MARILYN A. WOMACKS
MARION COUNTY AUDITOR
510208 DEC 9 P
SUBJECT TO FINAL ACCEPTANCE FOR TRANSFER

53

DECLARATION OF IAC LOFTS

This Declaration of IAC Lofts ("**Declaration**"), made and entered into as of the 21st day of November, 2005, by Hearthview Athletic Club, LLC an Indiana limited liability company (the "**Declarant**") for itself, and on behalf of its successors, grantees, and assigns, WITNESSETH THAT:

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

WHEREAS, Declarant, by execution of this Declaration, hereby creates a condominium upon the Real Estate, subject to the provisions of the Act and in accordance with the terms and conditions of this Declaration.

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

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

(a) "**Act**" means that portion of the Indiana Code formerly known as the Horizontal Property Law of the State of Indiana, Ind. Code § 32-25-1-1 *et seq.*, as amended. The Act is incorporated herein by this reference.

(b) "**Applicable Date**" means the date determined pursuant to Section 3.02 of the Bylaws.

(c) "**Articles**" or "**Articles of Incorporation**" means the Articles of Incorporation of the Corporation, as hereinafter defined, as the same may be amended from time to time. The Articles of Incorporation are incorporated herein by this reference.

(d) "**Assessments**" mean the Regular Assessments, Special Assessments, Residential Limited Areas Assessments, and Commercial Limited Areas Assessments.

(e) "**Board of Directors**" or "**Board**" means the governing body of the Corporation being the Initial Board or Interim Board referred to in the Bylaws or any subsequent Board of Directors elected by the Members in accordance with the Bylaws.

(f) "**Building**" means the nine (9) story building, annex, bridge connector and related improvements located upon the Real Estate as of the date first above written and commonly know as 350 North Meridian Street, Indianapolis, Indiana, which Building is more particularly described and/or identified on the Plans and in this Declaration.

(g) "**Bylaws**" mean the Bylaws of the Corporation providing for the administration and management of the Property and restrictions on its use, as

required by and in conformity with the Act, as the same may be amended from time to time. A true copy of the existing Bylaws is attached to and made a part of this Declaration as Exhibit B.

(h) **"Commercial Units"** means any of the Condominium Units reserved for commercial, office and retail purposes, as more particularly described in paragraph 5(a) of the Declaration.

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

(j) **"Common Expenses"** mean expenses for administration of the Corporation and for the ownership, upkeep, maintenance, repair and replacement of the Common Areas, including the Limited Areas (to the extent provided herein), and all sums lawfully assessed against the Members of the Corporation.

(k) **"Condominium Unit"** means each one of the individual units in the Building which are depicted and/or described in the Plans and in Paragraph 5 of this Declaration. "Condominium Unit" includes the undivided interest in the Common Areas and Limited Areas appertaining to such unit.

(l) **"Co-owners"** means the Owners of all of the Condominium Units.

(m) **"Corporation"** means IAC Lofts Owners Association, Inc., a not-for-profit corporation, and its successors and assigns, whose Members shall include the Owners and any other individuals or entities that are Members hereunder, such Corporation being more particularly described in Paragraph 12 of this Declaration.

(n) **"Declarant"** means Hearthview Athletic Club, LLC, an Indiana limited liability company, and its successors and assigns including, but not limited to, any mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(o) **"Limited Areas"** mean those Common Areas, the use and enjoyment of which are limited to certain Condominium Units, which are depicted and/or described as such in the Plans or otherwise defined as such in Paragraph 7 of this Declaration, and includes the Residential Limited Areas and Commercial Limited Areas.

(p) **"Member"** means a member of the Corporation and "Members" mean the members of the Corporation.

(q) **"Meridian Street Parking Facility"** means the parking facilities located at the corner of Meridian Street and Tippecanoe Street adjacent to the Building, which facilities may be leased by the Corporation as set forth in Paragraph 27 of this Declaration.

(r) **"Mortgagee"** means the holder of a first mortgage lien on a Condominium Unit and "Mortgage" means a first mortgage lien on a Condominium Unit.

(s) **"Owner"** means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, owning fee simple title to a Condominium Unit; provided that persons or entities owning a Condominium Unit as tenants in common, joint tenants, tenants by the entiretles or any form of joint or divided ownership shall be deemed one Owner for purposes of this Declaration.

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

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

(v) **"Property"** means the Real Estate and appurtenant easements, the Condominium Units, the Building, leasehold interests of the Corporation in any real estate located adjacent to the Real Estate and used to provide parking for the Owners, and the improvements and property of every kind and nature whatsoever, real, personal and mixed, located upon the Real Estate and used in connection with the operation, use and enjoyment thereof, but does not include the personal property of any Owner.

(w) **"Plans"** means all floor, building and site plans and elevations of the Building and Condominium Units prepared by Browning Day Mullins Dierdorf Architects, certified by Gregory E. Jacoby, a licensed architect, under date of November 14, 2005, and filed in the Office of the Recorder of Marion County, Indiana, all of which are incorporated herein by this reference, and any supplemental plans that are prepared and filed in connection therewith.

(x) **"Regular Assessment"** means the regular assessment applicable to all Owners as provided in Paragraph 13 of this Declaration and in the Bylaws.

(y) **"Residential Unit"** means any of the Condominium Units reserved for residential use, as more particularly described in Paragraph 5(a) of the Declaration.

(z) **"IAC Lofts"** or the **"IAC Lofts Condominium"** means the name by which the Property, and the condominium created hereby, shall be known.

(aa) **"Special Assessment"** means the special assessment applicable to all Owners as provided in Paragraph 13 of this Declaration and in the Bylaws.

(bb) **"Vermont Street Parking Facility"** means the parking facilities located at West Vermont Street, which facilities may be leased by the Corporation as set forth in Paragraph 27 of this Declaration

2. **Declaration**. Declarant hereby expressly subjects the Property to the Act and declares that the Property shall be a condominium in accordance therewith.

3. **Description of Building**. The Building is nine (9) stories in height, plus three (3) basement or underground levels, a bridge connector and annex, and will contain a total of not more than ninety (90) Condominium Units, all as depicted and/or described on the Plans.

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

5. **Description of Condominium Units**.

(a) Designation and Use. IAC Lofts shall include two (2) types of Condominium Units: (i) not more than eighty-five (85) Condominium Units located on floors 2 through 9 of the Building, as more particularly depicted and/or described on the Plans, which Condominium Units shall be used solely as residential units for residential purposes, unless otherwise consented to by the Board (each a **"Residential Unit"**; collectively, the **"Residential Units"**); and (ii) not more than five (5) Condominium Units located in and on parts of the sub-basement, basement, and floor 1 of the Building, as more particularly depicted and/or described on the Plans, which Condominium Units shall be used for commercial, office and retail purposes, unless otherwise consented to by the Board (each a "Commercial Unit"; collectively, the "Commercial Units").

(b) Appurtenances. Each Condominium Unit shall consist of all space within the boundaries thereof, as hereinafter defined, including but not limited to: (i) the drywall, wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, windows and window frames and glass, shutters, awnings, doorsteps, stoops, and interior doors and door frames; (ii) any fire place or stove hearth, facing brick, tile or firebox; (iii) all improvements, fixtures and hardware within the boundaries of the Condominium Unit, including all improvements contained within the unfinished perimeter walls, ceilings, and floors; and (iv) any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, or other utility services to the Condominium Unit and located therein, including those located within the unfinished walls, ceilings, and floors; provided, however, that a Condominium Unit shall not include any of the structural components of the Building or utility or service lines located within the Condominium Unit but serving more than one Condominium Unit.

(c) Boundaries. The boundaries of each Condominium Unit shall be as shown on the Plans and shall consist of the enclosed rooms in the Building and be bounded by the unfinished perimeter walls, ceilings, floors, doors, and windows thereof. An unfinished wall, ceiling and floor means the concrete slabs,

framing or other structural materials which constitute the wall, ceiling or floor, as the case may be, of a Condominium Unit. In the event any horizontal or vertical or other boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface of the Condominium Unit because of inexactness of construction, settling after construction, or for any other reasons, the boundary lines of each Condominium Unit shall be deemed to be and treated for purposes of ownership, occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual location. To the extent any Condominium Unit consists of or includes open areas, the boundaries thereof shall extend to and be contiguous with the outermost boundary of the adjoining Residential Unit or Common Area, as the case may be.

6. **Common Areas**.

(a) Description. "Common Areas" mean (i) those portions of the Real Estate located outside the Building; (ii) the foundations, columns, girders, beams, supports and exterior roof surfaces of the Building; (iii) halls, corridors, fire exits, lobbies, vestibules, elevators, elevator lobbies, trash chutes, HVAC and mechanical rooms, stairs, stairways, entrances and exits of the Building, if any (except those located within the interior of Condominium Units); (iv) sidewalks; (v) central electricity, gas, water, air conditioning and sanitary sewer serving the Building (including those located in the interior of the Building), if any; (vi) exterior lighting fixtures and electrical service lighting the exterior of the Building unless separately metered to a particular Condominium Unit; (vii) pipes, ducts, electrical wiring and conduits and public utilities lines not located within any Condominium Unit or which serve more than one Condominium Unit; (viii) floors, roofs and exterior perimeter walls of the Building, except to the extent the same are otherwise classified and defined herein as part of the Condominium Unit; (ix) all improvements, facilities and appurtenances located outside of the boundary lines of the Condominium Units; (x) Limited Areas, except those areas and facilities expressly classified and defined herein as part of any Condominium Unit; (xi) Parking Spaces which are not Limited Areas; and (xii) those areas of the Building designated on the Plans as Common Areas.

(b) Use. Subject to the provisions and limitations of Paragraph 7 of this Declaration, Owners of each Residential Unit and their guests and invitees shall be entitled to full, unrestricted use and enjoyment of the Common Areas for their intended purposes. Subject to the provisions and limitations of Paragraph 7 of this Declaration, the Owners of the Commercial Units and their respective members, guests and invitees shall be entitled to the use and enjoyment of only those Common Areas that are located in or adjacent to the Commercial Units and to which access is reasonably required for the use and enjoyment of such Commercial Units.

7. **Limited Areas**. Limited Areas and those Condominium Units to which use thereof is limited are as follows:

(a) Balconies, Decks, Patios and Porches. Balconies, awning areas/entryways, decks, patios and porches attached or adjacent to a particular Condominium Unit and designated by reference on the Plans, the deed to such Condominium Unit or any other recorded agreement between the Owner of the

Condominium Unit and the Declarant or the Corporation for use by the Owner of a particular Condominium Unit shall constitute Limited Areas and be limited to the exclusive use of the Condominium Unit to which they are attached or adjacent.

(b) Parking Spaces. Any parking spaces which are either (i) owned by the Corporation or (ii) leased by the Corporation (the **"Parking Areas"**), and which are designated by reference on the Plans, the deed to a particular Condominium Unit or any other agreement between the Owner of the Condominium Unit and the Declarant or the Corporation for use by the Owner of a particular Condominium Unit shall constitute Limited Areas and be limited to the exclusive use of the Condominium Unit to which such use is designated.

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

(d) Commercial Limited Areas. All areas of the Building located in the two (2) sub-basements (that is, Basements [2] and [3]) or the Basement (inclusive), which are not otherwise reserved or designated as Condominium Units or Common Areas or Limited Areas on the Plans or which are designated as Commercial Limited Areas on the Plans shall constitute Limited Areas and be limited to the exclusive use of the Commercial Units (the **"Commercial Limited Areas"**).

(e) Residential Limited Areas. Halls, corridors, lobbies, vestibules, elevators, elevator lobbies, trash chutes, stairs, stairways, and any other Common Areas located on or above the second (2nd) floor of the Building or primarily benefiting or used for the Residential Units (including, without limitation, all recreational, exercise, workout and gym areas located on the (1st) floor or in the basement) or which are designated as Residential Limited Areas on the Plans shall constitute Limited Areas and be limited to the exclusive use of the Residential Units (the **"Residential Limited Areas"**).

(f) Other Limited Areas. Any other areas designated and shown on the Plans as Limited Areas shall constitute Limited Areas and be limited to the Condominium Unit or Condominium Units to which they appertain as shown on the Plans or as provided in a recorded agreement between the Owner of the Condominium Unit and the Declarant or the Corporation.

8. **Ownership of Common Areas and Percentage Interest**. Each Owner shall have an undivided interest in the Common Areas, as tenants in common with all other Owners, equal to such Owner's Condominium Unit's Percentage Interest. The Percentage Interest of each Condominium Unit shall be a percentage equal to the square footage of the particular Condominium Unit divided by the total square footage of all Condominium Units which constitute a part of IAC Lofts Condominium. The square footage of each Condominium Unit and the initial Percentage Interest of each Owner in the Common Areas as calculated in accordance with this Paragraph 8 and the Act are set forth on Exhibit C, attached hereto and

made a part hereof. Except as otherwise provided or permitted in Paragraph 14 or elsewhere herein, the Percentage Interest appertaining to each separate Condominium Unit in the Common Areas shall be of a permanent nature and shall not be altered without the unanimous consent of all the Owners (including Declarant, so long as Declarant owns any Condominium Unit) and Mortgagees, and then only if in compliance with all requirements of the Act.

The Percentage Interest appertaining to each Condominium Unit shall also be the Percentage Vote allocable to the Owner thereof in all matters with respect to IAC Lofts Condominium. The aggregate square footage of the Commercial Units shall not exceed Fourteen Thousand (14,000) square feet without the prior written consent of the Owners of all Commercial Units.

9. **Encroachments and Easements for Common Areas**. If, by reason of the location, construction, settling or shifting of the Property or any other reason, any Common Area now encroaches or shall hereafter encroach upon any Condominium Unit, then in such event, an easement shall be deemed to exist and run to the Co-owners and the Corporation for the maintenance, use and enjoyment of such Common Area. Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Condominium Units and serving such Owner's Condominium Unit. Each Owner shall have the right of ingress and egress to and from such Owner's Condominium Unit, with such right being perpetual and appurtenant to the ownership of the Condominium Unit.

10. **Real Estate Taxes**. Real estate taxes are to be separately assessed and taxed to each Condominium Unit as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Condominium Unit, but are assessed and taxed on the Real Estate, then each Owner shall pay his or its proportionate share of such taxes to the extent attributable to the Property in accordance with his or its respective Percentage Interest.

11. **Utilities**. Each Owner shall pay for his or its own utilities, to the extent separately metered. Utilities which are not separately metered or are provided to the Common Areas shall be treated as and paid as part of the Common Expenses.

12. **Association of Owners**. Subject to the rights of Declarant reserved in Paragraph 21 hereof and obligations of the Owners, the maintenance, repair, upkeep, replacement, administration, management and operation of the Property exclusive of the Condominium Units and Limited Areas appurtenant to the Condominium Units shall be the obligation of the Corporation. Each Owner of a Condominium Unit shall, automatically upon becoming an owner of a Condominium Unit, be and become a Member of the Corporation and shall remain a Member until such time as his or its ownership of a Condominium Unit ceases, but membership shall terminate when such person ceases to be an Owner, and will be transferred to the new Owner.

The Corporation shall elect a Board of Directors annually (except for the Initial Board and the Interim Board, as defined in the Bylaws, which shall be appointed by Declarant) in accordance with and as prescribed by the Bylaws. Each Owner shall be entitled to cast his or its Percentage Vote for the election of the Board of Directors in accordance with and as prescribed by the Bylaws, except for such Initial Board and Interim Board who shall serve for the period provided in the Bylaws. Each person serving on the Initial Board or Interim Board, whether as an original member thereof or as a member thereof appointed by Declarant to fill a

vacancy, shall be deemed a member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board or Interim Board shall be deemed or considered a Member of the Corporation nor an Owner of a Condominium Unit for any other purpose (unless he is actually an Owner of a Condominium Unit and thereby a Member of the Corporation).

The Board of Directors shall be the governing body of the Corporation, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Property exclusive of the Condominium Units. Subject to the provisions of Paragraph 25 of this Declaration and Section 3.06 of the Bylaws, the Board of Directors may provide for third party management of the Property.

13. **Maintenance, Repairs and Replacements**.

(a) Unit Maintenance. Each Owner shall, at his or its expense, be responsible for the maintenance, repair, decoration and replacement of his or its own Condominium Unit and, to the extent provided in this Declaration or the Bylaws, for the Limited Areas reserved or designated for his exclusive use. Each Owner shall repair any defect occurring in his or its Condominium Unit which, if not repaired, might adversely affect any other Condominium Unit or Common Area. Maintenance, repairs, replacements and upkeep of the Common Areas or that portion of the Property covered by the Corporation's insurance as provided in Paragraph 15 shall be furnished by the Corporation as part of the Common Expenses, except as otherwise provided herein or in the Bylaws. The Board of Directors shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas as it deems appropriate, and may amend and modify the same from time to time as it deems advisable, necessary or appropriate. The Board of Directors or its designated agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency, in which case no notice shall be required), to enter into each individual Condominium Unit for the purpose of inspection of the Common Areas appurtenant thereto and replacement, repair and maintenance of such Common Areas.

(b) Assessments. As of the first day of the first month following the conveyance of the first Condominium Unit located in the Building and the Percentage Interest appurtenant thereto, each Condominium Unit located in the Building and the Percentage Interest appurtenant thereto shall be subject to the Regular Assessments, Special Assessments and, to the extent provided in Paragraphs 13(e) and 13(f), the Residential Limited Areas Assessments and the Commercial Limited Areas Assessments (as determined by Declarant and/or the Board of Directors, as applicable) (collectively, the "**Assessments**"), as provided in this Paragraph 13 and Article V of the Bylaws, and all such Assessments shall constitute liens upon each applicable Condominium Unit and appurtenant Percentage Interest as provided and described in this Declaration and the Bylaws. The date(s) on which Assessments are due and payable shall be as specified in this Declaration or the Bylaws, or if not so specified, then as determined by the Board of Directors. In addition, each Owner shall be personally liable for the amounts of any and all Assessments which become due and payable during the period in which such Owner holds title to a Condominium Unit. No Owner shall be personally liable for any Assessments which first

became due and payable prior to the time such Owner took title to a Condominium Unit unless he expressly assumes such liability, except as may otherwise be required by the Act. However, a conveyance by an Owner of his or its Condominium Unit shall not operate to release or limit the liability of an Owner for Assessments becoming due and payable while such Owner holds title to a Condominium Unit. The lien of any Assessment shall be subordinate to the lien of any Mortgage on any Condominium Unit that was recorded before the time when said Assessment first became delinquent, and any sale or transfer of a Condominium Unit pursuant to a foreclosure of a Mortgage shall extinguish such subordinate liens. Notwithstanding the foregoing, Declarant shall be excused from contributing toward Common Expenses as provided in Subparagraph 13(d) below.

(c) Delinquency. Each Assessment shall be due and payable on the due date(s) thereof as specified in this Declaration or the Bylaws, or if not so specified, then on the due date(s) determined by the Board of Directors, and the date for the payment of such Assessment is hereby termed the "**Delinquency Date**." Any Assessment that is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner, and such Owner shall be charged a fifty dollar ($50.00) late fee (or such other amount as determined by the Board of Directors) plus an additional five dollars ($5.00) per day (or such other amount as determined by the Board of Directors) from the Delinquency Date until paid in full. In the event that any costs or expenses, including attorneys' fees, are incurred by or on behalf of the Corporation with respect to the recovery or collection of any delinquent Assessment, all such costs, expenses and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the dates incurred until paid in full, at a rate of interest equal to eighteen percent (18%) *per annum*. All interest, late fees, costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Condominium Unit and Percentage Interest as of the date on which such delinquent Assessment first became a lien. In the event that any Assessment is not fully paid on or before the Delinquency Date, the Corporation shall be entitled to accelerate and declare due and payable in full all installments of Assessments due for the year in which such delinquency occurs, and to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. Any such lien against a Condominium Unit and its Percentage Interest shall be subordinate to the lien of any Mortgage encumbering such Condominium Unit and its Percentage Interest if and to the extent the Mortgage creating such first mortgage lien was recorded prior to the due date of the delinquent Assessments.

(d) Declarant Exemption. The Declarant as Owner or Co-owner of any unoccupied Condominium Unit(s) offered for the first time for sale shall not be obligated to contribute toward Common Expenses for those Condominium Units for a period commencing on the date that this Declaration is recorded in the Office of the Recorder of Marion County, Indiana and expiring on the first day of the twenty-fourth (24th) calendar month following the month in which the closing of the sale of the first Condominium Unit occurs (the "Initial Period") Provided that, notwithstanding the foregoing, if the Common Expenses incurred during the

Initial Period exceed the amount assessed against the other Co-owners, then Declarant shall pay the excess.

