BYLAWS

OF

STONE RIDGE COMMUNITY ASSOCIATION, INC.

AN INDIANA NOT-FOR-PROFIT CORPORATION

ARTICLE ONE

Identification and Applicability

Section 1.1 Identification and Adoption. These Bylaws are executed simultaneously with the execution of a certain Declaration of Covenants, Conditions and Restrictions for Stone Ridge (hereinafter referred to as the "Declaration") to which these Bylaws are attached and of which they are made a part. The Declaration is incorporated herein by reference and all of the covenants, conditions, 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 meanings in these Bylaws and reference is hereby made to the definitions in Section 1 of the Declaration. The provisions of these Bylaws shall apply to the Property and to the administration and conduct of the affairs of the Association.

Section 1.2 Individual Application. All of the Owners, tenants, their guests and invitees, or any other person who might now or hereafter use or occupy any Residence or any part of the Real Estate or Additional Real Estate annexed to the Declaration as provided therein, shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration and these Bylaws, as the same may be amended from time to time.

ARTICLE TWO

Meetings of Association

Section 2.1 Purpose of Meetings. At least annually and at such other times as may be necessary or appropriate, a meeting of the Owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Community Expenses, and for such other purposes as may be required by the Declaration and these Bylaws.

Section 2.2 Annual Meetings. Annual meetings shall be held on the first Tuesday of November in each calendar year. At each annual meeting, the Owners shall elect the Community Board of Directors of the Association in accordance with the provisions of these Bylaws and transact such other business as may properly come before the meeting.

Section 2.3 Special Meetings. A special meeting of the Members of the Community may be called by resolution of the Community Board of Directors or upon a written petition of the

Owners who have not less than twenty-five percent (25%) of the Class A membership votes. Any resolution or petition shall be presented to the President or Secretary of the Community Association 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 petition or resolution.

Section 2.4 Notice and Place of Meetings. A meeting of the Members of the Community Association shall be held at any suitable place in Monroe County, Indiana, as may be designated by the Community Board of Directors. Written notice stating the date, time, place of any meeting, and in the case of a special meeting the purpose(s) for which the meeting is called, shall be delivered or mailed by the Secretary of the Community Association to each Member and, if applicable, to any Mortgagee, not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Community Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.5 Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 2.4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2.6 Voting.

2.6.1 Number of Votes. For the purposes of the conducting of meetings and voting at meetings, the Declarant shall be considered included within the term "Owner" for the purposes of these Bylaws. Voting rights shall be determined in accordance with the Declaration as follows:

2.6.1.1 Class "A". Class "A" Members shall be all Owners except Declarant and shall be entitled to one vote for each Residence owned. All persons holding an interest in any Residence shall be members provided, however, each Lot represented shall have only one vote as the Owners of such Residence may determine.

2.6.1.2 Class "B". The Class "B" member shall be Declarant and Declarant shall be entitled to ten (10) votes for each Residence owned. The Class "B" membership shall cease and terminate upon the first to occur: (1) the date upon which the written resignation of the Class "B" member as such is delivered to the resident agent of the Community Association; provided, however, if Declarant, at such time still owns Residences, such membership shall be converted to a Class "A" membership; or (2) the expiration of the Development Period.

2.6.1.3 Class "C". Any and all natural persons who are officers, directors, partner, employees or appointees of a Class "A" member or a Class "B" member may become a Class "C" member of the Community Association upon designation by a Class "A" member or a Class "B" member. A Class "C" ember shall have no novte in matters of the Community Association, but may serve on the Board of Directors.

2.6.2. Multiple Owner. Where the Owner of a Residence constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to the vote allocable to that Residence. At the time of acquisition of title to be a Residence by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Community Association a proxy appointing one of such persons or partners as the voting representative for such Residence which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction, or the subject Residence which forms the basis of the vote is conveyed. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting(s) pursuant to paragraph 2.6.3 of this Section 2.6, which shall constitute relinquishment of his right to act as voting representative for the Residence.

