02. From and after such meeting, each member of the Board shall be a Unit Owner. Within sixty (60) days after the election of a majority of the Board other than those designated by the Declarant, the Declarant shall deliver to the Board the following documents and others as required by the Law:

- (a) Original copies of the Declaration, these Bylaws, the Association's Articles of Incorporation and the Association's minute book;
- (b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Declarant designated Boards.
- (c) All Association funds and bank accounts.
- (d) A schedule of all personal property, equipment and fixtures belonging to the Association including documents transferring the property to the Association.

Section 5.04. Election. At each election for members of the Board, each Voting Member for each Unit which he represents shall be entitled to the number of votes equal to the number of Directors to be elected; provided that, upon proof satisfactory to the Board, a Unit Resident who is a contract purchaser of a Unit from a contract seller other than the Declarant shall have the right to vote for Directors after the Relinquishment Date unless such contract seller expressly retains such right in writing. No such contract purchaser shall have the right to hold office or be elected as a Director of the Association unless and until he shall own the fee simple title to a Unit. At the initial meeting of the Unit Owners, a full Board of Directors shall be elected, four (4) who shall serve a term which shall end at the second annual meeting of the Members and three (3) of whom shall serve a term which shall end at the first annual meeting of the Members. The candidates receiving the four (4) highest numbers of votes shall be elected to serve the term that shall end at the second annual meeting of the Members and the candidates receiving the fifth, sixth and seventh highest number of votes shall serve a term that shall end at the first annual meeting of the Members. If fewer than the required number of Directors receive a majority of votes cast, those receiving a majority shall be deemed elected and additional ballots shall be taken until all vacancies have been filled by persons receiving at least a majority vote. Thereafter, all Directors shall serve two (2) year terms. Each Director shall serve until his/her term expires or is terminated or until his/her successor shall have been elected and qualified. A Director may succeed himself in office.

Section 5.05 . Annual Meetings. The Board shall hold an annual meeting between thirty (30) and forty-five (45) days prior to the annual meeting of the Unit Owners at such place as shall be fixed by the Directors.

Section 5.06. Regular Meetings. Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that from and after the Relinquishment Date, not less than four (4) such meetings shall be held during each fiscal year.

Section 5.07. Special Meetings. Special meetings of the Board may be called by the President or by at least one-third (1/3) of the Directors then serving.

Section 5.08. Notice of Board Meetings. Notice of each meeting of the Board shall be mailed or personally delivered to each Director at least forty-eight (48) hours prior to the meeting and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Unit Owner in the same manner as provided in Section 4.06 of these Bylaws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Notice of each meeting of the Board shall also be conspicuously posted on the Meridian Towers Private Residences Condominiums at least forty-eight (48) hours prior to the meeting.

Section 5.09. Open Meetings. Each meeting of the Board, to the extent required by law, shall be open to any Unit Owner and, if required under the Law, notice of such meeting shall be mailed or personally delivered and posted conspicuously upon the Meridian Towers Private Residences Condominiums at least 48 hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of Unit Owners who attend meetings and Unit Owners who do not comply with such rules may be removed from the meeting .

Section 5.10. Quorum. A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any' meeting of the Board. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

Section 5.11. Compensation/Reimbursement for Expenses. No Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Voting Members. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his/her duties as a Director.

Section 5.12. Removal or Resignation of Director. Any Director may be removed from office, with or without cause, by action of the Voting Members at any annual meeting or at a special meeting called for such purpose. Any Director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be a Unit Owner, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a

Director who resigns or is removed may be appointed by a majority of the remaining Directors at any regular meeting or at any special meeting called for such purpose and any successor so appointed shall serve the balance of his predecessor's term.