(e) Allocation of Costs and Expenses for Residential Limited Areas. Each Owner of a Residential Unit shall pay an amount equal to such Owner's Pro Rata Share (as hereinafter defined) of the cost and expense incurred by the Association in connection with the landscaping, painting, decorating, furnishing, maintenance and upkeep of the Residential Limited Areas (the **"Residential Limited Areas Assessment"**). Each Owner's Pro Rata Share shall be calculated by dividing the Percentage Interest appertaining to such Owner's Residential Unit by the aggregate of the Percentage Interests appertaining to all Residential Units.

(f) Allocation of Costs and Expenses for Commercial Limited Areas. Each Owner of a Commercial Unit shall pay an amount equal to such Owner's Pro Rata Share (as hereinafter defined) of the cost and expense incurred by the Association in connection with the landscaping, painting, decorating, furnishing, maintenance and upkeep of the Commercial Limited Areas (the **"Commercial Limited Areas Assessment"**). Each Owner's Pro Rata Share shall be calculated by dividing the Percentage Interest appertaining to such Owner's Commercial Unit by the aggregate of the Percentage Interests appertaining to all Commercial Units.

14. **Alterations, Additions and Improvements**. No Owner shall make any alterations or additions to or which would affect the Common Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration in or to his or its respective Condominium Unit which would affect the safety or structural integrity of the Building, nor shall any Owner change the color of any of the Common Areas without the prior written approval of the Board of Directors. Declarant reserves the right to change the interior design and arrangement of all or any of the Condominium Units and alter the boundaries between Condominium Units (including, without limitation, the combination of one or more Condominium Units or the subdivision of a Condominium Unit into one or more Condominium Units) so long as Declarant owns the Condominium Units so changed or altered. No change or alteration of any Condominium Unit by any Owner (other than by Declarant as provided in this Paragraph 14) shall increase the number of Condominium Units beyond ninety (90) total Condominium Units. The maximum number of Condominium Units which may be developed in the Building shall be ninety (90). If Declarant shall make any such change or alteration, such change or alteration shall be reflected by a supplement or amendment to the Plans executed by the Declarant and recorded in the Office of the Recorder of Marion County, Indiana, if necessary. Simultaneously with the recording of any such amendment or supplement to the Plans, Declarant shall record, if the change or alteration changes, in Declarant's determination, the square footage of any affected Condominium Unit, an amendment or supplement to this Declaration allocating Percentage Interests so that the Condominium Units depicted on such new Plans shall be allocated Percentage Interests in the Common Areas in the same manner as the Condominium Units depicted in the prior Plans. Such allocation of Percentage Interests shall vest when the amendment or supplement to this Declaration incorporating such changes has been recorded. Such supplements or amendments to the Plans and this Declaration need not be approved by the Corporation or any other Owners.

15. **Insurance**. The Co-Owners, through the Corporation, shall purchase a master casualty insurance policy, using generally acceptable insurance carriers, affording fire and extended coverage insurance on all portions of the Building which are not part of a Condominium Unit and comprise the Common Areas in an amount equal to the full replacement value of such improvements. If the Board of Directors can obtain such coverage for reasonable amounts, the Board of Directors shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. If deemed advisable by the Board of Directors, the Board of Directors may cause such full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Common Expense. Such insurance coverage shall name each Owner and, if applicable, the Mortgagee of each Owner, as insureds and shall be for the benefit of each such Owner and Mortgagee in accordance with the following terms and conditions:

(a) Payment of Insurance Proceeds. All proceeds payable as a result of casualty losses sustained, which are covered by insurance purchased by the Corporation as hereinabove set forth, shall be paid to it or to the Board of Directors, which shall act as the insurance trustee and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Corporation or Board of Directors, only in accordance with the provisions of this Declaration and any surety bond or bonds obtained by the Board of Directors concerning the officers of the Corporation, as provided in the Bylaws, shall specifically include protection for any insurance proceeds so received.

(b) Owner's Interests. The interest of each damaged Owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of each damaged Owner to the damages of all Owners directly damaged by any event insured under the said master casualty insurance policy. The Corporation shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Corporation to act for and on behalf of the Owners for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability and the performance of all other acts necessary to accomplish such purposes.

(c) Mortgagees' Interests. No Owner or any other party shall have priority over any rights of a Mortgagee pursuant to its Mortgage in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any Condominium Unit and/or Common Areas. The Corporation shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Corporation to act for and on behalf of the Owners for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability and the performance of all other acts necessary to accomplish such purposes.

(d) Casualty Insurance Provisions. Such master casualty insurance policy, and "all risk" coverage if obtained, shall (to the extent the same are obtainable) include (i) a provision that the insurer waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests; and (ii) a provision that the insurer waives any defense based on the invalidity arising from the acts of the insured; and (iii) an endorsement that such policy shall not be terminated for non-payment of premiums without at least ten (10) days' prior written notice to Mortgagees and to the Corporation. If the Board of Directors is able to obtain such insurance upon reasonable terms, such master casualty insurance policy, and "all-risk" coverage if obtained, shall further provide (A) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as hereinafter permitted; (B) that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 16 of this Declaration; and (C) an agreed amount endorsement or an inflation guard endorsement to the extent such are commonly required by prudent institutional mortgage investors in the metropolitan Indianapolis area.

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

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

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

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

(i) Owners' Insurance. Each Owner shall be solely responsible for loss or damage to his Condominium Unit and the contents thereof however caused (including, but not limited to, all floor, ceiling and wall coverings and fixtures, light fixtures, appliances and betterments and improvements installed by such Owner) and his or its personal property stored elsewhere on the Property, and the Corporation shall have no liability to the Owner for loss or damage to the contents of any Condominium Unit. Each Owner shall be solely responsible for obtaining his or its own insurance to cover any such loss and risk. Each Owner shall have the right to purchase such additional insurance at his or its own expense as he may deem necessary, including but not limited to: (i) personal liability insurance, provided that all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by the Corporation; and (ii) casualty insurance upon his or its Condominium Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Corporation. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Corporation pursuant to this Subparagraph due to proration of insurance purchased by an Owner under this Subparagraph, the Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Corporation to be distributed as herein provided.

Upon written request, the Corporation shall provide written notice to Owners or Mortgagees (whose interests may be affected) of obtainment of any insurance policy provided for herein or subsequent revision or termination of the same.

16. **Casualty and Restoration.**

(a) Casualty Damage Determination. Except as hereinafter provided, damage to or destruction of any portions of the Building which are not part of a Condominium Unit due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Corporation and the proceeds of insurance, if any, shall be applied for that purpose; provided, however, that repair and reconstruction shall not be compulsory in the event of "complete destruction of the Building" (hereinafter defined) and shall only be done in accordance with the provisions hereinafter set forth. As used herein, the term "complete destruction of the Building" means a determination, made by a vote of at least sixty-seven percent (67%) of the Percentage Vote of all Co-owners that total destruction of the Building has occurred at a special meeting of the Corporation called for the purpose of making such determination. A special meeting of the Corporation shall be called and held within thirty (30) days after any fire or any other casualty or disaster damaging or destroying the Building for the purpose of making the determination of whether or not there has been a complete destruction of the Building. If such a special meeting is not called and held within such thirty (30) day period, or if the determination of whether or not there has been a complete destruction of the Building has not been made within such thirty (30) day period,

then it shall be conclusively presumed that the Co-owners determined that there was not a complete destruction of the Building, and the Corporation shall proceed with repair and reconstruction of the Building (exclusive of Condominium Units) as herein provided.

(b) Notice to Mortgagees. In the event of substantial damage to or destruction of any Condominium Unit or any part of the Common Areas, the affected Mortgagee or Mortgagees shall be given timely written notice of such damage or destruction and, notwithstanding any other provision of the Declaration or Bylaws, the Property shall not be removed from the Act without the approval of fifty-one percent (51%) of the Mortgagees.

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

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

(e) Election to Rebuild. If, under Subparagraph (a) above, it is determined by the Co-owners at the special meeting of the Corporation referred to therein that there has been a complete destruction of the Building, the Co-owners shall, at same said special meeting, vote to determine whether or not such complete destruction of those portions of the Building which are not a Condominium Unit shall be repaired and reconstructed. Those portions of the Building which are not a Condominium Unit shall not be reconstructed or repaired if it is the determination of the Co-owners at said special meeting that there has been a complete destruction of the Building unless by a vote of two-thirds (2/3) of the Percentage Vote of all of the Co-owners a decision is made to rebuild, reconstruct and repair those portions of the Building which are not a Condominium Unit . If two-thirds (2/3) of the Percentage Vote of all of the Co-owners vote and decide that those portions of the Building which are not a Condominium Unit are to be rebuilt, reconstructed and repaired, the insurance proceeds, if any, received by the Corporation shall be applied and any excess of construction costs over insurance proceeds, if any, shall be contributed and paid as hereinabove provided in subparagraph (c).

(f) Removal of Property from the Act. If, in any case of the complete destruction of the Building, Owners representing less than sixty-seven percent (67%) in the aggregate of the Percentage Vote vote in favor of the rebuilding, reconstruction and repair of the Building, the Building shall not be rebuilt, reconstructed or repaired and, in such event, the Property shall be deemed and

considered as to be removed from the provisions of the Act under Section 32-25-8-16 of the Act and, in accordance with such Section of the Act:

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

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

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

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

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

(h) Construction Fund. The proceeds of insurance collected on account of any such casualty, and the sums received by the Board of Directors from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, if those portions of the Building which are not a Condominium Unit are to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

(i) If the amount of the estimated cost of reconstruction and repair is Twenty Thousand Dollars ($20,000.00) or less, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided in the following Subparagraph (ii).

(ii) If the estimated cost of reconstruction and repair of those portions of the Building which are not a Condominium Unit is more than Twenty Thousand Dollars ($20,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of an architect licensed to practice in Indiana and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, and certifying (A) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (B) that there is no other outstanding indebtedness known to the architect for the services and materials described; and (C) that the costs as estimated by said architect for the work remaining to be done subsequent to the date of such certificate do not exceed the amount of the construction fund remaining after payment of the sum so requested.

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

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

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

relating to restoration and allocation of funds in the event of a casualty shall be applicable in the event of a condemnation.

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

Notwithstanding anything to the contrary contained herein or in the Bylaws, including, but not limited to any covenants and restrictions set forth in the Bylaws, Declarant shall have until December 31, 2008 the right to use and maintain any Condominium Units owned by Declarant and such other portions of the Property (other than the IAC Unit), as Declarant may deem advisable or necessary in its sole discretion to aid in the construction and sale of Condominium Units, or to promote or effect sales of Condominium Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Condominium Units, storage areas, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Common Areas, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Property at any time.

18. **Amendment of Declaration**. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

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

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

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

(d) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Residential Units and sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of the Commercial Units. In the event any Condominium Unit is subject to a first Mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its Mortgage interest to the Board of Directors in accordance with the provisions of the Bylaws.

(e) Special Amendments. No amendment to this Declaration shall be adopted which changes (i) the Percentage Interest with respect to any Condominium Unit or the applicable share of an Owner's liability for the Common Expenses, without the approval of one hundred percent (100%) of the Co-owners (including Declarant, so long as Declarant owns any Condominium Unit) and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the Bylaws except as otherwise provided or permitted in Paragraph 14 or elsewhere herein, or (ii) the provisions of Paragraph 16 of this Declaration with respect to reconstruction or repair in the event of fire or any other casualty or disaster, without the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the Bylaws, or (iii) the provisions of Paragraph 12 regarding the right of the Board of Directors to provide professional management for IAC Lofts, or (iv) the provisions of Paragraph 15 providing for no priority of an Owner or other person over a Mortgagee as to insurance or condemnation proceeds.

(f) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall include an affidavit stating that Owners representing at least sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners of Residential Units and sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of the Commercial Units or such other amount as required by this Declaration have approved the amendment and shall be recorded in the Office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded

(g) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein to the contrary, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners, the Corporation, the Board of Directors, any Mortgagees or any other person or entity at any time prior to the Applicable Date to amend or supplement this Declaration from time to time if (i) such amendment or supplement is necessary to conform this Declaration to the Act, as amended from time to time; or (ii) such amendment or supplement is made or in connection with the subdivision or combining of Condominium Units owned by Declarant as set forth in Paragraph 14 hereof; or (iii) such amendment is necessary to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing & Urban Development, the Federal Housing Association, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; or (iv) such amendment is necessary to correct clerical or typographical errors or to clarify Declarant's original intent; or (v) such amendment is necessary to implement any changes in IAC Lofts permitted to be made by Declarant under this Declaration

(h) Special Requirements. Notwithstanding anything to the contrary contained herein, unless specifically controlled by a more restrictive provision under Indiana law or contained herein, the Corporation shall not, without the prior

written notice to all Mortgagees and the prior written consent of at least sixty-seven percent (67%) of the Mortgagees (based upon one vote for each mortgage held on a Condominium Unit) and of at least sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners (other than Declarant) be entitled to:

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

(ii) except in connection with the subdivision or combining of Condominium Units owned by Declarant, change the *pro rata* interest or obligations of any individual Condominium Unit for the purpose of: (A) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (B) determining the *pro rata* share of ownership of each Condominium Unit in the Common Areas; or

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

(iv) use hazard insurance proceeds for losses to any part of the Property (whether to Condominium Units or to Common Areas) for other than the repair, replacement or reconstruction of such Property, except as provided in Paragraph 16 of this Declaration in case of substantial damage to the Condominium Units

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

20. **Negligence**. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his or its negligence or by that of any member of his or its family or his or its invitees, licensees, guests, employees, agents or

lessees, (including but not limited to damage caused by any pet or any automobile) to the extent that such expense is not covered by the proceeds of insurance received by the Corporation An Owner shall pay the amount of any increase in insurance premiums occasioned by his or its use, misuse, occupancy or abandonment of his or its Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

21. **Declarant's Reserved Rights**. A power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each amendment or supplement to this Declaration recorded pursuant to Paragraph 14. Each deed, mortgage or other instrument with respect to a Condominium Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to said attorney-in-fact and shall be deemed to reserve to said attorney-in-fact the power to shift and reallocate from time to time the percentages of ownership in the Common Areas appurtenant to each Condominium Unit to the percentages set forth in each such recorded amendment or supplement to this Declaration. The power granted to Declarant pursuant to this Paragraph 21 shall expire on the Applicable Date.

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

(a) Automatic Reallocation. The Percentage Interest in the Common Areas appurtenant to each Condominium Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded amendment or supplement to this Declaration and upon the recording of each such amendment or supplement to this Declaration, shall thereby be deemed to be released and divested from such Owner and reconveyed and reallocated among the other Owners as set forth in each such recorded amendment or supplement to this Declaration.

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

(c) Right of Reallocation. A right of revocation and reallocation is hereby reserved by the grantor in each such deed, mortgage or other instrument of a Condominium Unit to so amend and reallocate the Percentage Interest in the Common Areas appurtenant to each Condominium Unit in accordance with Paragraph 14 above.

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

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

(f) Additional Instruments. Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Paragraph 21 to comply with the Act as it may be amended from time to time.

22. **Granting of Easements**. The Corporation is granted the authority to grant easements in and to the Common Areas to utility companies upon such terms and conditions and for such consideration as it deems appropriate.

23. **Reservation of Rights to the Use of the Common Areas**. Declarant shall have, and hereby reserves, an easement over, across, upon, along, in, through and under the Common Areas, for the purposes of installing, maintaining, repairing, replacing, relocating and otherwise servicing utility equipment, facilities and installations to serve the Real Estate and to provide for the rendering of public and quasi-public services to the Real Estate.

24. **Easement for Utilities and Public and *Quasi* Public Vehicles**. All public and *quasi* public vehicles, including, but not limited to police, fire and other emergency vehicles; trash and garbage collection, vehicles; and post office and privately owned delivery vehicles, as well as the operators thereof, shall have the right to enter upon the Common Areas and Limited Areas of IAC Lofts in the performance of their duties. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to water, sewers, gas, telephones and electricity on the Real Estate; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines, or other utilities, except as initially designed and approved by Declarant or as thereafter may be approved by the Board of Directors and by the Corporation. By virtue of this easement, the electric and telephone utility companies are expressly permitted to erect and maintain the necessary equipment on the Real Estate and to affix and maintain electric and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Building.

25. **Initial Management**. As set forth in the Bylaws, the Initial Board of Directors consists and will consist of persons selected by Declarant. Such Initial Board of Directors shall enter into a management agreement for a term not to exceed one (1) year with either party having the right to terminate upon ninety (90) days' notice under which the management company will provide supervision, fiscal and general management and maintenance of the Common Areas and, in general, perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of one (1) year. In the event no management agreement exists because of termination or otherwise, the Corporation shall thereupon and thereafter resume performance of all the management duties, obligations and functions.

26. **Rooftop Leases**. The Corporation shall have and reserves the right to lease space on the roof of the Building to third parties for purposes of placing or affixing or

maintaining any sign, antenna or other improvement thereon. Each Owner of a Condominium Unit hereby waives his or its right to remonstrate or otherwise oppose in any way any permit, approval or other authorization sought by any prospective lessee to place or affix or maintain any sign, antenna or other improvement to or on the roof of the Building as permitted by such prospective lessee's lease.

27. **Parking Lease**. The Corporation intends to lease the Meridian Street Parking Facility and the Vermont Street Parking Facility (collectively, the "**Leased Premises**") in order to provide parking spaces for the use of the Owners. Any Owner's right to use the Leased Premises, including, without limitation, any parking space located on the Leased Premises, shall terminate upon the expiration of the term of the pertinent lease or earlier termination of such lease.

28. **Costs and Attorneys' Fees**. In any proceeding arising because of failure of an Owner to make any payments required by this Declaration, the Bylaws or the Act, or to comply with any provision of the Declaration, the Bylaws or the Act, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Corporation shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with such default or failure.

29. **Waiver**. No Owner may exempt himself or itself from liability for his or its contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or Limited Areas or by abandonment of his or its Condominium Unit.

30. **Severability Clause**. The invalidity of any covenant, restriction, condition, limitation or other provisions of this Declaration or the Bylaws filed herewith shall not impair or affect in any manner the validity, enforceability or affect the remaining provisions of this Declaration or the attached Bylaws. In the event of any conflict between the terms of this Declaration and the terms of the attached Bylaws or Articles of Incorporation, the terms of this Declaration shall control.

31. **Enforcement**. The provisions of this Declaration, the Bylaws, the Articles of Incorporation or the Act may be enforced by the Corporation or by any aggrieved Owner through court proceedings for injunctive relief, for damages or for both.

32. **Pronouns**. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include the masculine, feminine and neuter genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

33. **Floor Plans**. The Plans setting forth the layout, location, identification numbers, and dimensions of the Condominium Units and the Property are incorporated into this Declaration by reference, and have been filed in the Office of the Recorder of Marion County, Indiana, in Horizontal Property Plan File, as Instrument No. 2005-0202699.

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

HEARTHVIEW ATHLETIC CLUB, LLC

By: _____

Printed Name: Brian K. Cranor

Title: Manager

"Declarant"

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Brian K. Cranor, as the Manager of Hearthview Athletic Club, LLC, an Indiana limited liability company, and who acknowledged the execution of the foregoing "Declaration of IAC Lofts" on behalf of said limited liability company.

Witness my hand and Notarial Seal this 21st day of November, 2005.

_____
Notary Public

Brooke Pileging
SEAL
Notary Public, State of Indiana
My Commission Expires Jan. 3, 2013

My Commission Expires: 01/03/2013

My County of Residence: Hamilton

This instrument prepared by Joseph M. Scimia, Attorney at Law, Baker & Daniels, Suite 600, 600 East 96th Street, Indianapolis, Indiana 46240.

EXHIBITS

Exhibit A - Legal Description of Real Estate

Exhibit B - Bylaws

Exhibit C - Percentage Interests

CONSENT OF MORTGAGEE

The undersigned, HomeFederal Bank, being the holder of an existing mortgage and other security on the Real Estate described in the above and foregoing Declaration hereby consents to the recording of the above and foregoing Declaration of IAC Lofts and the submission of the Real Estate described therein to the provisions of the Act as provided therein, and further agrees that its mortgage and other security with respect to the Real Estate shall be subordinate and subject to the provisions of the Act and the above and foregoing Declaration and Exhibits attached thereto and the documents incorporated therein; provided, however, except and to the extent that the mortgage and other security are subordinated by this Consent, such mortgage and other security shall remain in full force and effect.