2.6.2 Voting by Corporation or Trust. Where a corporation or trust is an Owner or otherwise entitled to vote, the trustees may cast the vote on behalf of the trust, and the agent or other representative of the corporation duly empowered by the board of directors of such corporation shall cast the vote to which the corporation is entitled.

2.6.3 Proxy. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of State before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Residence; or, upon receipt of a notice by the Secretary, or the Board of Directors of the death or judicially declared incompetence of a member; or, upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

2.6.4 Quorum. Except where otherwise expressly provided in the Declaration or these Bylaws, the Owners representing fifty percent (50%) of each class of membership, taken together, shall constitute a quorum at all meetings. The term majority of Owners or majority of vote, as used in these Bylaws, shall mean the Owners entitled to not less than fifty percent (50%) of the votes in accordance with the Declaration as such may be amended from time to time and shall not mean a majority of the persons or votes present or represented at such meeting.

2.6.5 Conduct of Meeting. The Chairman of the meeting shall be the President of the Community Association. The President shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

2.6.5.1 Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

2.6.5.2 Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Community Association and to answer relevant questions of the Members concerning the common expenses and financial report for the prior year and the proposed budget for the current year.

2.6.5.3 Budget. The proposed budget for the current calendar year shall be presented to the Members for approval or amendment.

2.6.5.4 Election of Board of Directors. Nominations for the Board of Directors may be made by any Member from those persons who are eligible to serve. Such nominations must be in writing and presented to the Secretary of the Community Association at least ten (10) days prior to the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a director. Each Member may cast his vote for each of as many nominees as are to be elected; however, he shall not be entitled to accumulate his votes. Those persons receiving the highest number of votes shall be elected. All voting for election of the Members of the Board of Directors shall be conducted by secret ballot.

2.6.5.5 Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Community Association at least ten (10) days prior to the date of the meeting; provided, however, that such written requests may be waived at the meeting if all Members present at the meeting consent.

2.6.5.6 Adjournment. Upon completion of all business before the Community Association, the President, upon the motion of any Member, may adjourn the meeting; provided, however, that no annual meeting shall be adjourned until a budget is approved by the Members for the upcoming year.

ARTICLE THREE

Board of Directors

Section 3.1 Community Board of Directors.

3.1.1. The affairs of the Community Association shall be governed and managed by the Board of Directors. The initial Board of Directors shall be composed of three (3) persons, or by such Committees as the Board may establish pursuant to the Bylaws.

3.1.2 The initial Board of three (3) Directors shall be selected by the Declarant and shall serve as the Board of Directors from the date upon which the Articles of Incorporation of the Community Association are filed, (or any later date upon which the Director has been appointed by the Declarant in accordance with these Bylaws) until the expiration of the Development Period and the qualification of successor directors elected at a meeting of voting members.

3.1.3 This paragraph governs directors elected after the term of the initial Community Board of Directors has expired pursuant to 3.1.2. Directors shall be elected at the annual meeting of the Community Association and those persons who receive the highest number of votes shall be deemed to have been elected. The size of the Community Board of Directors may be increased from time to time upon the affirmative vote of seventy-five percent (75%) of all Owners provided that the Board of Directors shall not be less than three (3) in number nor more than five (5). Each Director shall be a Class "A" or Class "C" member of the Community Association. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself.

3.1.4 Members of the Community Board of Directors shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board shall be filled by majority vote of the remaining Members thereof, except that a vacant position of the Board last filled by a person appointed by the Declarant shall be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director he succeeds. Except as otherwise provided in this Declaration, the Community Area shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of Members of the Board shall constitute a quorum.

3.1.5 All meetings of the Board shall be open to attendance by any Residence Owner, except that the President may call the Board into executive session on matters of personnel, infractions of the rules and regulations of the Community Association, and matters of similar sensitivity. Any action taken by the Board in executive session shall be recorded in the minutes.