Section 5.13. Powers and Duties of the Board. Subject to the rights and powers reserved to the Declarant in the Declaration, the Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Law, the Declaration, or these By- Laws, including, without limitation, the following powers and duties:

- (a) Subject to the provisions of the Declaration, to engage the services of a manager or managing agent to assist the Association in performing and providing such services as the Association is required to provide to its members under the Declaration;
- (b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Areas and Facilities for which the Association is responsible under the Declaration and these Bylaws;
- (d) To estimate and provide each Unit Owner with annual budgets as provided in the Declaration;
- (e) To set, give notice of, and collect assessments from the Unit Owners as provided in the Declaration;
- (f) To pay the Common Expenses;
- (g) To borrow money to be used to pay Common Expenses or to pay for repair, alterations or additions to the Common Areas and Facilities;
- (h) To pledge as collateral for the repayment of money borrowed, the assets of the Association and/or the right to receive and collect assessments levied by the Association, including any separate or special assessment levied for the purpose of repaying the money borrowed;
- (i) To adopt rules and regulations as provided in the Declaration;
- (j) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these Bylaws;

(k) To own, convey, encumber, lease, or otherwise deal with Units or other real property conveyed to or purchased by the Association; and

(l) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Meridian Towers Private Residences Condominiums.

Section 5.14. Electronic Communications. Any or all Directors may participate in a meeting of the Board, or a committee of the Board, by any means of communication by which all directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE VI

OFFICERS OF THE ASSOCIATION

Section 6.01. Election. At its annual meeting, the Board of the Association shall elect a Chairman, President, one (1) or more Vice Presidents, a Secretary and a Treasurer, for a term of one (1) year, or until his or her respective successor is duly qualified, elected and appointed to any such executive office.

Section 6.02. Vacancies. The Board shall fill any vacancy in any office which is caused by any reason, and the successor officer to any such predecessor officer shall hold office until his or her respective successor is duly qualified, elected and appointed by the Board of the Association.

Section 6.03. Removal. Any officer of the Association may be removed, either with or without cause, at any time by the Board.

Section 6.04. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members and of the Board, and subject to the approval of the Board, shall direct the policies and management of the Association. The President shall discharge all the duties inherent to a presiding officer and perform such other duties as from time to time may be assigned by the Board or as prescribed by the Law or these Bylaws.

Section 6.05. Vice President. A Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and perform such other duties as these Bylaws may require or the Board of Directors elects may prescribe.

Section 6.06. Secretary. The Secretary shall attend all meetings of the Members and of the Board, and shall keep, or cause to be kept a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees appointed by the Board, when required. The Secretary shall attend to the furnishing and serving of all notices of the Association, shall authenticate the records of the Association, shall, unless the Board provides otherwise, maintain the records required under these Bylaws, and shall perform such other duties as these

Bylaws may require or the Board of Directors may prescribe periodically.

Section 6.07. Treasurer. The Treasurer shall maintain a correct and complete record of accounts showing accurately at all times the financial condition of the Association. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. The Treasurer shall immediately deposit all funds of the Association in a bank or other depository to be designated by the Board of Directors, subject and in accordance with Indiana Code Section 32-25-4-4(c), and shall keep such bank account in the name of the Association.

Section 6.08. Assistant Officers. Assistant officers to any duly elected or appointed officer of the Association may be appointed by the Board, the President of the Association or by the officer for whom the assistant officer is appointed to serve. Such assistant officers shall have such powers and duties as the officers whom they are elected to assist shall specify and delegate to them and such other powers and duties as these bylaws or the Board or the appointing officer may prescribe. An assistant secretary may, in the event of the absence or disability of the secretary, attest to the execution by the Association of all documents.

Section 6.9. Officer's Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting Members.

Section 6.10. Delegation of Authority. In case of the absence of any officer of the Association, or for any other reason that the Board may deem sufficient, the Board may delegate the power or duties of such officer to any other officer or to any director, for the time being, provided a majority of the entire Board concurs therein.

ARTICLE VII **COMMITTEES DESIGNATED BY BOARD**

Section 7.01. Board Committees. The Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent consistent with the Law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; provided, however, that the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

Section 7.02. Special Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Unit Owners and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment

the best interests of the Association shall be served by such removal.

Section 7.03. Term. Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 7.04. Chairman. One member of each committee shall be appointed chairman.

Section 7.05. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7.06. Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7.07. Rules. Each committee may adopt rules for its own government not inconsistent with the Declaration, these Bylaws or with rules adopted by the Board.

ARTICLE VIII

INSTRUMENTS, CHECKS, DEPOSITS AND FUNDS

Section 8.01. Execution of Instruments. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument (including amendments to the Declaration or these Bylaws which must be executed by the Association) in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

Section 8.02. Payments. All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absences of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

Section 8.03. Bank Accounts. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories, located in the County, as the Board shall elect. The Working Capital Fund shall be placed in a separate bank account which may, in the discretion of the Board, be interest bearing.