EXECUTED this 21st day of November, 2005.

HOMEFEDERAL BANK

By: John F Schilling

Printed Name: JOHN F SCHILLING

Title: SVP

STATE OF INDIANA)
) SS:
COUNTY OF ~~MARION~~ Bartholomew)

Before me, a Notary Public in and for said County and State, personally appeared John F. Schilling, the Sr. Vice President of HomeFederal Bank, and who acknowledged the execution of the foregoing "Consent of Mortgagee" for and on behalf of said bank.

WITNESS my hand and Notarial Seal this 21st day of November, 2005.

Brenda K. Buchanan
Brenda K. Buchanan, Notary Public

BRENDA K. BUCHANAN, NOTARY PUBLIC
County Of Bartholomew, State of Indiana
My Commission Expires Feb. 19, 2008
(Printed Signature)

My Commission Expires: 2/19/08

My County of Residence: Bartholomew

12-9-05

12/2/05

Exhibit A

Legal Description

Parcel I:

Lot numbered One (1) and the North Half of Lot Numbered Two (2) in Square Twenty-six (26) of the Donation Lands in the City of Indianapolis, Marion County, Indiana. Said Parcel containing 19,849 ± square feet.

Parcel II:

Part of Lot numbered Twelve (12) in Square Twenty-six (26) of the Donation Lands in the City of Indianapolis, Marion County, Indiana, said portion of Lot numbered Twelve (12) being more particularly described as follows:

Beginning at a point in the North line of the said Lot, 124.40 feet North 89 degrees 57 minutes 51 seconds East of the Northwest corner thereof; thence parallel with the West line of the said lot, South 00 degrees 03 minutes 49 seconds West 40.20 feet; thence parallel with the North line of the said lot, South 89 degrees 57 minutes 51 seconds West 24.25 feet to a point 100.15 feet East of the West line of the said lot; thence parallel with the West line of the said lot, South 00 degrees 03 minutes 49 seconds West 27.62 feet to the South line of the said lot; said point being 100 15 feet East of the Southwest corner of the said lot; thence on the south line of the said lot, North 89 degrees 57 minutes 57 seconds East 93.92 feet (94.85 feet deed) to the Southeast corner thereof; thence on the East line of the said lot, North 00 degrees 05 minutes 51 seconds West 67.82 feet (67.50 feet deed) to the Northeast corner thereof; thence on the North line of the said lot, South 89 degrees 57 minutes 51 seconds West 69.48 feet (70.60 feet deed) to the point of beginning. Said Parcel containing 5,401 ± square feet.

Also, the East Half of a three-dimensional parcel in Pierson Street in Square 26 of the Donation Lands of the City of Indianapolis, Indiana, the West end of said parcel lying below an elevation of 755.7 feet (National Geodetic Vertical Datum of 1929) and above an elevation of 744.2 feet and sloping at a constant grade to the East end of said parcel where it lies below an elevation of 758.1 feet and above an elevation of 746.6 feet said parcel being 8.5 feet in width, the centerline of which is described as follows:

Commencing at the Southeast corner of Lot 10 in said Square 26; thence on an assumed bearing of North 00 degrees 05 minutes 52 seconds East along the East line of Lots 10 and 11 in Square 26 (being also the West right of way line of Pierson Street) a distance of 104.7 feet to the Point of Beginning; thence South 89 degrees 54 minutes 08 seconds East a distance of 30.00 feet to a point on the East right of way line of Pierson Street and the West line of Lot 2 in said Square 26, said point being the Point of Terminus heretofore vacated by proceedings pursuant to Declaratory Resolution No. 87-VAC-17 as set forth in a transcript recorded February 12, 1988 as Instrument #88-13510 in the Office of the Recorder of Marion County, Indiana.

BYLAWS

OF

IAC LOFTS

AND OF

IAC LOFTS OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

Page

ARTICLE I Identification and Applicability 1

Section 1.01. Identification and Adoption 1

Section 1.02 Name, Principal Office, and Resident Agent 1

Section 1.03. Individual Application 1

ARTICLE II Meetings of Corporation 1

Section 2.01. Purpose of Meetings 1

Section 2.02. Annual Meetings 1

Section 2.03. Special Meeting 1

Section 2.04. Notice and Place of Meetings 2

Section 2.05. Waiver of Notice 2

Section 2.06. Voting and Conduct of Meetings 2

Section 2.07. Action by Written Consent 4

Section 2.08. Action by Written Ballot 5

Section 2.09. Means of Communication 5

ARTICLE III Board of Directors 5

Section 3.01. Management 5

Section 3.02. Initial and Interim Boards of Directors 5

Section 3.03. Additional Qualifications 6

Section 3.04. Term of Office and Vacancy 6

Section 3.05. Removal of Directors 6

Section 3.06. Duties of the Board of Directors 7

Section 3.07. Powers of the Board of Directors 8

Section 3.08. Limitation on Board Action 9

Section 3.09. Compensation 9

Section 3.10. Meetings 9
Section 3.11. Waiver of Notice 9
Section 3.12 Quorum and Voting 9
Section 3.13. Means of Communication 9
Section 3.14. Action By Written Consent 10
Section 3.15. Bonds 10
Section 3.16. Interest of Directors in Contracts 10
ARTICLE IV Officers 10
Section 4.01. Officers of the Corporation 10
Section 4.02. Election of Officers 11
Section 4.03. The President 11
Section 4.04. The Vice President 11
Section 4.05. The Secretary 11
Section 4.06. The Treasurer 11
Section 4.07. Assistant Officers 11
ARTICLE V Assessments 12
Section 5.01. Annual Accounting 12
Section 5.02 Proposed Annual Budget 12
Section 5.03. Regular and Parking Assessments 12
Section 5.04. Special Assessments 14
Section 5.05. Failure of Owner to Pay Assessments 14
Section 5.06. Payment of Regular Assessments 15
Section 5.07. Maintenance and Repairs 16
ARTICLE VI Restrictions, Entry and Rules and Regulations 17
Section 6.01. Restrictions on Use 17
Section 6.02. Compliance with Covenants, Conditions and Restrictions 19
Section 6.03. Right of Entry 20

Section 6.04. Right of Board to Adopt Rules and Regulations 20

ARTICLE VII Amendment to Bylaws 20

Section 7.01. Amendment to Bylaws 20

ARTICLE VIII Mortgages 21

Section 8.01. Notice to Corporation 21

Section 8.02. Notice of Unpaid Assessments 21

ARTICLE IX Miscellaneous 21

Section 9.01. Fiscal Year 21

Section 9.02. Member Compensation 21

Section 9.03. Contracts, Checks, Notes, Etc. 21

Section 9.04. Financial Statement 22

Section 9.05. Severability Clause 22

BYLAWS
OF
IAC LOFTS
AND
IAC LOFTS OWNERS ASSOCIATION, INC.

ARTICLE I
Identification and Applicability

Section 1.01. Identification and Adoption. These Bylaws are adopted simultaneously with the execution of a certain Declaration of IAC Lofts (hereinafter sometimes referred to as "**IAC Lofts**") to which these Bylaws are attached and made a part thereof. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these Bylaws and reference is specifically made to Paragraph 1 of the Declaration containing definitions of terms. The provisions of these Bylaws shall apply to the Property and the administration and conduct of the affairs of the Corporation. These Bylaws shall also constitute the Bylaws of the Corporation.

Section 1.02. Name, Principal Office, and Resident Agent. The name of the Corporation is IAC Lofts Owners Association, Inc. (hereinafter referred to as the "**Corporation**"). The initial post office address of the principal office of the Corporation is 6930 Atrium Boardwalk South, Suite 100, Indianapolis, Indiana 46250; and the name of its initial Resident Agent in charge of such office is Brian K. Cranor. The location of the principal office of the Corporation or the designation of its Resident Agent, or both, may be changed at any time or from time to time when authorized by the Board of Directors.

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

ARTICLE II
Meetings of Corporation

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

Section 2.02. Annual Meetings. The annual meeting of the Members of the Corporation shall be held on the third (3rd) Tuesday of January in each calendar year. At the annual meeting, the Owners shall (subject to the provisions of Section 3.02 hereof) elect the Board of Directors of the Corporation in accordance with the provisions of these Bylaws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meeting. A special meeting of the Members of the Corporation may be called by resolution of the Board of Directors or upon a written petition of Owners who have not less than a majority of the Percentage Vote of all Co-owners (as defined

in the Declaration). The resolution or petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the resolution or petition.

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

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

Section 2.06. Voting and Conduct of Meetings.

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

(b) Multiple Owner. Where the Owner of a Condominium Unit constitutes or consists of more than one (1) person, or is a partnership or other entity, there shall be only one (1) voting representative entitled to all of the Percentage Vote allocable to that Condominium Unit. At the time of acquisition of title to a Condominium Unit by more than one (1) person or a partnership or other entity, those persons constituting such Owner or the partners in such partnership or board of directors or similar governing body charged with and responsible for the management and oversight of such entity shall file with the Secretary of the Corporation an irrevocable proxy appointing one (1) of such persons or partners as the voting representative for such Condominium Unit, which proxy shall remain in effect until all of such persons constituting such Owner or the partners in such partnership or board of directors or similar governing body charged with and responsible for the management and oversight of such entity designate another voting representative in writing, such appointed representative relinquishes such appointment in writing, becomes incompetent, or dies, such appointment is otherwise rescinded by order of a court of competent jurisdiction, or persons constituting such Owner no longer own such Condominium Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.06, which proxy shall not constitute a permanent

relinquishment of his right to act as voting representative for the Condominium Unit.

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

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

(e) Quorum. Except where otherwise expressly provided in the Declaration, these Bylaws, the Act or the Indiana Nonprofit Corporation Act of 1991, as amended (hereinafter referred to as the "**Statute**"), the Owners representing twenty-five percent (25%) of the Percentage Vote of all Co-owners shall constitute a quorum at all meetings. The term "25% of Owners" or "25% of the Percentage Vote," as used in these Bylaws, shall mean the Owners entitled to at least twenty-five percent (25%) of the Percentage Vote of all Co-owners in accordance with the applicable percentage set forth in the Declaration, as such may be amended from time to time.

(f) Conduct of Annual Meeting. The President of the Corporation shall act as the Chairman of all annual meetings of the Corporation if he is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

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

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

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

(iv) Election of Board of Directors. Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Corporation at least seven (7) days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall set forth the name of each person nominated to serve as a Director. Each Owner may cast the total number of votes to which such Owner is entitled (based upon the Owner's Percentage Interest) for as many nominees as are to be elected; however, such Owner shall not be entitled to cumulate his or its votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his or its ballot. The foregoing provisions are subject to the provisions of Sections 3.02 and 3.05 hereof.

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

(vi) Adjournment.

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

Section 2.07. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting of the Members if the action is approved by Members holding at least eighty percent (80%) of the Percentage Vote of all Co-owners of Residential Units entitled to be cast on the action and at least eighty percent (80%) of the Percentage Vote of all Co-owners of Commercial Units entitled to be cast on the action. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

(a) is signed by the Members representing at least eighty percent (80%) of the Percentage Vote of all Co-owners of Residential Units entitled to be cast on the action and at least eighty percent (80%) of the Percentage Vote of all Co-owners of Commercial Units entitled to be cast on the action; and

(b) is filed with the Corporation's minutes.

Requests for written consents must be delivered to all Members.

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

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

ARTICLE III
Board of Directors

Section 3.01. Management. The affairs of the Corporation and IAC Lofts Condominium shall be governed and managed by the Board of Directors (herein also collectively called "**Board**" or "**Directors**" and individually called "**Director**"). The Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he is, or is deemed to be, in accordance with the Declaration, an Owner, including a person appointed by Declarant as provided in Section 3.02 hereof.

Section 3.02. Initial and Interim Boards of Directors. The initial Board of Directors shall be Brian K. Cranor, James E. Thomas, Jr., and Christopher D. Reid (herein referred to as the "**Initial Board**"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of, these Bylaws or the Declaration or the Act or elsewhere: (i) the Initial Board shall hold office until the earlier of (A) December 31, 2008, (B) one hundred twenty (120) days after the date on which eighty-five percent (85%) of the Condominium Units have been conveyed by Declarant, or (C) the date Declarant files for record in the Office of the Recorder of Marion County, Indiana, an instrument waiving or releasing its right to appoint the Initial Board (such date when the Initial Board shall no longer hold office being herein referred to as the "**Applicable Date**"); and (ii) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever, prior to the Applicable Date determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Prior to the Applicable Date, the Initial Board shall appoint an interim Board of Directors (the "**Interim Board**") to serve from the Applicable Date until the new Directors are elected at the next annual meeting of the Corporation as provided for in Article II hereof. The Interim Board shall be responsible for appointing interim principal officers of the Corporation as provided for in Article IV hereof (the "**Interim Officers**"). The Interim Officers shall serve until the Interim Board is replaced at the next annual meeting of the Corporation to occur. In the event the Initial Board

fails to appoint an Interim Board on or prior to the Applicable Date, the Initial Board may do so after the Applicable Date upon its own initiative or the request of any Owner, and such appointment shall be valid and effective and shall be deemed to have been ratified and consented to by the Owners, notwithstanding its occurrence after the Applicable Date. Each Owner by acceptance of a deed to a Condominium Unit or by acquisition of any interest in a Condominium Unit, shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote and to vote as Declarant determines on all matters as to which Members are entitled to vote under the Declaration, these Bylaws, the Act, or otherwise. This appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one (1) person or is a partnership, corporation, trust or other legal entity, then one (1) of the persons constituting the Owner (or a partner, officer, or trustee of such Owner), shall be eligible to serve on the Board of Directors, except that no single Condominium Unit may be represented on the Board of Directors by more than one (1) person at a time.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02 hereof, Members of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided in Section 3.02 hereof. After the Applicable Date, the Owners of the Commercial Units shall elect one (1) Member of the Board of Directors (the "Commercial Member"), and the Owners of the Residential Units shall elect two (2) Members of the Board of Directors (the "Residential Members"). The Commercial Member shall be elected for a term of three (3) years. Each Residential Member shall be elected for a term of three (3) years, except that at the first election after the Applicable Date, one (1) of the Residential Members shall be elected for a term of three (3) years and one (1) of the Residential Members shall be elected for a term of two (2) years. There shall be separate nominations by the Owners of the Commercial Units and the Owners of the Residential Units, as the case may be, for the office of each Director to be elected by such Owners at the first meeting after the Applicable Date and at each annual meeting thereafter. Each Director elected shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of Section 3.02 hereof as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by the Owners of the Commercial Units if the vacancy was created by the resignation or removal of the Commercial Member or a vote of a majority of the remaining Residential Members if the vacancy was created by the resignation or removal of a Residential Member or by vote of the Owners if no such remaining Director(s) exist(s). If a Director is removed in accordance with Section 3.05 of this Article III, such vote is to occur at a special meeting of the Members of the Corporation to be called in accordance with the provisions of these Bylaws for the designated purpose of electing such person or persons to fill any vacancy and to serve until such time as the next annual meeting, wherein Directors are elected or re-elected, as the case may be. The Director so filling a vacancy shall serve until the next annual meeting of the Members of the Corporation and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy.

Section 3.05. Removal of Directors. Except for the removal of the Members of the Initial Board, the Commercial Member may be removed with or without cause by a vote of the majority of the Percentage Vote of all Owners of the Commercial Units and a Residential

Member or the Residential Members may be removed with or without cause by a vote of the majority of the Percentage Vote of all Owners of the Residential Units at a special meeting of the Owners duly called and constituted for such purpose. In such case, the successor(s) shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy.

Section 3.06. Duties of the Board of Directors. The Board of Directors shall provide for the administration of IAC Lofts Condominium, the maintenance, upkeep and replacement of the Common Areas (unless the same are otherwise the responsibility or duty of any Owner of a Condominium Unit), the establishment of a budget and the collection and disbursement of the Common Expenses. Subject to the terms and conditions of the Declaration, the Board may, on behalf of the Corporation, employ a professional management company) (herein called the "**Managing Agent**") for a term of one (1) year with either party having the right to terminate for cause upon ninety (90) days' notice, renewable by the parties for an additional term of one (1) year each, and upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include but shall not be limited to:

(a) protection and replacement of the Common Areas, unless the same are otherwise the responsibility or duty of an Owner,

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

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

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

(e) assessment and collection from each Owner of such Owner's share of the Common Expenses;

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

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

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

(i) The maintenance, repair, upkeep and replacement of the Common Areas (except as is otherwise the obligation of an Owner), including but not limited to the maintenance, repair, upkeep and replacement of the following (if located in the Common Areas): (A) street furniture; (B) signage; (C) walls, interior fences and gates; (D) flowers, plant material, grass and other landscaping; (E) irrigation system; and (F) lighting.

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

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

(a) to employ a Managing Agent to assist the Board of Directors in performing its duties, including keeping a record and minutes of all meetings; provided, however, except as otherwise provided in Paragraph 25 of the Declaration, that any management agreement shall be terminable by the Corporation for cause upon ninety (90) days' written notice and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

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

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

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

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

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

(g) to promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Property, including, without limitation, the Common Areas (in addition to those set forth in this Declaration) as the Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Board of Directors shall be promptly delivered or mailed to all Owners, and further provided that such rules

and regulations are not in conflict with any terms and provisions of the Declaration; and

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

Section 3.08. Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into service contracts shall be limited to contracts involving a total expenditure of less than Ten Thousand Dollars ($10,000.00) individually or Fifty Thousand Dollars ($50,000.00) in the aggregate in any twelve (12) consecutive calendar month period without the approval of a majority of the Percentage Vote present at a meeting at which a quorum is present.

Section 3.09. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Percentage Vote present at a meeting at which a quorum is present. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 3.10. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors.

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

Section 3.11. Waiver of Notice. Before any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving and receipt of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum and Voting. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board of Directors.

Section 3.13. Means of Communication. The Board of Directors, or a committee thereof, may (i) permit a director or a committee Member to participate in a meeting by or (ii) conduct a meeting through the use of any means of communication by which all directors or committee Members participating may simultaneously hear each other during the meeting. A Director or a committee Member participating in a meeting by such means shall be considered present in person at the meeting.

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

Section 3.15. Bonds. The Board of Directors shall require the Managing Agent, Treasurer, employees, officers and agents handling or responsible for funds of or administered on behalf of the Corporation to have surety bonds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication and other acts of fraud or dishonesty in a total amount not less than the estimated maximum amount of funds, including reserve funds, in the custody of the Corporation or the Managing Agent, as the case may be, at any given time, but in no event less than a sum equal to three (3) months' aggregate assessments on all Condominium Units, plus reserve funds. Such bonds shall also specifically include protection for any insurance proceeds received for any reason by the Board of Directors.

The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of employees or similar terms or expressions. The expense of any such bonds, except those maintained by the Managing Agent, shall be a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Corporation and to all Mortgagees.

Section 3.16. Interest of Directors in Contracts. Any contract or other transaction between the Corporation and one (1) or more of its directors, or between the Corporation and any firm of which one (1) or more of its directors are Members or employees, or in which they are interested, or between the Corporation and any corporation, partnership, or association of which one (1) or more of its directors are shareholders, Members, directors, officers or employees, or in which they are interested, or in which the Corporation is a Member, shareholder, or otherwise interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors of the Corporation which acts upon, or in reference to, such contract or transaction and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve or ratify such contract or transaction, by a vote of a majority of the disinterested directors present, notwithstanding the fact that such majority of the disinterested directors present may not constitute a quorum, a majority of the Board of Directors, or a majority of the directors present at the meeting at which the contract or transaction is considered. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

ARTICLE IV
Officers

Section 4.01. Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. At least one (1) of the officers shall be one of the

members of the Board of Directors appointed by the IAC. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the Board of Directors, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Owners as he may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board of Directors may from time to time prescribe.

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

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

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

Section 4.07. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to

assist shall delegate to them and such other powers and duties as these Bylaws or the Board of Directors may prescribe.