3.1.6 Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent to such action is signed by all Directors and such consent is filed with the minutes of proceedings of the Board.

Section 3.2 Powers of the Community Board of Directors. The Community Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of their duties. These powers include, but are not limited to, the power:

3.2.1 To employ a professional managing agent or real estate management company (either being hereinafter referred to a "Managing Agent") to assist the Board of Directors in performing its duties;

3.2.2 To purchase for the benefit of the Owners such equipment, materials, labor, and services as may be necessary in the judgment of the Community Board of Directors;

3.2.3 To procure for the benefit of the Owners fire and extended coverage insurance covering all Community Association and the Community Areas, to the full replacement value thereof and to procure public liability and property damage insurance, Directors and officers liability insurance, Workmen's Compensation insurance, and such other insurance as the Board of Directors may determine is necessary for the benefit of the Owners and the Community Association;

3.2.4 To employ legal counsel, architects, contractors, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Community Association;

3.2.5 To include the costs of all of the above and foregoing as Community Expenses and assessments and to pay all of such costs therefrom;

3.2.6 To consent to amendment of the Declaration as therein provided;

3.2.7 To adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of Real Estate;

3.2.8 To open and maintain a bank account or accounts in the name of the Community Association.

Section 3.3 Limitations on Board Action. The authority of the Community Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Five Thousand Dollars ($5,000.00) without obtaining the prior approval of a majority of Owners, except in the following cases:

3.3.1 Contracts for replacing or restoring portions of the Community Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

3.3.2 Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting;

Section 3.4 Compensation. No Directors shall receive any compensation for any service to the Community Association except to such extent as a Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

Section 3.5 Meetings. Regular meetings of the Community Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. The Secretary shall give notice of regular meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

A special meeting of the Community Board of Directors may be called by the President or any two 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 three (3) days prior to the date of such special meeting, give notice to the Directors. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place as designated in the notice.

At least once per year, the Community Board of Directors shall meet in joint session with any other neighborhood associations within Stone Ridge for the purpose of addressing issues common to both associations.

Section 3.6 Waiver of Notice. Before any meeting of the Community Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting 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 3.7 Quorum. At all meetings of the Board 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.

Section 3.8 Non-Liability of Directors. The Community Directors shall not be liable to the Community Association 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 Community Association 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 Community Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or Bylaws. It is intended that the Community Directors shall have no personal liability with respect to any contract made by them on behalf of the Community Association. Every contract made by the Community Board shall provide that the Community Board of Directors, in executing such contract, is acting as agent for the Community Association and shall have no personal liability thereunder.

Section 3.9 Additional Indemnity of Directors. The Community Association shall indemnify any person, his heirs, assigns, and legal representatives, made a part to any action, suit or proceeding by reason of the fact that the person is or was a Director of the Community Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by the Director in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding, if it shall be found by a majority of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where acting in good faith, such Director relied on the books and records of the Community Association or statements or advice made by or prepared by the Managing Agent of the Community Association or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Community Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that the Director failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.10 Bond. The Community Board of Directors shall require any or all offices and employees of the Community Association handling or responsible for Community Association funds to be covered by an adequate bond. The premiums on such bonds shall constitute a Common Expense.

Section 3.11 Informal Action of Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

ARTICLE FOUR

Officers

Section 4.1 Officers of the Community Association. The principal officers of the Community Association shall be the President, Vice President and Secretary/Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two 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. Every officer will serve for a term of one (1) year except an officer filling the vacancy created by resignation, death or removal of his successor in which case, the officer shall serve for the unexpired term of his successor.

Section 4.2 Election of Officers. The officers of the Community Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmation vote of a two-thirds (2/3) majority of all members of the Board, any officer may be removed either with or without cause and the officer's successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.3 The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Community Association. The President shall preside at all meetings of the Community Association and of the Board of Directors, shall have and discharge all the general powers and duties usually vested in the office of the President or chief executive officer of an association or a stock corporation 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 Community Association and to perform such other duties as the Board of Directors may from time to time prescribe.