The Replacement Reserve shall be placed in a separate interest-bearing bank account in accordance with the Law.

Section 8.04. Special Receipts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE IX **FISCAL MANAGEMENT**

Section 9.01. Fiscal Year. The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board deems advisable. Unless otherwise determined by the Board, the fiscal year of the Association shall end on December 31 of each year.

Section 9.02. Annual Statement. Within a reasonable time after the close of each fiscal year the Board shall furnish each Unit Owner with an itemized accounting of the Common Expenses for such fiscal year actually incurred or paid, together with an indication of which portion of the Common Expenses were incurred or paid for capital expenditures or repairs or the payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the Annual Assessment budget, and showing the net excess or deficit of income over expenditures plus reserves.

Section 9.03. Assessment Procedure. Annual assessments and special assessments shall be made and collected as provided in Article VI of the Declaration, and the provisions of Article VI of the Declaration are incorporated herein by reference.

ARTICLE X **BOOKS AND RECORDS**

Section 10.01. Required Records.

- (a) The Association shall keep as permanent records minutes of all meetings of Members and Board, a record of all actions taken by the Members or Board without a meeting, and a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association.
- (b) The Association shall maintain appropriate accounting records, according to generally accepted accounting principals.
- (c) The Association shall maintain a record of the Unit Owners, in a form that permits preparation of a list of the names and addresses of Unit Owners and the Voting Members, in alphabetical order showing the respective Undivided Interest.

- (d) The Association shall maintain its record in written form or in another form capable of conversion into written form within a reasonable time.
- (e) The Association shall keep a copy of the following records at its principal office:
 - (i) The Articles of Incorporation of the Association and all amendments thereto.
 - (ii) These Bylaws of the Association and all amendments to the Bylaws which are currently in effect.
 - (iii) Resolutions adopted by the Board.
 - (iv) The minutes of all Members' meetings, and records of all action taken by Members without a meeting, for the past three (3) years.
 - (v) All written communications to Members generally within the past three (3) years, including the financial statements furnished for the past three (3) years under Indiana Code Section 23-17-27-6.
 - (vi) A list of the names and business addresses of the current members of the Board of Directors and officers of the Association.
 - (vii) The most recent annual report delivered to the Secretary of State of Indiana under Indiana Code Section 23-17-27-8.
- (f) A Member shall be entitled to inspect and copy any of the records described in Section 10.01(e) herein above, pursuant to the terms and subject to the conditions set forth in Indiana Code Section 23-17-27-2.
- (g) A Member's agent or attorney, if authorized in writing, has the same inspection and copying rights as described in Section 10.01(f) herein above, pursuant to the terms and subject to the conditions set forth in Indiana Code Section 23-17-27-3.

Section 10.02. Restrictions on Sale or Use of Membership List. The Association shall take all reasonable action necessary to safeguard against the unauthorized sale or use of the Membership List, pursuant to the terms and subject to the conditions set forth in Indiana Code Section 23-17-27-5.

ARTICLE XI
USE AND OCCUPANCY RESTRICTIONS

Section 11.01. General. Each part of the Real Estate shall be used for the purpose for which such part of the Real Estate was designed. Each Unit shall be used for residential purposes and for no purpose in contravention of the Declaration.

Section 11.02. Exterior Appearance. As addition and supplement to Section 3.21 of the Declaration, There shall be no obstruction of the Common Areas and Facilities, nor shall anything be stored in the Common Areas and Facilities without the consent of the Board, except as hereinafter expressly provided. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on any Building, or any contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything which will result in the cancellation of insurance on any Building, or consents thereof, of which would be in violation of any law. No waste shall be committed on the Real Estate or in connection with the Common Areas and Facilities. The exposed side of all draperies or window convening installed by Unit Owners within their respective Units shall be of a color and material approved by the Board. Except as provided in the foregoing sentence, Unit Owners shall not cause or permit anything to be hung or displayed on the outside of any window, balconies or placed in the outside walls of any Building, and no sign, awning, canopy, shutter, radio or television antenna and/or satellite dish shall be affixed to or placed upon the exterior walls, balconies or roof or any part thereof, without the written prior consent of the Board. No dangerous, unlawful, noxious or offensive activities shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners. No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out or exposed on any balcony or any part of the Common Areas and Facilities. The Common Areas and Facilities shall be kept free and clear of rubbish, debris and other unsightly materials. There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, recreational vehicles, motorcycles, boats, trailers, benches or chairs on any part of the Common Areas and Facilities, except that automobiles, motorcycles, other motor-driven vehicles, and bicycles may be parked in the areas designated for that purpose.