ARTICLE V
Assessments

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

Section 5.02. Proposed Annual Budget. Annually, on or before the end of each fiscal year, the Board of Directors shall adopt an annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year. Such budget may not increase by more than twenty percent (20%) of the previous annual budget without the approval of a majority of the Percentage Vote present at a meeting at which a quorum is present. A copy of such budget shall be furnished to each Owner at or prior to December 15th of each year. The annual budget as presented to the Owners at the annual meeting of the Corporation shall be the basis for the Regular Assessment, Residential Limited Areas Assessment and Commercial Limited Areas Assessment (as such terms are hereinafter defined) during such fiscal year. The annual budget, the Regular Assessment, Residential Limited Areas Assessment and Commercial Limited Areas Assessment and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget, Regular Assessment, Residential Limited Areas Assessment and Commercial Limited Areas Assessment shall, in addition, be established to include the establishment and maintenance of an adequate replacement reserve funds for capital expenditures and replacement and repair of the Common Areas, which replacement reserve funds shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas. Such replacement reserve funds for capital expenditures and replacement and repair of the Common Areas shall be maintained by the Corporation in separate interest-bearing accounts with one (1) or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, selected from time to time by the Board of Directors. The failure or delay of the Board of Directors to prepare an annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 5.03. Regular Residential Limited Areas and Commercial Limited Areas Assessments. The annual budget as adopted by the Board of Directors shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a regular assessment against each Condominium Unit and the Percentage Interest appurtenant thereto, a residential limited areas assessment against each applicable Residential Unit and the Percentage Interest appurtenant thereto and a commercial limited areas assessment against each applicable Commercial Unit and the Percentage Interest pertinent thereto. Immediately following the adoption of the annual budget, each Owner shall be given written notice of (a) the regular assessment against his respective Condominium Unit and the Percentage Interest appurtenant thereto (herein called the "**Regular Assessment**"), (b) the residential limited areas assessment, if applicable, against his respective Residential Unit and the Percentage Interest appurtenant thereto (herein called the "**Residential Limited Areas Assessment**"), and (c) the commercial limited areas assessment, if applicable, against his respective Commercial Unit and the Percentage Interest pertinent thereto (herein called the

"**Commercial Limited Areas Assessment**"). The aggregate amount of the Regular Assessments, Residential Limited Areas Assessments and Commercial limited Areas Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, against each Condominium Unit and the Percentage Interest appurtenant thereto shall be paid in advance in twelve (12) equal monthly installments, commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of each fiscal year. In the event that the Board of Directors has not adopted an annual budget and provided the Owners with notice of the current Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, prior to the first day of the first month of any fiscal year, then the current Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, shall be the amount of the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for the prior fiscal year until such time as the Board of Directors approves the annual budget for the current fiscal year and provides the Owners with notice of the current Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable. Payment of the monthly installments of the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments quarterly, semi-annually or annually, in advance. The Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for the current fiscal year of the Corporation shall become a lien on each separate Condominium Unit and the Percentage Interest appurtenant thereto as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, may not have been made by that date. The fact that an Owner has paid his Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for the current fiscal year in whole or in part based upon a previous budget and thereafter, before the annual budget and Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for the current fiscal year are finally determined and approved, sells, conveys or transfers his Condominium Unit and Percentage Interest appurtenant thereto or any interest therein, shall not relieve or release such Owner or his successor as owner of such Condominium Unit and the Percentage Interest appurtenant thereto from payment of the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for such Condominium Unit and the Percentage Interest appurtenant thereto as finally determined, and such Owner and his successor as owner of such Condominium Unit and Percentage Interest appurtenant thereto shall be jointly and severally liable for the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Section 8.02 hereof prior to the final determination and adoption of the annual budget and Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for the fiscal year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, for such fiscal year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Monthly installments of a Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, shall be due

automatically on their respective due dates without any notice from the Board of Directors or the Corporation, and neither the Board of Directors nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

Section 5.04. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated or budgeted for may arise. At such time and without the approval of the Owners, unless otherwise provided in these Bylaws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board of Directors, shall become a lien on each Condominium Unit and the Percentage Interest appurtenant thereto, prorated in accordance with the Percentage Interest of each Condominium Unit (herein called "**Special Assessment**"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures, or to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration.

Section 5.05. Failure of Owner to Pay Assessments.

(a) No Owner may exempt himself from paying Regular Assessments, Special Assessments and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Building, and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of all Regular Assessments, Special Assessments and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, which become due and payable during the period in which such Owner holds title to a Condominium Unit. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, when due, the lien for such Assessment on the Owner's Condominium Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as provided by law. Upon the failure of an Owner to make payments of any Regular Assessment, Special Assessment and/or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, within ten (10) days after any such Regular Assessment, Special Assessment (as applicable) or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, is due (with such due dates being set forth in accordance with Sections 5.03 and 5.04 herein and Section 13 of the Declaration), the Board of Directors, in its discretion, may (i) impose a late fee as provided in the Declaration; (ii) accelerate the entire balance of the budgeted and unpaid Regular Assessments, Special Assessments or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, and any and all fines, charges and late fees, applicable to the current full calendar year and all previous calendar years and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary; and (iii) eliminate such Owner's right to vote. In any action to foreclose the lien for any Assessments, the Owner and any

occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Corporation of reasonable rental for such Condominium Unit, and the Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments, Special Assessments or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable. The Board of Directors may, at its option, bring a suit to recover a money judgment for any unpaid Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, whether by foreclosure or otherwise, the Board of Directors, for and on behalf of the Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Condominium Unit.

(b) Notwithstanding anything contained in this Section or elsewhere in the Declaration and these Bylaws, the lien for any Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, shall be subordinate to the lien of any Mortgage if and to the extent the Mortgage was recorded prior to the due date of any Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, and any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure on its Mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Regular Assessment, Special Assessment or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, as to such installments which became due after the recordation of such Mortgage; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Condominium Unit, or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessments, Special Assessments or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments, Special Assessments or Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the subject Condominium Unit from which it arose), as provided in the Act.

Section 5.06. Payment of Regular Assessments. Payment of the Regular Assessments and Residential Limited Areas Assessment or Commercial Limited Areas Assessment, as applicable, with respect to each Condominium Unit and the Percentage Interest appurtenant thereto that has been subjected to the Declaration (excluding any unoccupied Condominium Unit(s) offered for the first time for sale and owned by Declarant) shall commence on the dates set forth in Paragraph 13 of the Declaration. In addition, at the initial closing of each Condominium Unit and the Percentage Interest appurtenant thereto, the purchaser or new

Owner is required to pay a sum equal to two (2) monthly installments of the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment applicable to such Condominium Unit and the Percentage Interest appurtenant thereto as his initial contribution to the working capital of the Corporation. Such amounts shall be used by the Corporation for Common Expenses. This amount is not an advance payment of Regular Assessments or Residential Limited Areas Assessment or Commercial Limited Areas Assessment and will not be held in any trust or reserve account. Additionally, at each closing, the purchaser of a Condominium Unit shall pay his *pro rata* share of the Regular Assessment due and Residential Limited Areas Assessment or Commercial Limited Areas Assessment in the month of closing. Thereafter, payment of the Regular Assessment and Residential Limited Areas Assessment or Commercial Limited Areas Assessment shall be made on the first day of each calendar month.

Section 5.07. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repair within his own Condominium Unit which, if neglected, would affect the value of the Property. In addition, each Owner shall furnish, and shall be responsible at his own expense for, the maintenance, repairs and replacements of his Condominium Unit and all equipment serving only his Condominium Unit, regardless of whether such equipment is part of the Condominium Unit or a Common Area. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to, water lines, gas lines, plumbing and electric lines which service the Owner's Condominium Unit only and are located within exterior walls of the Condominium Unit, including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Condominium Unit; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges, refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Condominium Unit); doors, screens and windows (including exterior and interior of all glass and screen surfaces); lamps; interior and exterior grouting and/or caulking; and all other improvements, amenities and accessories appurtenant to and/or located within the Condominium Unit or belonging to the Owner thereof.

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

To the extent that equipment, facilities and fixtures within any Condominium Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Condominium Units or any Common Areas, then the use thereof by the owner of such Condominium Unit shall be subject to the rules and regulations adopted from time to time by the Board of Directors. The authorized representatives of the Corporation or Board of Directors or the Managing Agent for the Corporation shall be entitled to reasonable access to any Condominium Unit as may be required in connection with maintenance, repairs or replacements

of or to the Common Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Condominium Units or any Common Areas.

ARTICLE VI
Restrictions, Entry and Rules and Regulations

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

(a) No Residential Unit may be used other than for a residential use, without the prior written consent of the Board

(b) No Residential Unit may be partitioned or subdivided without the prior written consent of the Board.

(c) No additional buildings shall be erected or located on the Real Estate other than the Building without the consent of the Board.

(d) No Owner shall permit anything to be done or kept in his or its Condominium Unit or in the Common Areas which will result in a cancellation of insurance on the Building or any part of the Common Areas or contents thereof, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(e) No nuisance shall be permitted and no waste shall be committed in any Condominium Unit or Common Areas. Notwithstanding anything contained in the Declaration or these Bylaws to the contrary, the Commercial Units may be used for restaurants or other commercial purposes which emit or produce noises, odors, traffic, lighting and other attributes customarily associated with such uses, and nothing contained in the Declaration or these Bylaws shall prohibit such uses or impose or create liability upon the Owners of the Commercial Units as a result of such uses or attributes.

(f) No Owner of a Residential Unit shall cause or permit anything to be hung or displayed on the outside of the windows or doors or placed on the outside walls of the Building; and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of the Building without the prior written consent of the Board or pursuant to leases entered into by the Corporation pursuant to Section 26 of the Declaration; provided, that the Owner of a Commercial Unit shall be permitted to affix to and maintain in the Commercial Unit and, with the consent of the Board, on the exterior of the Building, illuminated and non-illuminated signs, awnings and canopies (and necessary utility lines and conduits to power and service such signs, awnings and canopies) as may be permitted under laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Building.

(g) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Condominium Unit or in the Common Areas or on the Property, except that, to the extent permissible under applicable law, pet dogs, cats or customary domesticated household pets may be kept in any Residential Unit,

provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. An Owner shall be fully liable for any injury or damage to persons or property, including the Common Areas, caused by his pet. The Board may adopt such rules and regulations regarding pets as it may deem necessary from time to time including, but not limited to, a requirement that any Owner desiring to bring a pet on the Property shall deposit with the Board a security deposit in an amount to be determined by the Board to cover any damage that may be caused by such pet. Any such security deposit shall be returned to the Owner when the pet is permanently removed from the Property, except to the extent said deposit has been used to repair damage caused by such pet. Any requirement for the depositing of such a security deposit shall not be deemed to release or in any way limit an Owner's responsibility and liability for injury and damage caused by his pets. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property within ten (10) days after written notice from the Board to the respective Owner to do so.

(h) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of the Building or that would structurally change the Building or that would affect the exterior appearance of any Condominium Unit. No Condominium Unit shall be used in any unlawful manner or in any manner which might cause injury to the reputation of IAC Lofts.

(i) No Owner of a Residential Unit may hang anything inside or outside his window(s) which will show any color other than white or beige tones on the outside. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials.

(j) Without the prior written consent of the Board, no industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on or in any Residential Unit.

(k) No "for sale," "for rent," or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on or in any Condominium Unit, without the prior written consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the Property in connection with any unsold or unoccupied Condominium Units.

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

(m) A Condominium Unit may not be occupied or used primarily for purposes of allowing the Owner and members of its family, guests or invitees to use the Common Areas or any part thereof.

(n) Common Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board.

(o) No Owner may rent or lease his Condominium Unit for transient or hotel purposes.

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

Section 6.02. Compliance with Covenants, Conditions and Restrictions. Every Owner, mortgagee, lessee or other occupant of a Condominium Unit shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration, with the Bylaws and with the rules and regulations in relation to the use and operation of the Property. A violation committed by any persons residing in, occupying or visiting a Condominium Unit at the invitation or with the implied or express permission of the Owner or any other occupant of the Condominium Unit, or committed by any agent, employee, business invitee, or contractor of the Owner or of any person occupying a Condominium Unit, shall be attributed to that Condominium Unit and the Owner thereof. Failure to comply with any of said covenants, conditions and/or restrictions shall be grounds for withdrawal by the Board of Directors of privileges with respect to the use of any of the Common Areas by any defaulting Owner and by his tenants, invitees, guests and all Members of his family and/or his tenant's family. An action seeking a declaratory judgment, the recovery of sums due for damages, or injunctive relief, or any or all of them may be maintained by the Board of Directors or by an interested party who has obtained the prior written consent of the Board of Directors against any Owner or other person entitled to occupy a Condominium Unit who refuses to comply or threatens to refuse to comply with any provisions of this Declaration, the Bylaws, the rules and regulations, or any other document establishing ownership or control over any part of the Tract. One (1) or more Owners may bring a class action on behalf of all Owners.

After giving not less than ten (10) days' prior written notice to an Owner who has not complied, and after giving such party the opportunity to be heard by the Board of Directors, the Board of Directors shall have the right to impose a fine of not more than Two Hundred Dollars ($200) for the second violation of any of the condominium documents referred to in this Section 6.02 attributable to a particular Owner in a calendar year (whether or not this second violation involves the same term or provision of the above-described condominium documents as the first violation) against that Owner and the Condominium Unit and the Percentage Interest appurtenant thereto in which such Owner holds an ownership interest. For a third violation of any of the condominium documents referred to in this Section 6.02 attributable to the same Owner in the same calendar year (whether or not this third violation involves the same term or provision of the above-described condominium documents as the first or second violations), the Board of Directors, after giving the above-described notice and opportunity to be heard, may levy a fine against that Owner and the Condominium Unit and the Percentage Interest

appurtenant thereto in which such Owner holds an ownership interest in an amount not in excess of Five Hundred Dollars ($500). For the fourth and every subsequent such violation of any of the condominium documents referred to in this Section 6.02 by the same Owner in the same calendar year (whether these violations involve the same term or provision as the previous violations), the Board of Directors, after giving the above-described notice and opportunity to be heard, may levy a fine against that Owner and the Condominium Unit and the Percentage Interest appurtenant thereto in which such Owner holds an ownership interest in double the amount of the fine for the immediately preceding violation in that calendar year.

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

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

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

Section 6.04. Right of Board to Adopt Rules and Regulations. The Board of Directors may promulgate and adopt such additional rules and regulations regarding the operating of the Property, including but not limited to the use of the Common Areas, as it may deem necessary from time to time, and such rules as are adopted may be amended by a vote of a majority of the Board of Directors. The Board of Directors shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners. Such rules may further restrict the provisions contained in these Bylaws.

ARTICLE VII
Amendment to Bylaws

Section 7.01. Amendment to Bylaws. Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, these Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration, as set forth in paragraph 18 of the Declaration. Amendments to these Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration or these Bylaws prior to the Applicable Date without the consent and approval of Declarant.

ARTICLE VIII
Mortgages

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

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

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

Section 8.02. Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a prospective purchaser who has a contractual right to purchase a Condominium Unit, furnish to such Mortgagee or prospective purchaser a statement setting forth the amount of the unpaid Regular Assessments, Special Assessments or Parking Assessments, if applicable, against the Condominium Unit, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.03 hereof.

ARTICLE IX
Miscellaneous

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

Section 9.02. Member Compensation. No Member of the Corporation shall have or receive any earnings from the Corporation as a result of being an officer or director of the Corporation, except a Member may receive principal and interest on monies loaned or advanced to the Corporation as provided in the Statute

Section 9.03. Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the ordinary course of business of the Corporation,

unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by the President or, in his absence, the Treasurer. Any one of the documents heretofore mentioned in this section for use outside the ordinary course of business of the Corporation, or any notes or bonds of the Corporation, shall be executed by and require the signature of the President and Secretary.

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

Section 9.05. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provisions of these Bylaws shall not impair or affect in any manner the validity, enforceability or affect the rest of these Bylaws. In the event of any conflict between the terms of these Bylaws and the terms of the Declaration or Articles of Incorporation, the terms of the Declaration shall control.

Exhibit C
Percentage Interests

Unit Number	Square Footage	Percentage Interest
A101	1474	1.2306%
A102	1983	1.6555%
A103	1175	0.9810%
A301	1585	1.3233%
A302	989	0.8257%
A303	1133	0.9459%
A304	1335	1.1145%
A401	1316	1.0987%
A402	992	0.8282%
A403	1149	0.9593%
100	10036	8.3787%
104	1037	0.8658%
105	226	0.1887%
106	181	0.1511%
107	437	0.3648%
204	1393	1.1630%
205	1318	1.1004%
206	1051	0.8774%
207	788	0.6579%
208	869	0.7255%
301	1414	1.1805%
302	2322	1.9386%
303	1574	1.3141%
304	1309	1.0928%
305	1305	1.0895%
306	1077	0.8991%
307	793	0.6620%
308	850	0.7096%
401	1616	1.3491%
402	1492	1.2456%
403	1550	1.2940%
404	2384	1.9903%
405	1523	1.2715%
406	1280	1.0686%
407	752	0.6278%
408	752	0.6278%
409	816	0.6812%
410	1116	0.9317%
411	1056	0.8816%
412	1042	0.8699%
413	1731	1.4451%

Unit Number	Square Footage	Percentage Interest
501	1537	1.2832%
502	1528	1.2757%
504	873	0.7288%
505	801	0.6687%
506	803	0.6704%
507	961	0.8023%
508	1486	1.2406%
601	1016	0.8482%
602	1414	1.1805%
603	1010	0.8432%
604	1499	1.2515%
605	1702	1.4209%
606	1354	1.1304%
607	2017	1.6839%
608	918	0.7664%
609	916	0.7647%
610	1535	1.2815%
701	1016	0.8482%
702	1414	1.1805%
703	1010	0.8432%
704	1499	1.2515%
705	1702	1.4209%
706	1354	1.1304%
707	2017	1.6839%
708	918	0.7664%
709	916	0.7647%
710	1535	1.2815%
801	1928	1.6096%
802	1154	0.9634%
803	2003	1.6722%
804	1499	1.2515%
805	1702	1.4209%
806	1354	1.1304%
807	2017	1.6839%
808	918	0.7664%
809	916	0.7647%
901	3000	2.5046%
903	1986	1.6580%
904	1499	1.2515%
905	1663	1.3884%
906	1339	1.1179%
907	1996	1.6664%
908	918	0.7664%
909	916	0.7647%

(7)

ARTICLES OF INCORPORATION

OF

IAC LOFTS OWNERS ASSOCIATION, INC.

The undersigned Incorporator, desiring to form a corporation (hereinafter referred to as the "**Corporation**"), pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended (hereinafter referred to as the "**Act**"), hereby executes the following Articles of Incorporation:

ARTICLE I

Name

Section 1.1. The name of the Corporation is IAC Lofts Owners Association, Inc. (hereinafter referred to as the "**Corporation**").

ARTICLE II

Adoption, Purposes, Powers, and Definitions

Section 2.1. Adoption. These Articles of Incorporation creating IAC Lofts Owners Association, Inc. are adopted as contemplated by, and in accordance with, the Declaration of the IAC Lofts (the "**Declaration**"). The Declaration was recorded in the Office of the Recorder of Marion County, Indiana as Instrument No. 2005-0202700 on DECEMBER 9, 2005. The Declaration is incorporated herein by reference, and all of the standards, rights, liabilities, covenants and restrictions and other terms and provisions contained in such Declaration and any amendments and supplements thereto shall apply to and govern the interpretation of these Articles and the Bylaws of the Corporation. In the event of any conflict between the terms of these Articles of Incorporation and the terms of the Declaration or the Bylaws of the Corporation, the terms of the Declaration shall control.

Section 2.2. Purposes. The Corporation is a mutual benefit corporation. The purposes of the Corporation shall be to provide, as a "homeowners association" and "condominium management association" described in Section 528 of the Internal Revenue Code of 1986, as amended (the "**Code**"), for the administration and enforcement of the standards, covenants and restrictions contained in the Declaration, to provide for the maintenance, repair, upkeep, replacement, administration, management and operation of the Property, to promote the health, safety, common good, and social welfare of the Owners and residents of the Property, and to perform such other functions relating to the operation and maintenance of the IAC Lofts as determined by its Board of Directors to be advisable or appropriate.