Section 4.4 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 or by the President.

Section 4.5 The Secretary. The Secretary shall be elected from among the Board of Directors. The Secretary shall attend all meetings of the Community Association and of the Board of Directors and shall keep or cause to be kept a true and complete record of proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Community Association or the Board are duly given, mailed or delivered, in accordance with the provision of these Bylaws. The Secretary and the President shall not be the same person.

Section 4.6 The Treasurer. The Board 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 Community Association and such other duties incident to the office of Treasurer. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Community Association, and shall immediately deposit all funds of the Community Association in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Community Association.

Section 4.7 Assistant Officers. The Board of Directors may from time to time designate and elect from among the Owners an Assistant Secretary and 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.

Section 4.8 Compensation. No officer shall receive compensation from the Community Association for acting as such.

ARTICLE FIVE

Assessments

Regular and Special Assessments shall be determined and collected as follows:

5.1 Annual Accounting. Annually, after the close of each calendar year and prior to the date for notice of the annual meeting of the Community Association, the Board of Directors shall cause to be prepared and shall furnish each Owner a financial statement, which statement shall show all receipts and expenses received, incurred, or paid during the preceding calendar year. The annual accounting shall be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered.

5.2 Proposed Annual Budget. Annually, on or before the date for notice of the annual meeting of the Community Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Community Expenses for the ensuing year and shall furnish a copy of such proposed budget to each Owner prior to the annual meeting. The proposed annual budget shall be submitted to the Owners at the annual meeting of the Community Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Owners, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by a majority of the Owners present or represented at the meeting (provided a quorum is present); provided, however, in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owner shall not constitute a waiver or release of the Owner to pay the Community Expenses.

5.3 Regular Assessments. The Regular Assessment against each such Residence shall be paid in one (1) annual installment on the first day of January following adoption of the budget. Payment of the Regular Assessment shall be made to the Community Board of Directors as directed by the Community Board of Directors; provided, however, that any Owner may elect to pay Regular Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Residence in Stone Ridge as of the date of the adoption of the annual budget.

The initial Regular Assessment will equal ________________ Dollars ($______________) per year and Declarant agrees that the Regular Assessment will not increase by more than Ten Dollars ($___________) per year during the Development Period.

5.4 Special Assessments. No Special Assessments shall be levied without the assent of two-thirds (2/3) of the Owners at a meeting duly called for this purpose. Each Owner, subject to the Regular Assessment as described in Section 5.3 above, shall pay the Community Association a Special Assessment on or before the due date(s) established by the Community Board of Directors.

5.5 Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Community Association provide insufficient to meet the Community Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year.

5.6 Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and annual assessments are determined in accordance with the Declaration and these Bylaws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary.

5.7 Reserve Funds. The Community Association shall be obligated to establish a reserve fund for the repair of the Common Area based upon good faith estimates of the useful life and replacement cost of such Community Area made or obtained by the Community Association. The reserve fund shall be funded through the payments by the Owners of Community Expenses subject to Regular Assessments and not by an extraordinary or Special Assessment. Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied for such expenditures. In addition to the reserve fund, an operating fund shall be established and maintained by the Community Association. All amounts held by the Community Association pursuant to this Section 5.7 shall be maintained in a separate federally-insured account and any interest thereon shall be added to and deemed a part of such fund.

5.8 Status of Funds Collected by Community Association. All funds collected pursuant to this Article 5 shall be held and expended by the Community Association solely for the purposes designed herein, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Owners for the payment of Common Expenses.

5.9 <u>Accounting Practices of the Community Association</u>. The annual budget, the Regular Assessment and all sums assessed by the Community Association shall be established by using generally accepted accounting principles. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Community Area to the extent such capital expenditures and replacement and repair is the obligation of the Community Association, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Community Area. Such replacement reserve fund for capital expenditures and repair of the Community Area shall be maintained by the Community Association in a separate interest-bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Monroe County, Indiana, selected from time to time by the Community Board of Directors.