Section 11.03. Restrictions on Pets. As addition and supplement to Section 3.15 of the Declaration, no animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or the Common Areas, except that no more than one (1) dog or two (2) cats or other usual household pets may be kept in the Units. No pet deemed dangerous to any person or other pets, at the sole and exclusive discretion of the Board, shall be allowed in any Unit or Common Area. Pit Bull Terriers shall be deemed to be a dangerous breed of dog and therefore not allowed in any Unit or in the Common Areas. Furthermore, no dog weighing more than one hundred twenty-five pounds (125lbs.) nor over 28 inches in height (measured floor to top of back) shall be allowed to be maintained as a pet in any Unit or the Common Areas. Pets brought into and/or leaving a Unit must be kept on a leash, caged, carried or otherwise restrained and shall use the rear exits of the Buildings as the sole means of ingress and egress. Pet are prohibited from being allowed to run free

and unrestrained in the Common Areas or Limited Common Areas and Facilities. Pets are forbidden to deposit liquid or solid waste on the floor coverings of any Unit or in any Common Area and Facility. If an accident occurs, it must be properly cleaned up immediately and any damage to the premises shall be paid for by the pet's owner. In the event this becomes a continuous habit, disciplinary measures shall be taken by the Board. In any event, any pet deemed by the Board to be a nuisance, creates unreasonable disturbance and commotion and/or fails to comply with the proper exit and entrance requirements detailed above, the Board has the right to impose the following penalties:

First Offense:	Warning of the problem
Second Offenses:	\$100.00 fine
Third Offenses:	\$250.00 fine
Additional Offenses:	Removal of the offending pet from the premises within five (5) days of written notice, via certified U.S. Mail Return Receipt Requested, to do so from the Board

Any fines so assessed shall be paid to the Condominium Association.

Section 11.04. Structural Changes. No Unit Owner shall cause any change or modification to any Unit or to the Common Areas and Facilities which shall impair the structural integrity of any Building or No Unit Owner shall overload the electric wiring in any Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the sole judgment of the Board, an unreasonable disturbance to or risk to the safety of others, or connect any machine, accessory or other device or equipment to the electrical, heating, sprinkler or plumbing system without the prior written consent of the Board. No television or other antennas and/or satellites or wiring shall be installed on the roof of any Building. Any installation within a Unit of any oversized bathing facility including, but not limited to hot tubs, spas or double bathtubs, must be accompanied by the installation of a separate water heating source for the fixture, and all plans and specifications must be approved by the Board.

Section 11.05. Waste Disposal. All refuse must be placed in a sealed plastic bag and disposed in a clean, orderly manner in the garbage chute. The Meridian Towers Private Residences Condominiums recycles therefore, boxes and packing containers must be broken down and along with paper placed on the floor in the garbage chute room. Glass and cans should be separated and deposited in garbage chute.

Section 11.06. Patios. The balconies and patios (as built on the East 1st floor Building) are Limited Common Areas and modifications and additions may be made at the sole discretion of the Board. Upkeep and maintenance are the sole responsibility of unit owner.

Section 11.07. Commercial Activities. Any commercial activities shall be limited to those areas so designated on the Floor Plans as attached to the Declaration.

ARTICLE XII
SEAL

The Board may provide for a corporate seal that shall be in the form of circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal"

ARTICLE XIII
AMENDMENTS TO THE BYLAWS

The Board of Directors of the Association shall have the sole and exclusive right, authority and power to make, adopt, approve, alter, amend, modify, change and/or repeal these Bylaws, and/or any term or provision set forth in these Bylaws, without the consent, assent, vote, advice, approval or adoption of, or any notice to, the Members of the Association, unless otherwise set forth in the Articles of Association, these Bylaws, or Indiana Code Section 23-17-18-1.

MERIDIAN TOWERS PRIVATE RESIDENCES ASSOCIATION, INC.

Vincent R. Daley, President