Section 2.3. Powers. Subject to and in furtherance of the purposes for which it is organized, the Corporation shall have, in addition to the general rights, privileges and powers conferred by law, the following rights, privileges and powers:

(a) To have and exercise all of the power, rights and privileges and perform all of the duties and obligations of the Corporation as set forth herein and in the Declaration and the Bylaws of the Corporation, as the same may be amended from time to time;

12/09/05 02:03PM WANDA MARTIN MARION CTY RECORDER JRC 21.00 PAGES: 7

Inst # 2005-0202701

(b) To establish, levy, collect and enforce, by any lawful means, charges, dues or assessments against any Owner of any Condominium Unit and the Percentage Interest appurtenant thereto pursuant to the terms of the Declaration;

(c) To pay all expenses in connection with the Corporation's performance of its duties and obligations pursuant to the Declaration, including, but not limited to, any fees, taxes or other governmental charges levied or imposed against the property of the Corporation;

(d) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in conducting the affairs of the Corporation;

(e) To merge and consolidate with other nonprofit corporations organized for the same or similar purposes;

(f) To indemnify any person against liability and expenses, and to advance the expenses incurred by such person, in connection with the defense of any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise, and whether formal or informal, to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, unless otherwise provided in the Declaration;

(g) To have and exercise any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise;

(h) To do all things necessary or convenient, not inconsistent with applicable law, to further the activities and affairs of the Corporation; and

(i) To cease its activities and to dissolve and surrender its corporate franchise

Section 2.4. Definitions. Capitalized terms used but not defined herein shall have the meanings attributed to such terms in the Declaration.

ARTICLE III

Period of Existence

Section 3.1. Period of Existence. The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Initial Registered Agent and Initial Registered Office

Section 4.1. Initial Registered Agent and Initial Registered Office. The name of the initial Registered Agent is Brian K. Cranor, and the street address of the initial Registered Office is 6930 Atrium Boardwalk South, Suite 100, Indianapolis, Indiana, 46250.

ARTICLE V

Membership

Section 5.1. Members. The Corporation shall have members. Every person or entity who owns one or more Condominium Units, including but not limited to Owners and Declarant, shall automatically upon becoming an owner of a Condominium Unit be and become a Member of the Corporation. In addition, any original Member or any replacement Member of the Initial Board of Directors or Interim Board of Directors (as defined in the Bylaws) shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a Member of the Board of Directors, but shall not be deemed an Owner or Member of the Corporation for any other purpose.

Section 5.2. Rights, Preferences, Limitations, and Restrictions of Classes. Except as otherwise expressly set forth in the Bylaws, all Members of the Corporation shall have the same rights, privileges, duties, liabilities, limitations and restrictions as the other Members. All Members shall abide by the Articles of Incorporation, the Bylaws, the rules and regulations adopted by the Board of Directors, and all covenants, restrictions and other provisions contained in the Declaration.

Section 5.3. Voting Rights. At the time of acquisition of title to a Condominium Unit by more than one person or a partnership, those persons constituting such Owner or the partners in such partnership shall file with the Secretary of the Corporation an irrevocable proxy appointing one (1) of such persons or partners as the voting representative for such Condominium Unit, which proxy shall remain in effect until all of such persons constituting such Owner or the partners in such partnership designate another voting representative in writing, such appointed representative relinquishes such appointment in writing, becomes incompetent, or dies, such appointment is otherwise rescinded by order of a court of competent jurisdiction, or persons constituting such Owner no longer own such Condominium Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to this section, which proxy shall not constitute a permanent relinquishment of his right to act as voting representative for the Condominium Unit. Where a trust, corporation, limited liability company or other entity is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of such corporation, limited liability company, or other entity duly empowered by such entity may cast the vote to which such entity is entitled. The trustee of the trust or the agent or representative of such corporation, limited liability company, or other entity so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary or other officer of the Corporation stating who is authorized to vote on behalf of said trust or entity. In the event that the Secretary of the Corporation receives conflicting certificates, neither certificate shall be effective or binding upon the Corporation

ARTICLE VI

Directors

Section 6.1. Number of Directors. The Board of Directors shall be composed of three (3) members.

Section 6.2. Election of Directors. All Directors, other than the Initial Board and the Interim Board, shall be elected by the Members.

Section 6.3. Names and Post Office Addresses of the Directors. The names and post office addresses of the members of the Initial Board are:

Name	Number and Street or Building	City and State	Zip Code
Brian K. Cranor	6930 Atrium Boardwalk South, Suite 100	Indianapolis, Indiana	46250
James E. Thomas, Jr.	6930 Atrium Boardwalk South, Suite 100	Indianapolis, Indiana	46250
Christopher D. Reid	6930 Atrium Boardwalk South, Suite 100	Indianapolis, Indiana	46250

ARTICLE VII

Incorporator

Section 7.1. Name and Post Office Address. The name and post office address of the Incorporator of the Corporation are Brian K. Cranor, 6930 Atrium Boardwalk South, Suite 100, Indianapolis, Indiana 46250.

ARTICLE VIII

No Private Inurement

Section 8.1. No Private Inurement. None of the Corporation's net earnings shall inure to the benefit of any private individual, other than as a direct and incidental result of the Corporation engaging in one or more of its exempt functions.

ARTICLE IX

Provisions for the Regulation and Conduct of the Affairs of the Corporation

Section 9.1. Contributions and Liabilities of Members. No Member of the Corporation nor any property of a Member shall be subject to any liability for any debts of the Corporation, with the sole exception of the Member's Regular Assessments, Special Assessments and costs, fees and expenses incurred in connection with collecting such assessments as provided in the Declaration and Bylaws of the Corporation.

Section 9.2. Bylaws. The power to make, alter, amend or repeal the rules and regulations for the conduct of the affairs of the Corporation shall be vested in the Board of

Directors; provided, however, any acts of the Board of Directors that would change any provision of the Bylaws must be approved in accordance with the amendment provisions or requirements of the Declaration; provided, however, that no amendment to the Bylaws or acts of the Board of Directors shall be inconsistent with or contradictory to these Articles of Incorporation or any applicable law.

Section 9.3. Amendment of Articles of Incorporation. These Articles of Incorporation may be amended with the consent of a majority of the aggregate of the Percentage Vote of the Members, but no amendment may modify or change any provision of the Declaration, unless such change is approved in accordance with the provisions of the Declaration for amendment to the Declaration.

Section 9.4. Non-Liability of Directors. The Directors shall not be liable for any debts of the Corporation or to the Members of the Corporation for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board of Directors on behalf of the Corporation, unless any such contract shall have been made in bad faith or contrary to the provisions of the Articles of Incorporation or Bylaws. The Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation, and in all matters the Board of Directors shall act for and on behalf of the Corporation and as its agent.

Section 9.5. Reliance by Directors on Books of Account, etc. Each Director of the Corporation shall be fully protected in relying in good faith upon (i) the books of account of the Corporation, (ii) statements prepared by any of its officers and employees as to the value and amount of the assets, liabilities and net profits of the Corporation, or any of such items, or (iii) statements or advice made by or prepared by any officer or employee of the Corporation or any accountant, attorney, other person or firm employed by the Corporation to render advice or service.

Section 9.6. Committees. The Board of Directors may, from time to time, in the Bylaws of the Corporation or by resolution, designate such committees as the Board of Directors may deem desirable for the furtherance of the purposes of the Corporation.

ARTICLE X

Indemnification

Section 10.1. Indemnification by the Corporation. To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a Director, officer, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, action, suit, or proceeding (i) if such person is wholly successful with respect thereof, or (ii) if not wholly successful, then if such person is determined as provided in Section 10.3 of this Article X to have acted in good faith, in what he reasonably believed to be the best interests of the Corporation (or, in any case not involving the person's official capacity with the Corporation, in what he reasonably believed to be not opposed to the best interests of the Corporation) and, in addition, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that the conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The

termination of any claim, action, suit, or proceeding, by judgment, settlement (whether with or without court approval), conviction, or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article X.

Section 10.2. Definitions.

(a) As used in this Article X, the phrase "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim, action, suit, or proceeding and all appeals thereof (whether brought by or in the right of this Corporation, any other corporation or otherwise), civil, criminal, administrative, or investigative, whether formal or informal, in which a person (or his heirs or personal representatives) may become involved, as a party or otherwise:

(i) By reason of his being or having been a Director, officer, employee, or agent of the Corporation, or of any corporation where he served as such at the request of the Corporation, or

(ii) By reason of his acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he served as such at the request of the Corporation, or

(iii) By reason of any action taken or not taken by him in any such capacity, whether or not he continues in such capacity at the time such liability or expense shall have been incurred.

(b) As used in this Article X, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements, and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.

(c) As used in this Article X, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him, (ii) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 10.3. Entitlement to Indemnification. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification (i) if special independent legal counsel, which may be regular counsel of the Corporation or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "**referee**"), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in the preceding Section 10.1 of this Article X and (ii) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if

requested, appear before the referee and answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions or other evidence in any way relevant to the referee's findings that is within the possession or control of the Corporation.

Section 10.4. Relationship to Other Rights. The right of indemnification provided in this Article X shall be in addition to any rights to which any person may otherwise be entitled.

Section 10.5. Extent of Indemnification. Irrespective of the provisions of this Article X, the Board of Directors may, at any time and from time to time, approve indemnification of directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 10.6. Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he is entitled to indemnification.

Section 10.7. Purchase of Insurance. The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article X and insurance protecting the Corporation's Directors, officers, employees, agents, or other persons.

ARTICLE XI

Dissolution

Section 11.1. Dissolution. The Corporation may be dissolved only with the written consent of a majority of the aggregate of the Percentage Vote of the Members. Upon dissolution of the Corporation, any assets remaining after payment of any known debts and obligations shall be transferred or distributed ratably to the Members consistent with the provisions of applicable law.

The undersigned Incorporator hereby adopts these Articles of Incorporation and presents them to the Secretary of State of the State of Indiana for filing.

IN WITNESS WHEREOF, the undersigned Incorporator hereby verifies and affirms, subject to the penalties of perjury, that the representations contained herein are true, this 9th day of December, 2005.

Brian K. Cranor

This instrument was prepared by Wataru Matsuyasu, Attorney-at-Law, Baker & Daniels, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

(4) am

FIRST AMENDMENT TO DECLARATION OF IAC LOFTS

This First Amendment to Declaration of IAC of Lofts (the "First Amendment"), made and entered into as of the 3rd day of January, 2006, by Hearthview Athletic Club, LLC, an Indiana limited liability company (the "Declarant") for itself, and on behalf of its successors, grantees, and assigns, WITNESSETH THAT:

WHEREAS, Declarant executed that certain Declaration of IAC Lofts dated November 21, 2005, and recorded on December 9, 2005, as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana (the "Declaration");

WHEREAS, Declarant has erred in calculating the Unit Square Footage of Condominium Unit Number 507 as set forth on Exhibit C of the Declaration;

WHEREAS, Declarant is hereby correcting a clerical error in the calculation of Unit Square Footage of Condominium Unit Number 507 which correction results in the need to adjust the calculation of Percentage Interest as set forth on Exhibit C of the Declaration; and

WHEREAS, Subparagraph 18(g) of the Declaration provides that Declarant shall have the right, acting alone and without the consent or approval of the Co-owners, the Corporation, the Board of Directors, any Mortgagees or any other person at any time prior to the Applicable Date, to amend or supplement the Declaration from time to time if such amendment is necessary to correct clerical or typographical errors or to clarify Declarant's original intent.

NOW, THEREFORE, Declarant, in accordance with the provisions of the Declaration, makes this First Amendment and hereby amends and supplements the Declaration in the manner hereinafter provided:

1. Definitions. All terms used in this First Amendment with initial capital letters (and not otherwise defined in this First Amendment) shall have the meanings herein as in the Declaration.

2. Exhibit C. Exhibit C to the Declaration is amended and restated in its entirety and replaced with Exhibit C to this First Amendment.

3. Effect of Amendment. The provisions of this First Amendment shall be covenants running with the land and shall be binding upon all persons and entities from time to time having a right, title and interest in the Property or any part thereof and all persons claiming under them, as more particularly provided in the Declaration.

4. Declaration Continuous. Except as expressly amended by this First Amendment, the terms and provisions of the Declaration shall remain in full force and effect. All Exhibits to this First Amendment are incorporated herein by this reference.

5. Cross-Reference. This First Amendment shall be cross-referenced to the Declaration, which was recorded as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana.

[The remainder of this page is intentionally left blank.]

01/05/06 02:13PM MANDA MARTIN MARION CTY RECORDER AAM 17.00 PAGES: 4

Inst # 2006-0000838

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to be executed as of the day and year first above written.

HEARTHVIEW ATHLETIC CLUB, LLC, an Indiana limited liability company

By: _____
Printed: Brian K. Cranor
Title: Manager

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cranor, the Manager of Hearthview Athletic Club, LLC, an Indiana limited liability company, who acknowledged the execution of the foregoing instrument on behalf of said limited liability company, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 3rd day of January, 2006.

Brooke Pfleging
SEAL
Notary Public, State of Indiana
My Commission Expires Jan. 3, 2013

_____
Notary Public

Brooke Pfleging
Printed Name Notary Public

I am a resident of Hamilton County, Indiana.
My commission expires: 01/03/2013

This instrument was prepared by Wataru Matsuyasu, Attorney at Law, Baker & Daniels, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

Exhibit C
Percentage Interests

Unit Number	Square Footage	Percentage Interest
A101	1474	1.2220%
A102	1983	1.6440%
A103	1175	0.9741%
A301	1585	1.3140%
A302	989	0.8199%
A303	1133	0.9393%
A304	1335	1.1068%
A401	1316	1.0910%
A402	992	0.8224%
A403	1149	0.9526%
100	10036	8.3201%
104	1037	0.8597%
105	226	0.1874%
106	181	0.1501%
107	437	0.3623%
204	1393	1.1548%
205	1318	1.0927%
206	1051	0.8713%
207	788	0.6533%
208	869	0.7204%
301	1414	1.1722%
302	2322	1.9250%
303	1574	1.3049%
304	1309	1.0852%
305	1305	1.0819%
306	1077	0.8929%
307	793	0.6574%
308	850	0.7047%
401	1616	1.3397%
402	1492	1.2369%
403	1550	1.2850%
404	2384	1.9764%
405	1523	1.2626%
406	1280	1.0612%
407	752	0.6234%
408	752	0.6234%
409	816	0.6765%
410	1116	0.9252%
411	1056	0.8755%
412	1042	0.8638%
413	1731	1.4350%

Unit Number	Square Footage	Percentage Interest
501	1537	1.2742%
502	1528	1.2668%
504	873	0.7237%
505	801	0.6641%
506	803	0.6657%
507	1804	1.4956%
508	1486	1.2319%
601	1016	0.8423%
602	1414	1.1722%
603	1010	0.8373%
604	1499	1.2427%
605	1702	1.4110%
606	1354	1.1225%
607	2017	1.6722%
608	918	0.7610%
609	916	0.7594%
610	1535	1.2726%
701	1016	0.8423%
702	1414	1.1722%
703	1010	0.8373%
704	1499	1.2427%
705	1702	1.4110%
706	1354	1.1225%
707	2017	1.6722%
708	918	0.7610%
709	916	0.7594%
710	1535	1.2726%
801	1928	1.5984%
802	1154	0.9567%
803	2003	1.6605%
804	1499	1.2427%
805	1702	1.4110%
806	1354	1.1225%
807	2017	1.6722%
808	918	0.7610%
809	916	0.7594%
901	3000	2.4871%
903	1986	1.6465%
904	1499	1.2427%
905	1663	1.3787%
906	1339	1.1101%
907	1996	1.6547%
908	918	0.7610%
909	916	0.7594%

Prescribed by the
State Board of Accounts
(2005)

County Form 170

Declaration

This form is to be signed by the preparer of a document and recorded with each document in accordance with IC 36-2-7.5-5(a).

I, the undersigned preparer of the attached document, in accordance with IC 36-2-7.5, do hereby affirm under the penalties of perjury:

1. I have reviewed the attached document for the purpose of identifying and, to the extent permitted by law, redacting all Social Security numbers;

2. I have redacted, to the extent permitted by law, each Social Security number in the attached document.

I, the undersigned, affirm under the penalties of perjury, that the foregoing declarations are true.

Signature of Declarant

Printed Name of Declarant

BDDB01 4266040v1

(7)

SECOND AMENDMENT TO DECLARATION OF IAC LOFTS

This Second Amendment to Declaration of IAC Lofts (this "Second Amendment"), made and entered into as of the 1st day of November, 2006, by Hearthview Athletic Club, LLC, an Indiana limited liability company (the "Declarant") for itself, and on behalf of its successors, grantees, and assigns, and IAC Lofts Owners Association, Inc., WITNESSETH THAT:

WHEREAS, Declarant executed that certain Declaration of IAC Lofts dated November 21, 2005, and recorded on December 9, 2005, as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana, as amended by that certain First Amendment to Declaration of IAC Lofts dated January 3, 2006, and recorded on January 5, 2006, as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana (collectively, the "Declaration");

WHEREAS, Declarant caused those certain plans for IAC Lofts to be recorded on December 9, 2005, as Instrument No. 2005-0202699 in the Office of the Recorder of Marion County, Indiana (the "Initial Plans");

WHEREAS, Paragraph 14 of the Declaration provides that Declarant shall have the right to change the interior design and arrangement of Condominium Units and alter the boundaries between Condominium Units so long as Declarant owns the Condominium Units so changed or altered;

WHEREAS, Subparagraph 18(g) of the Declaration provides that Declarant shall have the right, acting alone and without the consent or approval of the Co-owners, the Corporation, the Board of Directors, any Mortgagees or any other person at any time prior to the Applicable Date, to amend or supplement the Declaration from time to time if such amendment or supplement is made or in connection with the subdivision or combining of Condominium Units owned by Declarant as set forth in Paragraph 14 of the Declaration;

WHEREAS, Declarant is the Owner of Condominium Unit Nos. A101, 100 and 104 on the first floor of the Building and desires to change the interior design and arrangement of such Condominium Units and/or alter the boundaries of such Condominium Units;

WHEREAS, Declarant has caused, or will cause, the Initial Plans to be amended and supplemented by the recordation of supplemental plans (the "Supplemental Plans") to reflect the change in the interior design and arrangement of Condominium Unit Nos. A101, 100 and 104 and Common Areas on the first floor of the Building, and the alteration of the boundaries of the affected Condominium Units and Common Areas;

WHEREAS, Declarant desires to convert Condominium Unit Nos. A101, 100 and 104 from Commercial Units to Residential Units;

WHEREAS, Subparagraph 18(d) of the Declaration provides that any proposed amendment to the Declaration must be approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Residential Units and sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of the Commercial Units;

11/27/06 03:02PM WANDA MARTIN MARION CTY RECORDER JMV 26.00 PAGES: 7
Inst # 2006-0178718

WHEREAS, the Board of Directors adopted a resolution to amend the Declaration and Initial Plans (the "Proposed Amendment") to, among other things, convert Condominium Unit Nos. A101, 100 and 104 from Commercial Units to Residential Units; and

WHEREAS, the Proposed Amendment was submitted for a vote to the Owners and approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Residential Units and sixty-seven percent (67%) in the aggregate of the Owners of the Commercial Units in accordance with the requirements of Paragraph 18 of the Declaration.

NOW, THEREFORE, Declarant and the Association, in accordance with the provisions of the Declaration, make this Second Amendment and hereby amend and supplement the Declaration in the manner hereinafter provided:

1. Recitals. The foregoing recitals are true and correct and incorporated as if fully set forth herein. All terms used in this Second Amendment with initial capital letters (and not otherwise defined in this Second Amendment) shall have the meanings herein as in the Declaration.

2. Designation and Use. Paragraph 5(a) is hereby deleted in its entirety and replaced with the following:

> "IAC Lofts shall include two (2) types of Condominium Units: (i) not more than eighty-five (85) Condominium Units located in and on the subbasement, basement, and floors 1 through 9 of the Building, as more particularly depicted and/or described on the Plans, which Condominium Units shall be used solely as residential units for residential purposes, unless otherwise consented to by the Board (each a "**Residential Unit**"; collectively, the "**Residential Units**"); and (ii) Units 105, 106 and 107, as more particularly depicted and described on the Plans, which Condominium Units shall be used solely for commercial purposes, unless otherwise consented to by the Board (each a **"Commercial Unit"; and collectively, the "Commercial Units"**)."