5.10 <u>Collection of Assessments</u>. Each Assessment shall be due and payable on the due date thereof as specified in the Declaration or in these Bylaws, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner, and shall bear interest on the unpaid balance thereof from the Delinquency Date until fully paid, at a rate of interest equal to eighteen percent (18%) per annum. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Community Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eighteen percent (18%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Residence as of the date on which such delinquent Assessment first became a lien, 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. The Owner and any occupant of the Residence shall be jointly and severally liable for the payment to the Community Association of reasonable rental for such Residence and the Community Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Residence and to collect the rentals and other profits therefrom for the benefit of the Community Association to be applied to the unpaid Regular Assessments or Special Assessments. The Board of Directors may at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same.

5.11 <u>Subordination of Assessment Lien to Mortgage</u>. Notwithstanding anything contained in the Declaration, the Articles of Incorporation of the Community Association or these Bylaws, any sale or transfer of a Residence 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 foreclosure shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior Owner from personal liability therefor.

5.12 Notice of Assessments. Upon thirty (30) days written notice to the Community Association and the payment of a reasonable fee, the Community Association shall deliver to any Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of a Residence, a written statement setting forth the amount of all unpaid Assessments, if any, with respect to the subject Residence, together with the amount of the current assessments for Community Expenses and the date(s) such Assessments become due and payable. Any such written statement shall be binding upon the Community Association in favor of any person relying thereon in good faith.

ARTICLE SIX

Rules and Regulations

The Community Board of Directors may promulgate reasonable rules and regulations regarding the operation of the Community Association or the Community Area, as it may deem necessary from time to time. Such rules as are adopted may be amended by vote of a majority of the Board, the Board shall cause copies of such rules to be delivered and mailed promptly to all Owners.

ARTICLE SEVEN

Amendment to Bylaws

During the Development Period, these Bylaws may be amended by a majority vote or by written consent of all initial directors. Upon the expiration of the Development Period, these Bylaws may be amended by a vote of not less than sixty-six and two-thirds percent (66 2/3%) of the vote of the Owners in a duly constituted meeting called for such purpose. Provided, however, that no amendment to these Bylaws which materially impairs the right of any mortgagee or any party holding, insuring or guaranteeing any mortgage on all or any portion of the Real Estate may be made unless the Mortgagees consent in writing to the amendments.

Certified to be the Bylaws adopted by consent of the Directors of Stone Ridge Community Association, Inc. dated this 15th day of December, 1997.

Maureen Adell Grossman

Maureen Adell Grossman, Secretary

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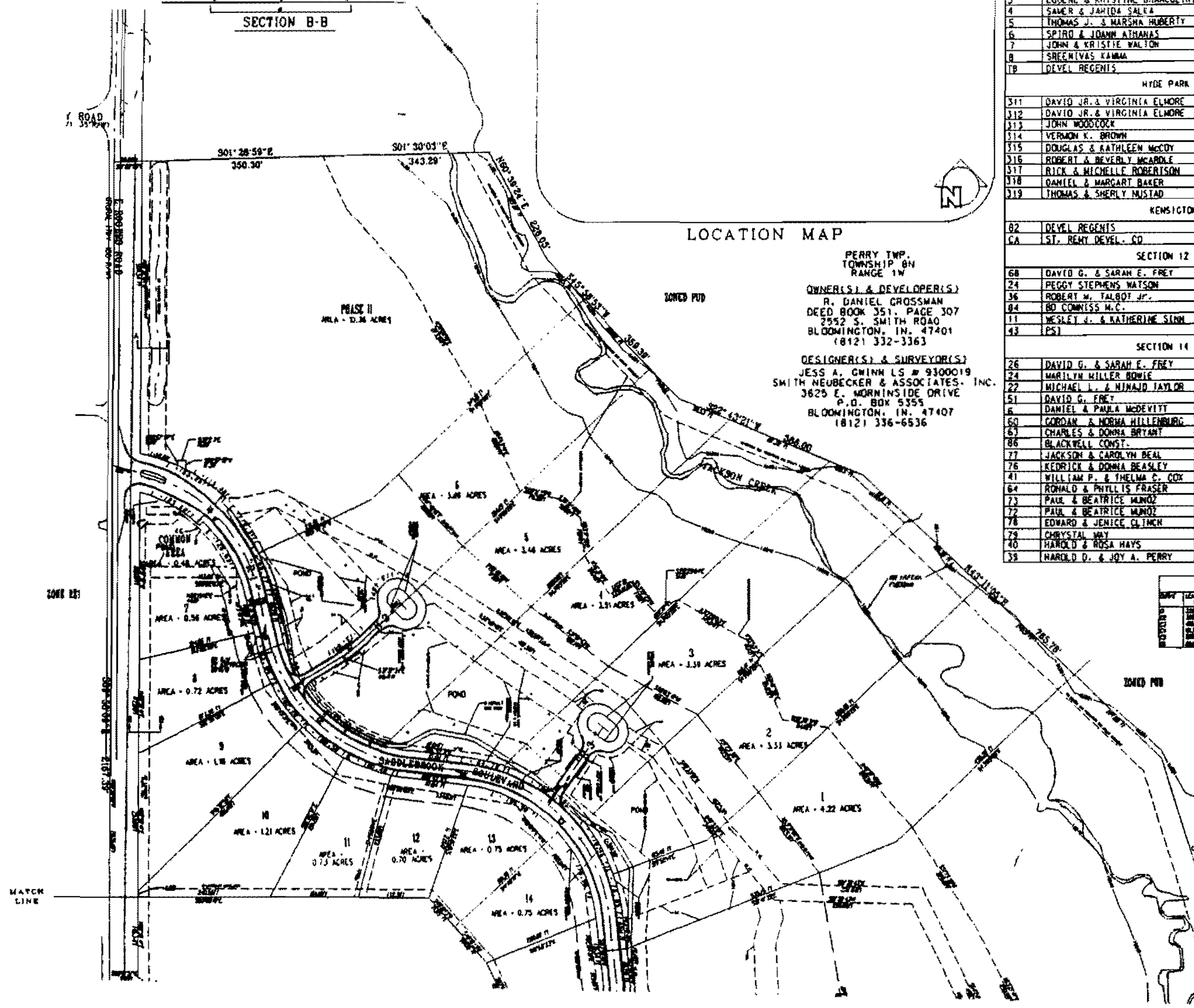
STONE RIDGE
PHASE I
DEVELOPMENT PLAN

Smith Neubecker & Associates, Inc.



LOCATION MAP

PERRY TWP.
TOWNSHIP 8N
RANGE 1W

OWNER(S) & DEVELOPER(S)
R. DANIEL GROSSMAN
DEED BOOK 351, PAGE 307
2552 S. SMITH ROAD
BLOOMINGTON, IN. 47401
(812) 332-3363

DESIGNER(S) & SURVEYOR(S)
JESS A. GWINN LS # 9300019
SMITH NEUBECKER & ASSOCIATES, INC.
3625 E. MORNINGSIDE DRIVE
P.O. BOX 5355
BLOOMINGTON, IN. 47407
(812) 336-6536