3. Ownership of Common Areas and Percentage Interest. The final sentence of Paragraph 8 is hereby deleted in its entirety and replaced with the following:

> "The aggregate square footage of the Commercial Units shall not exceed One Thousand Five Hundred (1,500) square feet."

4. Adoption. The first sentence of Paragraph 18(d) is hereby deleted in its entirety and replaced with the following:

> "Any proposed amendment to the Declaration must be approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Condominium Units."

5. Recording. Paragraph 18(f) is hereby deleted in its entirety and replaced with the following:

"Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall include an affidavit stating that Owners representing at lease sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners of Condominium Units, or such other amount as required by the Declaration, have approved the amendment and shall be recorded in the Office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded."

6. Percentage Interests. The Condominium Units and Common Areas of the first floor of the Building have been or shall be reconfigured as shown on the Supplemental Plans. Exhibit C to the Declaration is amended and restated in its entirety and replaced with Exhibit C to this Second Amendment.

7. Effect of Amendment. The provisions of this Second Amendment shall be covenants running with the land and shall be binding upon all persons and entities from time to time having a right, title and interest in the Property or any part thereof and all persons claiming under them, as more particularly provided in the Declaration.

8. Declaration Continuous. Except as expressly amended by this Second Amendment, the terms and provisions of the Declaration shall remain in full force and effect. All Exhibits to this Second Amendment are incorporated herein by this reference.

9. Floor Plans. The Initial Plans as amended and supplemented by the Supplemental Plans (setting forth the layout, location, identification numbers, and dimensions of the Condominium Units and the Property) are approved and incorporated into the Declaration, as amended, by reference (as amended and supplemented, the "Plans").

10. Cross-Reference. This Second Amendment shall be cross-referenced to the Declaration, which was recorded as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana, and the First Amendment which was recorded as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana; and the Initial Plans recorded on December 9, 2005, as Instrument No. 2005-0202699 in the Office of the Recorder of Marion County, Indiana.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this Second Amendment to be executed as of the day and year first above written.

DECLARANT:

HEARTHVIEW ATHLETIC CLUB, LLC,
an Indiana limited liability company

By: _____
Printed: Brian K. Cranor
Title: Manager

ASSOCIATION:

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: BRIAN K CRANOR
Title: President

By: _____
Printed: JAMES E. THOMAS, JR.
Title: Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K Cranor, the Manager of Hearthview Athletic Club, LLC, an Indiana limited liability company, who acknowledged the execution of the foregoing instrument on behalf of said limited liability company, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 3rd day of November, 2006.

_____
Notary Public

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013

_____
Printed Name, Notary Public

I am a resident of _____ County, _____.
My commission expires: _____

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared BRIAN K. CRANOR and JAMES E. THOMAS, JR., the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 1st day of NOVEMBER, 2006.

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013
[Notarial Seal]

Brooke Arnold
Notary Public

Brooke Arnold
Printed Name Notary Public

I am a resident of Hamilton County, Indiana.
My commission expires: 01/03/2013

This instrument was prepared by Richard J. Hayes, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law: [illegible].

RECEIVED
Center Township
Assessor
11/20/06

INSTRUMENT APPROVED
BY
[illegible]

11-22-06
[illegible]

BDDB01 4415978v4

AFFIDAVIT OF THE PRESIDENT AND SECRETARY OF IAC LOFTS OWNERS ASSOCIATION, INC.

Come Now Affiants, James E. Thomas, Jr. and Brian K. Cranor, in their capacities as the Secretary and President, respectively, of IAC Lofts Owners Association, Inc., and affirm under penalty of law that the Second Amendment to Declaration of IAC Lofts to which this Affidavit is attached (the "Second Amendment") was approved by the Owners representing at least sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners of the Residential Units and sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of the Commercial Units as required by the Declaration referenced in the Second Amendment.

We affirm under penalty for perjury, that the foregoing representations are true.

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: BRIAN K. CRANOR
President

By: _____
Printed: James E. Thomas, Jr.
Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared BRIAN K CRANOR and JAMES E THOMAS, JR, the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 3rd day of November, 2006.

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013
[Notarial Seal]

Brooke Arnold
Notary Public
Printed: Brooke Arnold

I am a resident of Hamilton County, Indiana.

My commission expires: 01/03/2013

This Affidavit was prepared by Joseph M. Scimia, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

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

Exhibit C
Percentage Ownership

Unit #	SF	%
A102	1983	1.70%
A103	1175	1.01%
A301	1585	1.36%
A302	989	0.85%
A303	1133	0.97%
A304	1335	1.14%
A401	1316	1.13%
A402	992	0.85%
A403	1149	0.98%
101	4202	3.59%
102	2985	2.55%
104	1472	1.26%
105	226	0.19%
106	361	0.31%
107	437	0.37%
204	1393	1.19%
205	1318	1.13%
206	1051	0.90%
207	788	0.67%
208	869	0.74%
301	1414	1.21%
302	2322	1.99%
303	1574	1.35%
304	1309	1.12%
305	1305	1.12%
306	1077	0.92%
307	793	0.68%
308	850	0.73%
401	1616	1.38%
402	1492	1.28%
403	1550	1.33%
404	2384	2.04%
405	1523	1.30%
406	1280	1.09%
407	752	0.64%
408	752	0.64%
409	816	0.70%
410	1116	0.95%
411	1056	0.90%
412	1042	0.89%
413	1731	1.48%
501	1537	1.31%
502	1528	1.31%
504	873	0.75%
505	801	0.69%
506	803	0.69%
507	1804	1.54%

Unit #	SF	%
508	1486	1.27%
601	1016	0.87%
602	1414	1.21%
603	1010	0.86%
604	1499	1.28%
605	1702	1.46%
606	1354	1.16%
607	2017	1.73%
608	918	0.79%
609	916	0.78%
610	1535	1.31%
701	1016	0.87%
702	1414	1.21%
703	1010	0.86%
704	1499	1.28%
705	1702	1.46%
706	1354	1.16%
707	2017	1.73%
708	918	0.79%
709	916	0.78%
710	1535	1.31%
801	1928	1.65%
802	1154	0.99%
803	2003	1.71%
804	1499	1.28%
805	1702	1.46%
806	1354	1.16%
807	2017	1.73%
808	918	0.79%
809	916	0.78%
901	3000	2.57%
903	1986	1.70%
904	1499	1.28%
905	1663	1.42%
906	1339	1.15%
907	1996	1.71%
908	918	0.79%
909	916	0.78%
Total Units:	Total SF:	
85.00	116,915.00	

(6)

THIRD AMENDMENT TO DECLARATION OF IAC LOFTS

This Third Amendment to Declaration of IAC Lofts (this "Third Amendment"), made and entered into as of the 9TH day of MARCH, 2007, by Hearthview Athletic Club, LLC, an Indiana limited liability company (the "Declarant") for itself, and on behalf of its successors, grantees, and assigns, and IAC Lofts Owners Association, Inc., WITNESSETH THAT:

WHEREAS, Declarant executed that certain Declaration of IAC Lofts dated November 21, 2005, and recorded on December 9, 2005, as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana; as amended by that certain First Amendment to Declaration of IAC Lofts dated January 3, 2006, and recorded on January 5, 2006, as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana; and as amended by that certain Second Amendment to Declaration of IAC Lofts dated November 1, 2006, and recorded on November 27, 2006, as Instrument No. 2006-0178718 in the Office of the Recorder of Marion County Indiana (collectively, the "Declaration");

WHEREAS, Declarant desires to amend the Bylaws of IAC Lofts and of IAC Lofts Owners Association, Inc (the "Bylaws");

WHEREAS, Article VII, Section 7.01 of the Bylaws provides that the Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration, as set forth in paragraph 18 of the Declaration;

WHEREAS, Article VII, Section 7.01 of the Bylaws further provides that amendments to the Bylaws shall be considered amendments to the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana;

WHEREAS, pursuant to Article VII, Section 7.01 of the Bylaws, the Declarant consents and approves to amend the Declaration and Bylaws pursuant to the terms of this Third Amendment;

WHEREAS, Subparagraph 18(d) of the Declaration provides that any proposed amendment to the Declaration must be approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Condominium Units;

WHEREAS, the Board of Directors adopted a resolution to amend the Declaration and Bylaws (the "Proposed Amendment") to, among other things, revise the Bylaw sections addressing action by written consent and election and removal of the Board of Directors; and

WHEREAS, the Proposed Amendment was submitted for a vote to the Owners of Condominium Units and approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Condominium Units in accordance with the requirements of Paragraph 18(d) of the Declaration.

NOW, THEREFORE, Declarant and the Association, in accordance with the provisions of the Declaration and the Bylaws, make this Third Amendment and hereby amend and supplement the Declaration and the Bylaws in the manner hereinafter provided:

03/15/07 02:16PM JULIE L VOORHIES MARION CTY RECORDER JMV 25.00 PAGES: 6
Inst # 2007-0039315

1. Recitals. The foregoing recitals are true and correct and incorporated as if fully set forth herein. All terms used in this Third Amendment with initial capital letters (and not otherwise defined in this Third Amendment) shall have the meanings herein as in the Declaration.

2. Section 2.07. Action by Written Consent. Section 2.07 of the Bylaws is hereby deleted in its entirety and replaced with the following:

"Section 2.07. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Membership may be taken without a meeting of the Members if the action is approved by Members holding at least eighty percent (80%) of the Percentage Vote of the Owners of Condominium Units entitled to be cast on the action. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

(a) is signed by the Members representing at least eighty percent (80%) of the Percentage Vote of the Owners of Condominium Units entitled to be cast on the action; and

(b) is filed with the Corporation's minutes.

Requests for written consents must be delivered to all Members."

3 Section 3.04. Term of Office and Vacancy. Section 3.04 of the Bylaws is hereby deleted in its entirety and replaced with the following:

"Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02 hereof, one (1) Member of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided in Section 3.02 hereof. After the Applicable Date, each Member of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date one (1) Member of the Board of Directors shall be elected for a three (3) year term, one (1) Member for a two (2) year term, and one (1) Member for a one (1) year term, so that the terms of at least one-third (1/3) of the Directors shall expire annually. There shall be separate nominations for the office of each Director to be elected at the first meeting after the Applicable Date. Each Director elected shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of Section 3.02 hereof as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the Owners of Condominium Units, if a Director is removed in accordance with Section 3.05 of this Article III, such vote to occur at a special meeting of the Members of the Corporation to be called in accordance with the provisions of these Bylaws for the designated purpose of electing such person or persons to fill any vacancy and to serve until such time as the next annual meeting, wherein Directors are elected or re-elected, as the case may be. The Director so filling a vacancy shall serve until the next annual meeting of the Members of the Corporation and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected

for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy."

4. Section 3.05. Removal of Directors. Section 3.05 of the Bylaws is hereby deleted in its entirety and replaced with the following:

> "Section 3.05. Removal of Directors. A Director or Directors, except the Members of the Initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote of all the Owners of Condominium Units at a special meeting of the Owners duly called and constituted for such purpose. In such case, the successor shall be elected at the same special meeting from eligible Owners nominated at the special meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his/her successor is duly elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy."

5. Effect of Amendment. The provisions of this Third Amendment shall be covenants running with the land and shall be binding upon all persons and entities from time to time having a right, title and interest in the Property or any part thereof and all persons claiming under them, as more particularly provided in the Declaration.

6. Declaration Continuous. Except as expressly amended by this Third Amendment, the terms and provisions of the Declaration and Bylaws shall remain in full force and effect.

7. Cross-Reference. This Third Amendment shall be cross-referenced to the Declaration, which was recorded as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana, and the First Amendment to Declaration of IAC Lofts which was recorded as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana; and the Second Amendment to Declaration of IAC Lofts which was recorded as Instrument No. 2006-0178718 in the Office of the Recorder of Marion County Indiana.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this Third Amendment to be executed as of the day and year first above written.

DECLARANT:

HEARTHVIEW ATHLETIC CLUB, LLC,
an Indiana limited liability company

By: _____
Printed: Brian K. Cranor
Title: Manager

ASSOCIATION:

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: _____
Title: President

By: _____
Printed: _____
Title: Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cranor, the Manager of Hearthview Athletic Club, LLC, an Indiana limited liability company, who acknowledged the execution of the foregoing instrument on behalf of said limited liability company, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 9th day of March, 2007.

_____
Notary Public

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013

Brooke Arnold
Printed Name, Notary Public

I am a resident of Hamilton County, Indiana.
My commission expires: 1/2/2013

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Craror and James E. Thomas, Jr., the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 9th day of March, 2007.

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013

[Notarial Seal]

Brooke Arnold
Notary Public

Brooke Arnold
Printed Name Notary Public

I am a resident of Hamilton County, Indiana.
My commission expires: 01/02/2013

This instrument was prepared by Marc D. Pfleging, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law: Marc D. Pfleging.

AFFIDAVIT OF THE PRESIDENT AND SECRETARY OF IAC LOFTS OWNERS ASSOCIATION, INC.

Come Now Affiants, Brian K. Cranor and James E. Thomas, Jr., in their capacities as the Secretary and President, respectively, of IAC Lofts Owners Association, Inc., and affirm under penalty of law that the Third Amendment to Declaration of IAC Lofts to which this Affidavit is attached (the "Third Amendment") was approved by the Owners of Condominium Units representing at least sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners of Condominium Units as required by the Declaration referenced in the Third Amendment.

We affirm under penalty for perjury, that the foregoing representations are true.

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: Brian K. Cranor
President

By: _____
Printed: James E. Thomas, Jr.
Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cranor and James E. Thomas, Jr., the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 9th day of March, 2007.

BROOKE ARNOLD
Notary Public
SEAL
State of Indiana
My Commission Expires Jan. 2, 2013

_____
Notary Public
Printed: Brooke Arnold

I am a resident of Hamilton County, Indiana.

My commission expires: 01/02/2013

This Affidavit was prepared by Marc D. Pfleging, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law: Marc D. Pfleging.

THIRD AMENDMENT TO DECLARATION OF IAC LOFTS

This Third Amendment to Declaration of IAC Lofts (this "Third Amendment"), made and entered into as of the 2nd day of March, 2007, by Hearthview Athletic Club, LLC, an Indiana limited liability company (the "Declarant") for itself, and on behalf of its successors, grantees, and assigns, and IAC Lofts Owners Association, Inc., WITNESSETH THAT:

WHEREAS, Declarant executed that certain Declaration of IAC Lofts dated November 21, 2005, and recorded on December 9, 2005, as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana; as amended by that certain First Amendment to Declaration of IAC Lofts dated January 3, 2006, and recorded on January 5, 2006, as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana; and as amended by that certain Second Amendment to Declaration of IAC Lofts dated November 1, 2006, and recorded on November 27, 2006, as Instrument No. 2006-0178718 in the Office of the Recorder of Marion County Indiana (collectively, the "Declaration");

WHEREAS, Declarant desires to amend the Bylaws of IAC Lofts and of IAC Lofts Owners Association, Inc (the "Bylaws");

WHEREAS, Article VII, Section 7.01 of the Bylaws provides that the Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration, as set forth in paragraph 18 of the Declaration;

WHEREAS, Article VII, Section 7.01 of the Bylaws further provides that amendments to the Bylaws shall be considered amendments to the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana;

WHEREAS, pursuant to Article VII, Section 7.01 of the Bylaws, the Declarant consents and approves to amend the Declaration and Bylaws pursuant to the terms of this Third Amendment;

WHEREAS, Subparagraph 18(d) of the Declaration provides that any proposed amendment to the Declaration must be approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Condominium Units;

WHEREAS, the Board of Directors adopted a resolution to amend the Declaration and Bylaws (the "Proposed Amendment") to, among other things, revise the Bylaw sections addressing action by written consent and election and removal of the Board of Directors; and

WHEREAS, the Proposed Amendment was submitted for a vote to the Owners of Condominium Units and approved by a vote of not less than sixty-seven percent (67%) in the aggregate of the Percentage Vote of the Owners of Condominium Units in accordance with the requirements of Paragraph 18(d) of the Declaration.

NOW, THEREFORE, Declarant and the Association, in accordance with the provisions of the Declaration and the Bylaws, make this Third Amendment and hereby amend and supplement the Declaration and the Bylaws in the manner hereinafter provided:

1 Recitals. The foregoing recitals are true and correct and incorporated as if fully set forth herein. All terms used in this Third Amendment with initial capital letters (and not

11/7/2007 15:48 Julie L. Voorhies MARION COUNTY RECORDER MLH 23.00 PAGES: 6
Inst # 2007-0157602

otherwise defined in this Third Amendment) shall have the meanings herein as in the Declaration.

2. Section 2.07. Action by Written Consent. Section 2.07 of the Bylaws is hereby deleted in its entirety and replaced with the following:

"Section 2.07. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Membership may be taken without a meeting of the Members if the action is approved by Members holding at least eighty percent (80%) of the Percentage Vote of the Owners of Condominium Units entitled to be cast on the action. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

(a) is signed by the Members representing at least eighty percent (80%) of the Percentage Vote of the Owners of Condominium Units entitled to be cast on the action; and

(b) is filed with the Corporation's minutes.

Requests for written consents must be delivered to all Members."

3. Section 3.04. Term of Office and Vacancy. Section 3.04 of the Bylaws is hereby deleted in its entirety and replaced with the following:

"Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02 hereof, one (1) Member of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided in Section 3.02 hereof. After the Applicable Date, each Member of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date one (1) Member of the Board of Directors shall be elected for a three (3) year term, one (1) Member for a two (2) year term, and one (1) Member for a one (1) year term, so that the terms of at least one-third (1/3) of the Directors shall expire annually. There shall be separate nominations for the office of each Director to be elected at the first meeting after the Applicable Date. Each Director elected shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of Section 3.02 hereof as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the Owners of Condominium Units, if a Director is removed in accordance with Section 3.05 of this Article III, such vote to occur at a special meeting of the Members of the Corporation to be called in accordance with the provisions of these Bylaws for the designated purpose of electing such person or persons to fill any vacancy and to serve until such time as the next annual meeting, wherein Directors are elected or re-elected, as the case may be. The Director so filling a vacancy shall serve until the next annual meeting of the Members of the Corporation and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy."

4. Section 3.05. Removal of Directors. Section 3.05 of the Bylaws is hereby deleted in its entirety and replaced with the following:

> "Section 3.05. Removal of Directors. A Director or Directors, except the Members of the Initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote of all the Owners of Condominium Units at a special meeting of the Owners duly called and constituted for such purpose. In such case, the successor shall be elected at the same special meeting from eligible Owners nominated at the special meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his/her successor is duly elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or with respect to whom there has otherwise been a vacancy."

5. Effect of Amendment. The provisions of this Third Amendment shall be covenants running with the land and shall be binding upon all persons and entities from time to time having a right, title and interest in the Property or any part thereof and all persons claiming under them, as more particularly provided in the Declaration.

6. Declaration Continuous. Except as expressly amended by this Third Amendment, the terms and provisions of the Declaration and Bylaws shall remain in full force and effect.

7. Cross-Reference. This Third Amendment shall be cross-referenced to the Declaration, which was recorded as Instrument No. 2005-0202700 in the Office of the Recorder of Marion County, Indiana, and the First Amendment to Declaration of IAC Lofts which was recorded as Instrument No. 2006-0000838 in the Office of the Recorder of Marion County, Indiana; and the Second Amendment to Declaration of IAC Lofts which was recorded as Instrument No. 2006-0178718 in the Office of the Recorder of Marion County Indiana.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this Third Amendment to be executed as of the day and year first above written.

DECLARANT:

HEARTHVIEW ATHLETIC CLUB, LLC,
an Indiana limited liability company

By: _____
Printed: Brian K. Cranor
Title: Manager

ASSOCIATION:

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: BRIAN K CRANOR
Title: President

By: _____
Printed: JAMES E THOMAS JR
Title: Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cranor, the Manager of Hearthview Athletic Club, LLC, an Indiana limited liability company, who acknowledged the execution of the foregoing instrument on behalf of said limited liability company, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 2nd day of March, 2007.

_____
Notary Public

Cindy A. Treaster
Printed Name, Notary Public

I am a resident of Marion County, Indiana.
My commission expires: 7-5-08

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cramer and James E. Thomas, Jr., the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 2nd day of March, 2007.

Cindy A. Treaster
Notary Public

[Notarial Seal]

Cindy A. Treaster
Printed Name Notary Public

I am a resident of Marion County, Indiana.
My commission expires: 7-5-08

This instrument was prepared by Marc D. Pfleging, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law: Marc D. Pfleging.

AFFIDAVIT OF THE PRESIDENT AND SECRETARY OF IAC LOFTS OWNERS ASSOCIATION, INC.

Come Now Affiants, James E. Thomas, Jr. and Brian K. Cramer, in their capacities as the Secretary and President, respectively, of IAC Lofts Owners Association, Inc., and affirm under penalty of law that the Third Amendment to Declaration of IAC Lofts to which this Affidavit is attached (the "Third Amendment") was approved by the Owners of Condominium Units representing at least sixty-seven percent (67%) of the aggregate of the Percentage Vote of the Owners of Condominium Units as required by the Declaration referenced in the Third Amendment.

We affirm under penalty for perjury, that the foregoing representations are true.

IAC LOFTS OWNERS ASSOCIATION, INC.

By: _____
Printed: Brian K. Cramer
President

By: _____
Printed: James E. Thomas, Jr.
Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Cramer and James E. Thomas, Jr., the President and Secretary, respectively, of IAC Lofts Owners Association, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument on behalf of said corporation, and who, having been duly sworn, stated that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 2nd day of March, 2007.

_____
Notary Public
Printed: Cindy A. Treaster

[Notarial Seal]

I am a resident of Marion County, Indiana.

My commission expires: 7-5-08

This Affidavit was prepared by Marc D. Pfleging, Attorney at Law, Baker & Daniels LLP, 600 East 96th Street, Suite 600, Indianapolis, Indiana 46240.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law: Marc D. Pfleging.

Marion Search
Search Description: Document # = 2007-202699
Effective Date: 04-18-2008
Date: 06-12-2008
Time: 09:26:25
User: MCGREEVYT

No matching items found.

IAC LOFTS CONDOMINIUMS

Indianapolis, Indiana

2006-178719

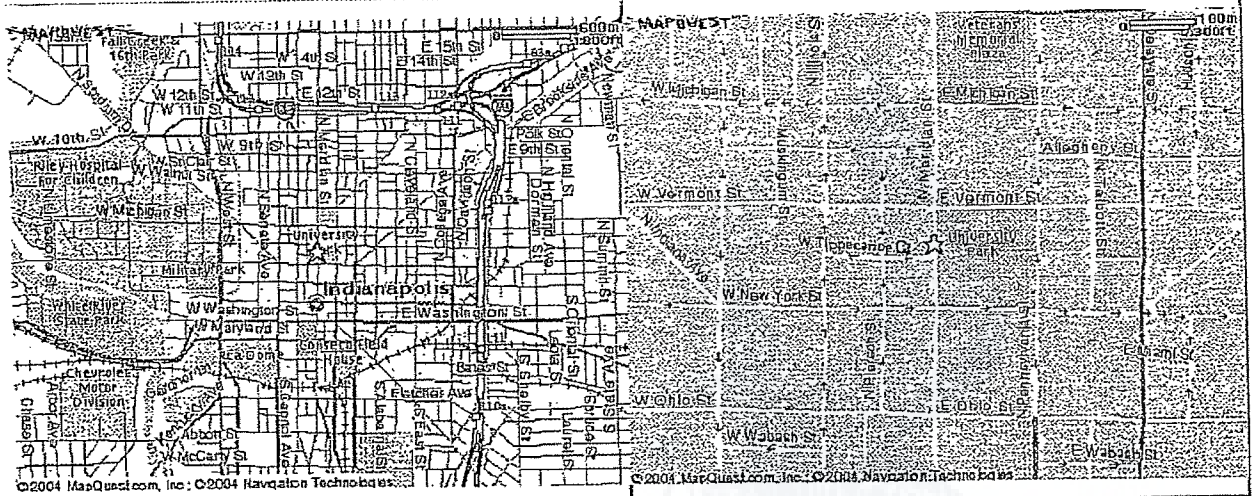
AMENDMENTS TO SUPPLEMENTAL PLANS SEPTEMBER 6, 2006

DAY MULLINS DIERDORF ARCHITECTS

Athletic Club™

LOCATION MAP

VICINITY MAP



THESE AMENDED PLANS AMEND, SUPERCEDE AND RESTATE PAGES A0.01, A0.09, A1.00, A1.01, A1.02, A1.03, AND A1.04 OF THE PLANS RECORDED ON DECEMBER 9, 2005 AS INSTURMENT NO. 2005-0202619 IN THE OFFICE OF THE RECORDER OF MARION COUNTY, INDIANA.

SHEET INDEX

INFORMATION

A0.01 COVER

ARCHITECTURAL

A0.09 BUILDING SECTION
A1.00 LANDSCAPE PLAN
A1.01 FIRST FLOOR PLAN
A1.02 2ND & 3RD FLOOR PLAN
A1.03 4TH FLOOR PLAN
A1.04 5TH FLOOR PLAN

AREAS LEGEND

- Common Area
- Limited Area
- Residential Limited Area
- Commercial Area

OWNERS CERTIFICATE

In witness whereof, the Owner and Declarant have caused these floor plans to be executed this 9th day of November, 2006.

HEARTHVIEW ATHLETIC CLUB, LLC

By: _____
Brian K. Carver, Manager

STATE OF INDIANA)
) SS
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana personally appeared Brian K. Carver, the Manager of Hearthview Athletic Club, LLC, a limited liability company, who, having been duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of said limited liability company.

WITNESS my hand and Notarial Seal this 9th day of November, 2006.

_____
Notary Public

Printed Name Notary Public

My commission expires: 7/5/07
I am a resident of Hamilton County, Indiana

CERTIFICATION

The undersigned certifies that these residential property floor plans for IAC Lofts Condominiums are accurate copies of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings, and that such plans fully and accurately depict the layout, location, unit numbers and dimension of the condominium units as designed on the date

Certified by: _____

I affirm, under the penalties for perjury, that the foregoing certifications are true.

BROWNING DAY MULLINS DIERDORF ARCHITECTS

By: _____
Printed _____
Title _____
Architect No. _____

IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 Horin Meridian
Indianapolis Indiana

COVER

A0.01

2006-178719

TOTAL FLOOR AREA

Common Area = 3,637 SF
Limited Area = 0 SF
Residential Limited Area = 1306 SF
IAC Condo Unit Area = 0 SF

AREAS LEGEND

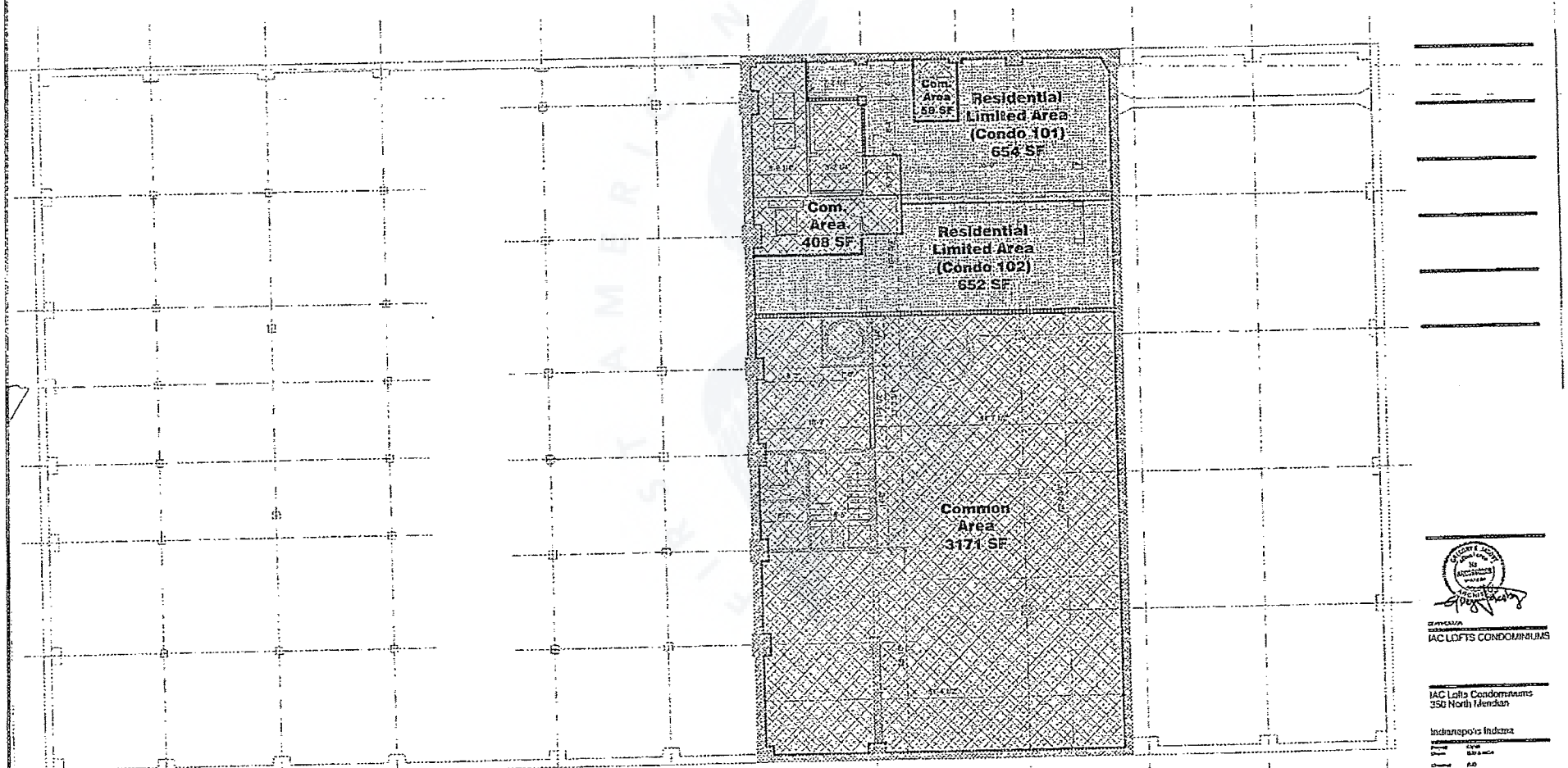
Common Area

Limited Area

Residential Limited Area

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club™



IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 North Meridian

Indianapolis Indiana

Finish Floor Elevation = ± -77.0'
Ceiling Elevation = ± To Structure Above

01 BASEMENT [3] PLAN

KEY PLAN

BASEMENT [3] PLAN

A0.09

2006-178719

TOTAL FLOOR AREA

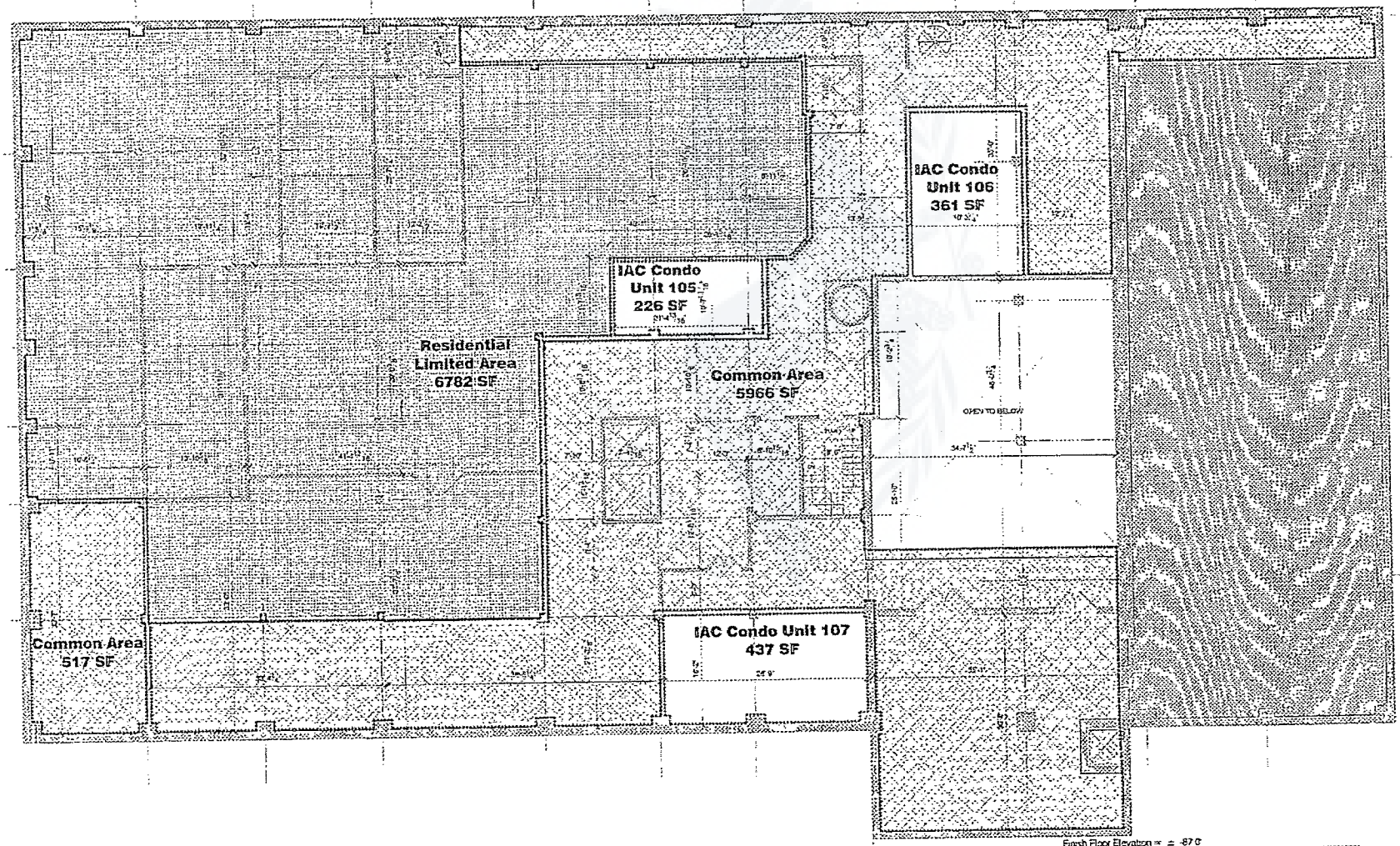
Common Area = 6,483 SF
Limited Area = 0 SF
Residential Limited Area = 6782 SF
IAC Condo Unit Area = 1024 SF

AREAS LEGEND

Common Area

Limited Area

Residential Limited Area



Finish Floor Elevation = ± 87'-0"
Ceiling Elevation = ± To Structure Above
BASEMENT [2]

BROWNING
DAY MULLINS
DIERDORF
ARCHITECTS

Athletic Club™

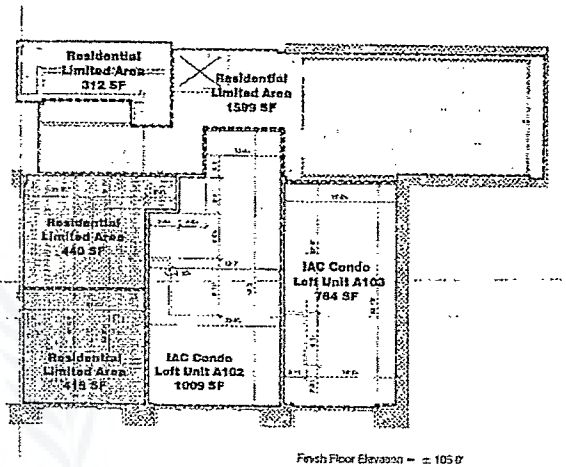
IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 North Meridian

Indianapolis Indiana

BASEMENT [2] PLAN

2006-178719

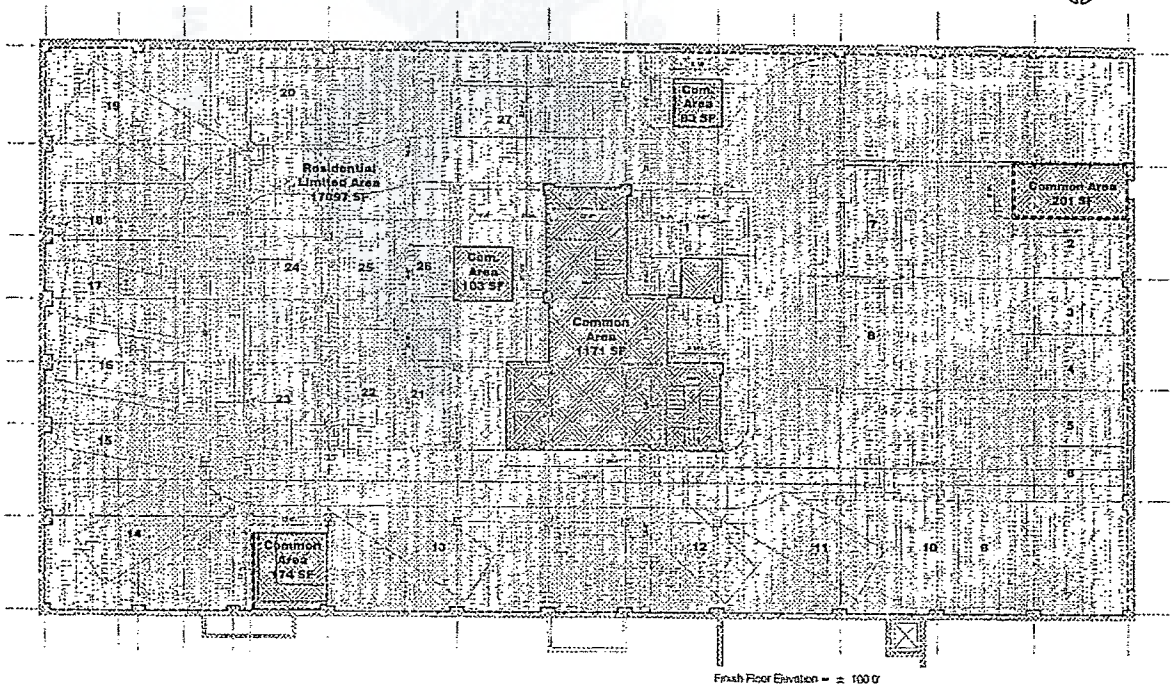


TOTAL FLOOR AREA
Common Area = 1,732 SF
Limited Area = 0 SF
Residential Limited Area = 19,653 SF
IAC Condo Unit Area = 1,773 SF

AREAS LEGEND
Common Area
Limited Area
Residential Limited Area

Finish Floor Elevation = ± 105'0"
Ceiling Elevation = ± 113'0"

02 ANNEX FIRST FLOOR PLAN



Finish Floor Elevation = ± 100'0"
Ceiling Elevation = ± To Structure Above

01 BASEMENT PLAN

KEY PLAN

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club

IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 North Meridian
Indianapolis Indiana

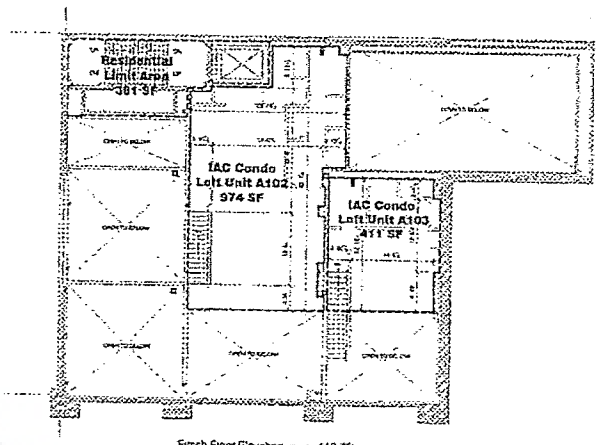
BASEMENT (1) PLAN

A1.01

2006-178719

BROWNING
DAY MULLINS
DIERDORF
ARCHITECTS

Athletic Club™

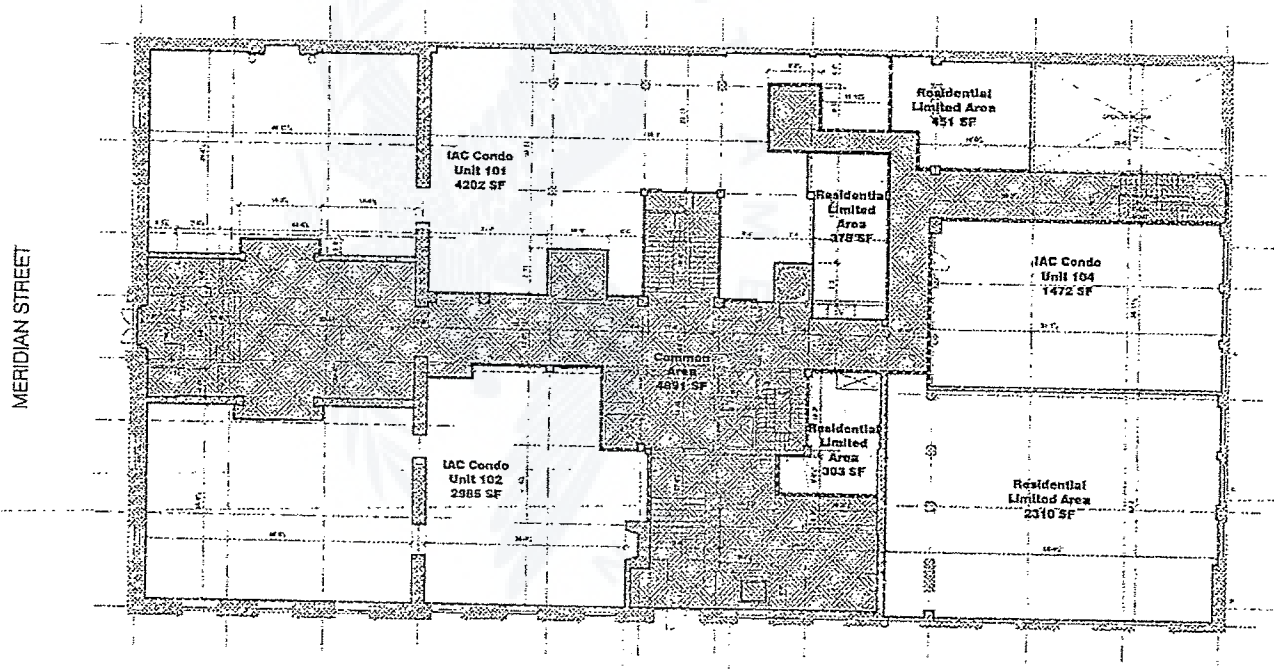


TOTAL FLOOR AREA
Common Area = 4,591 SF
Limited Area = 0 SF
Residential Limited Area = 3,623 SF
IAC Condo Unit Area = 10,044 SF

AREAS LEGEND
Common Area
Limited Area
Residential Limited Area

Finish Floor Elevation = ± 113.75'
Ceiling Elevation = ± 124.25'

02 ANNEX SECOND FLOOR PLAN



Finish Floor Elevation = ± 112.0'
Ceiling Elevation = ± 125.6'

01 FIRST FLOOR PLAN

KEY PLAN

IAC LOFTS CONDOMINIUMS

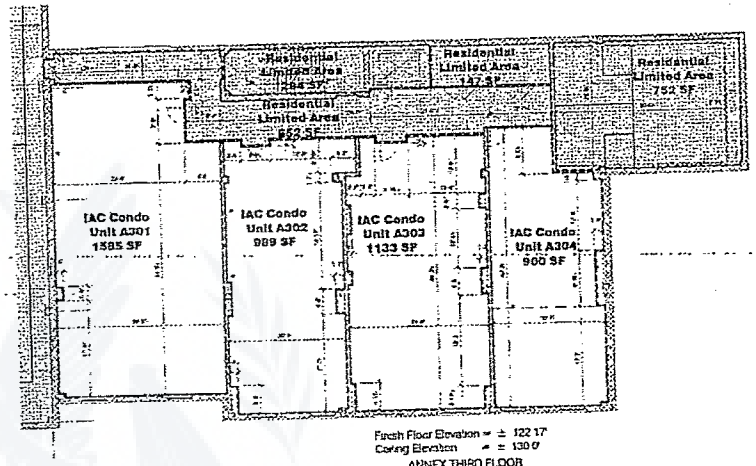
IAC Lofts Condominiums
350 North Meridian

Indianapolis Indiana

1ST FLR & ANNEX LOFT

A1.02

2006-178719



Finish Floor Elevation = ± 122.17'
Ceiling Elevation = ± 130.0'

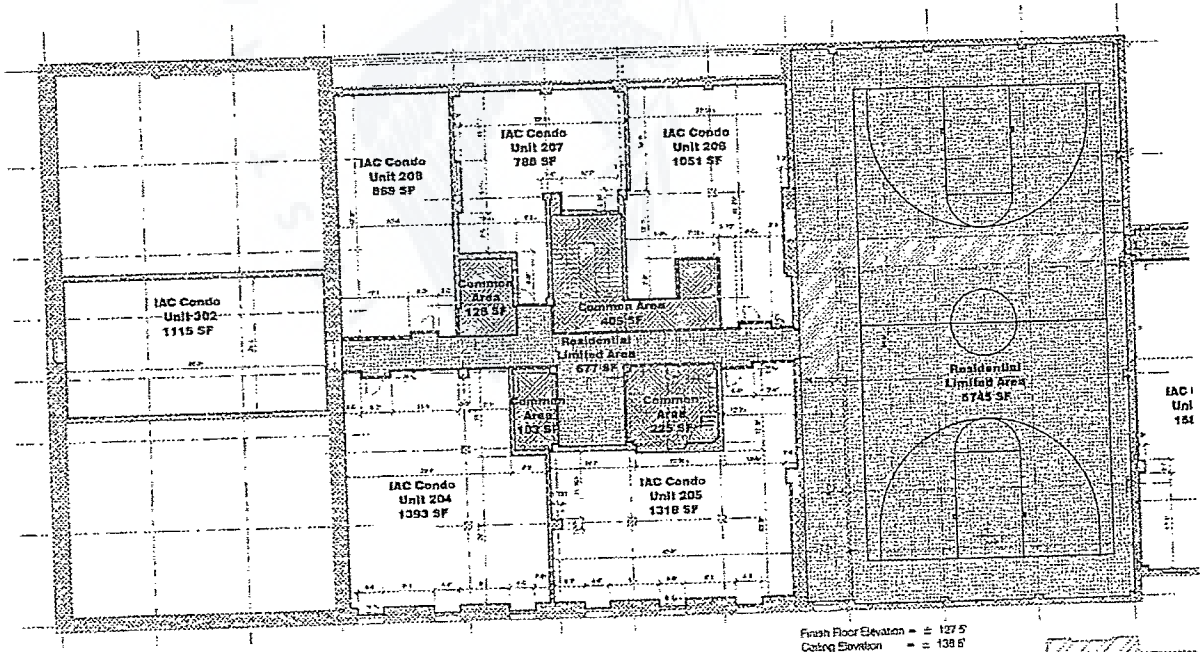
02 ANNEX THIRD FLOOR PLAN

TOTAL FLOOR AREA

Common Area = 661 SF
Limited Area = 0 SF
Residential Limited Area = 8,287 SF
IAC Condominium Area = 11,141 SF

AREAS LEGEND

- Common Area
- Limited Area
- Residential Limited Area



Finish Floor Elevation = ± 127.5'
Ceiling Elevation = ± 138.5'

01 SECOND FLOOR PLAN

KEY PLAN

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club™

IAC LOFTS CONDOMINIUMS

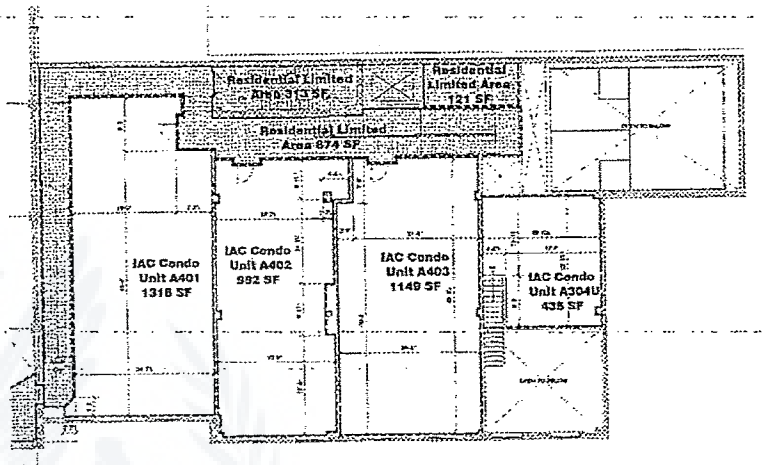
IAC Lofts Condominiums
350 North Meridian

Indianapolis Indiana

2ND FLR & 3RD FLR ANNEX

A1.03

2006-178719

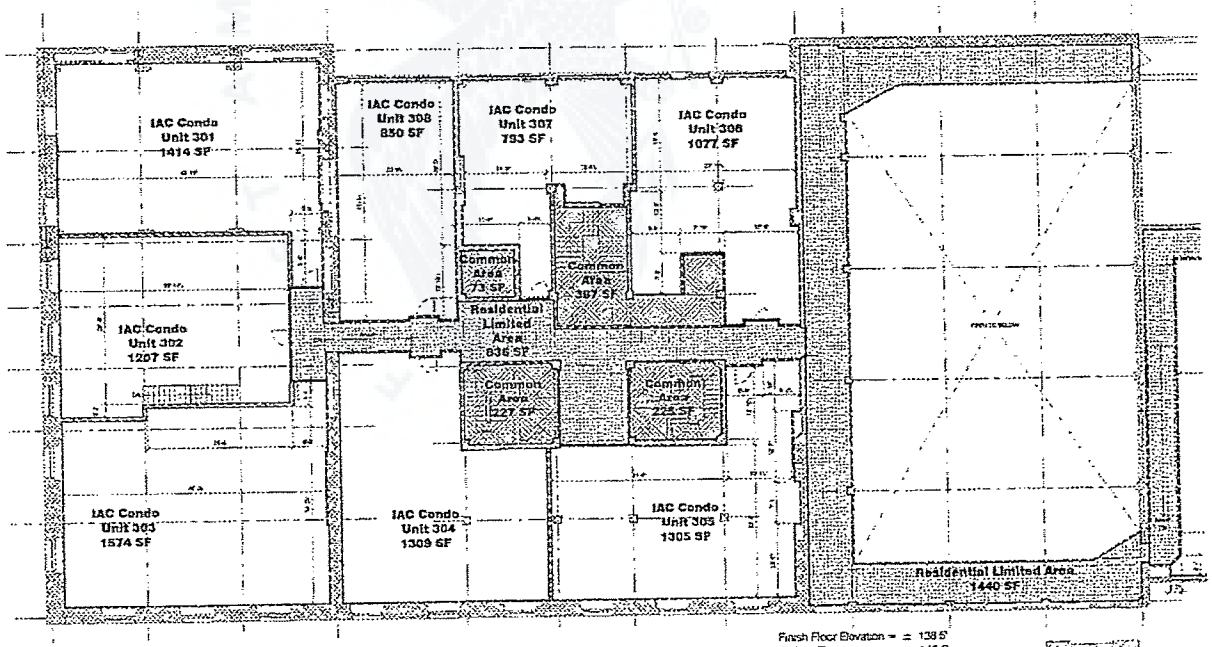


TOTAL FLOOR AREA
Common Area = 923 SF
Limited Area = 0 SF
Residential Limited Area = 4,344 SF
IAC Condo Unit Area = 13,421 SF

AREAS LEGEND
Common Area
Limited Area
Residential Limited Area

Finish Floor Elevation = ± 136.1'
Ceiling Elevation = ± 146.1'

02 ANNEX FOURTH FLOOR PLAN



Finish Floor Elevation = ± 138.5'
Ceiling Elevation = ± 148.5'

01 THIRD FLOOR PLAN

KEY PLAN

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club™

IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 North Meridian
Indianapolis Indiana

3RD FLR & 4TH FLR ANNEX

A1.04

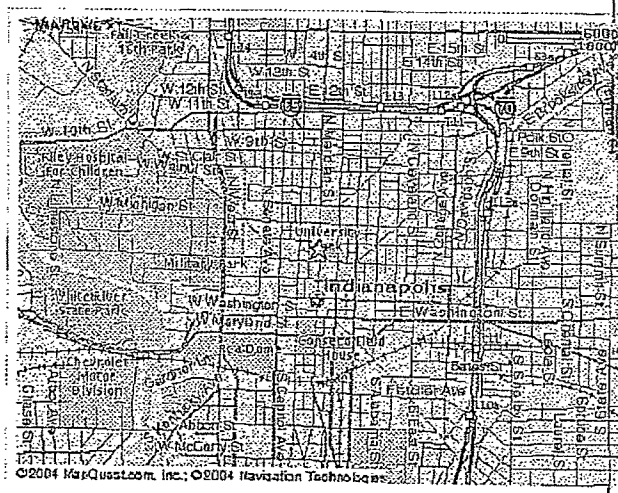
IAC

IAC LOFTS CONDOMINIUMS

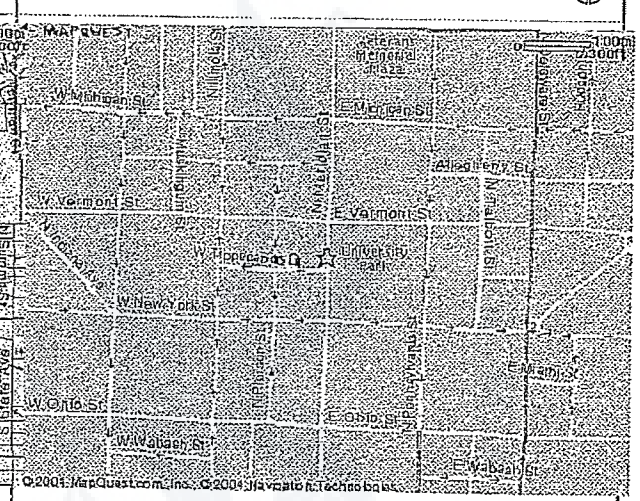
Indianapolis, Indiana

AMENDMENTS TO SUPPLEMENTAL PLANS DECEMBER 15, 2006

LOCATION MAP



VICINITY MAP



THESE AMENDED PLANS AMEND, SUPERCEDE AND RESTATE PAGES A0.01 AND A0.09 OF THE PLANS RECORDED ON DECEMBER 9, 2005 AS INSTURMENT NO. 2005-0202699 IN THE OFFICE OF THE RECORDER OF MARION COUNTY, INDIANA, AS AMENDED BY THE SUPPLEMENTAL PLANS RECORDED ON NOVEMBER 27, 2006 AS INSTRUMENT NO. 2006-0178719 IN THE OFFICE OF THE RECORDER OF MARION COUNTY, INDIANA.

Center Township

2007-0002594

SHEET INDEX

INFORMATION

ARCHITECTURAL

AREAS LEGEND

- Common Area
- Limited Area
- Residential Limited Area
- Commercial Area

OWNER'S CERTIFICATE

In witness whereof, the Owner and Declarant have caused these floor plans to be executed this 29th day of November, 2006 A.

HEARTHVIEW ATHLETIC CLUB, LLC

By: _____
Brian K. Grenor, Manager

STATE OF INDIANA)
) SS
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Brian K. Grenor, the Manager of Hearthview Athletic Club, LLC, a limited liability company, who, having been duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of said limited liability company.

WITNESS my hand and Notarial Seal this 21 day of December, 2006.

(Notarial Seal) SEAL

_____
Notary Public

_____
Printed Name Notary Public

My commission expires: 7-5-08
I am a resident of Hamilton County, Indiana.

CERTIFICATION

The undersigned certifies that these horizontal property floor plans for IAC Lofts Condominiums are accurate copies of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings, and that said plans fully and accurately depict the layout, location, unit numbers and dimensions of the condominium units as designed on the date.

_____
Certified

I affirm, under the penalties for perjury, that the foregoing certifications are true.

BROWNING DAY MULLINS DIERDORF ARCHITECTS

By: _____

Printed: _____

Title: _____

Architect No. _____

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club

655849

IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
250 North Meridian

Indianapolis Indiana

COVER

A0.01

TOTAL FLOOR AREA

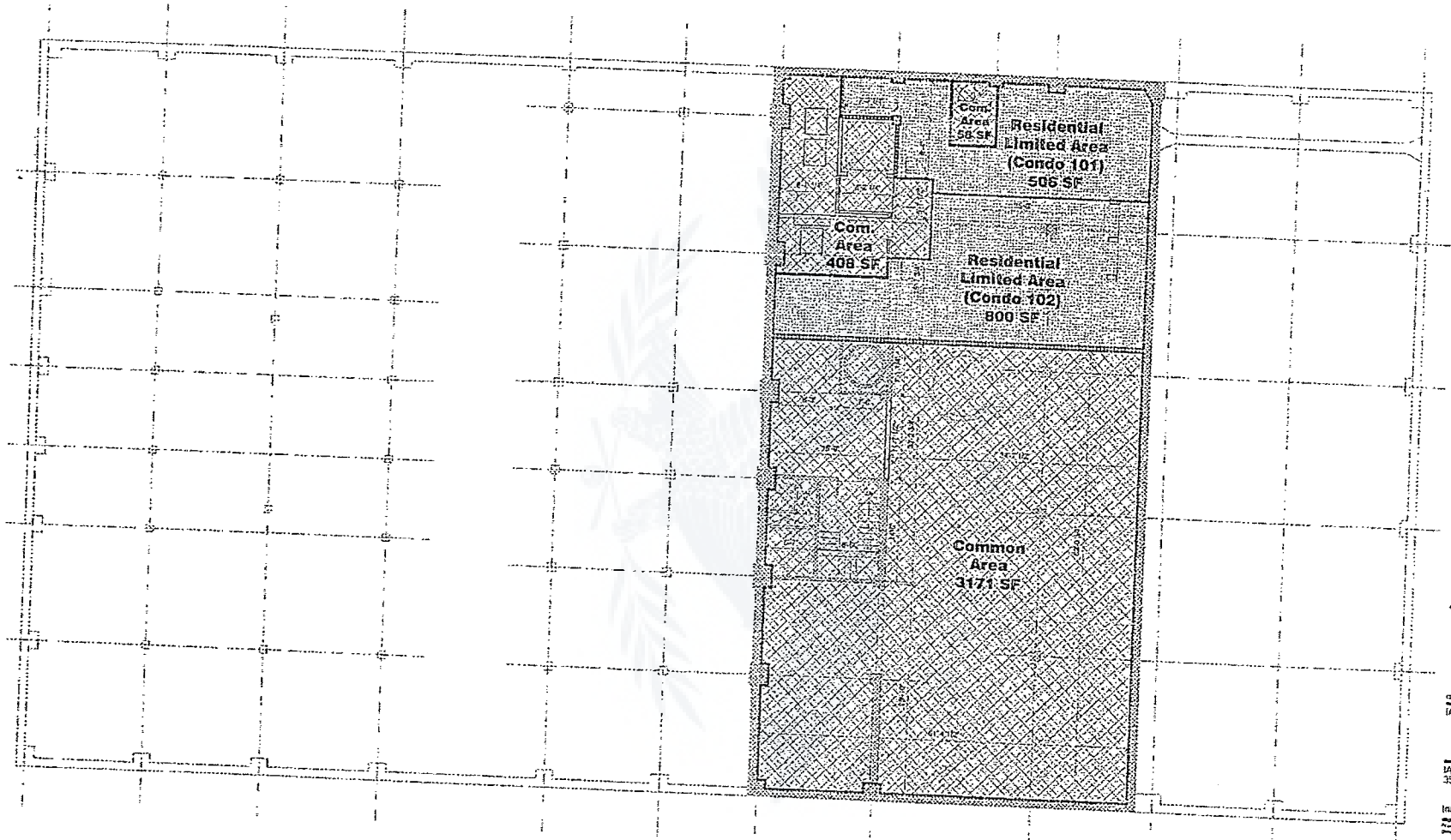
Common Area = 3,637 SF
Limited Area = 0 SF
Residential Limited Area = 1306 SF
IAC Condo Unit Area = 0 SF

AREAS LEGEND

Common Area

Limited Area

Residential Limited Area



2007-0002594

Finish Floor Elevation = ± -77.0'
Ceiling Elevation = ± To Structure Above

01 BASEMENT [3] PLAN

KEY PLAN

BROWNING DAY MULLINS DIERDORF ARCHITECTS

Athletic Club

FILED

IAC LOFTS CONDOMINIUMS

IAC Lofts Condominiums
350 North Meridian
Indianapolis Indiana

BASEMENT [3] PLAN

A0.09