ADJOINING PROPERTIES TABLE

PARCEL	OWNER	ADDRESS	ACRES	DEED BOOK	PAGE
18	R. DANIEL GROSSMAN		101.85	351	307
19	DAVID G.& SARAH E. FREY	2625 S. SMITH ROAD	.5	110	153
83	JOHN C.& CHRIS P. MACKEY	3491 E. ROGERS ROAD	1.0	455	470
84	JOHN C.& CHRIS P. MACKEY	3491 E. ROGERS ROAD	.42	455	470
	BROOKSTONE				
1	DENNIS PATRICK MORRISON	3105 DANIEL STREET		448	224
2	LAMH TAT & SAM NGOC FRAN	3109 DANIEL STREET		433	400
3	EUGENE & KRISTINE BRANCOLINI	3113 DANIEL STREET		425	87
4	SAMER & JAHIDA SALEA	3117 DANIEL STREET		426	193
5	THOMAS J. & MARSHA HUBERTY	3201 DANIEL STREET		423	281
6	SPIRO & JOANN ATHANAS	3030 DANIEL STREET		437	87
7	JOHN & KRISTIE WALTON	3028 DANIEL STREET		436	436
8	SREENIVAS KAMMA	3026 DANIEL STREET		457	389
T8	DEVEL REGENTS	1599 E. RHORER ROAD			
	HYDE PARK SECTION 13				
311	DAVID JR.& VIRGINIA ELMORE	308 FOUNTAIN SQUARE		410	258
312	DAVID JR.& VIRGINIA ELMORE	308 FOUNTAIN SQUARE		410	258
313	JOHN WOODCOCK	2921 OLCOTT BLVD.		411	84
314	VERNON K. BROWN	2925 OLCOTT BLVD.		458	497
315	DOUGLAS & KATHLEEN McCOY	3166 BRAESIDE DRIVE		405	234
316	ROBERT & BEVERLY McARDLE	3001 OLCOTT BLVD.		409	214
317	RICK & MICHELLE ROBERTSON	3005 OLCOTT BLVD.		428	5
318	DANIEL & MARGART BAKER	3009 OLCOTT BLVD.		440	355
319	THOMAS & SHERLY NUSTAD	3101 DANIEL STREET		429	208
	KENSIGTON PARK II				
82	DEVEL REGENTS	1599 ROGERS ROAD			
CA	ST. REMY DEVEL. CO	501 WOODCREST		403	154
	SECTION 12 TWP 8N R 1W				
68	DAVID G. & SARAH E. FREY	2625 S. SMITH ROAD	.33	290	531
24	PEGGY STEPHENS WATSON	2248 E. CAPE COD	1.92	411	329
36	ROBERT M. TALBOT Jr.	2525 S. SMITH ROAD	5.00	192	63
84	BD COMMISS M.C.	COURTHOUSE	1.23	457	331
11	WESLEY J. & KATHERINE SINN	2475 S. SMITH ROAD	56.48	120	462
43	PSI	1000 E.MAIN PLAINFIELD	0.92	141	235
	SECTION 14 TWP 8N R 1W				
26	DAVID G. & SARAH E. FREY	2625 S. SMITH ROAD	.82	110	153
24	MARILYN MILLER BOWIE	2695 S. ROGERS ROAD	1.18	120	462
22	MICHAEL L. & NINAJD TAYLOR	3656 E. ROGERS ROAD	1.00	337	40
51	DAVID G. FREY	2625 S. SMITH ROAD	10.32	337	40
6	DANIEL & PAULA McDEVITT	3646 E. ROGERS ROAD	1.53	341	350
60	GORDAN & NORMA HILLENBURG	3640 E. ROGERS ROAD	1.04	244	368
67	CHARLES & DONNA BRYANT	3636 E. ROGERS ROAD	1.01	361	51
86	BLACKWELL CONST.	3201 E. ROGERS ROAD	1.00	458	638
77	JACKSON & CAROLYN BEAL	3626 E. ROGERS ROAD	1.00	245	201
76	KEDRICK & DONNA BEASLEY	3532 E. ROGERS ROAD	1.12	387	365
41	WILLIAM P. & THELMA C. COX	3528 E. ROGERS ROAD	1.15	200	73
64	RONALD & PHYLLIS FRASER	3524 E. ROGERS ROAD	1.00	202	479
73	PAUL & BEATRICE MUNOZ	3520 E. ROGERS ROAD	1.00	211	265
72	PAUL & BEATRICE MUNOZ	3520 E. ROGERS ROAD	1.00	211	265
78	EDWARD & JENICE CLINCH	3514 E. ROGERS ROAD	1.00	376	335
79	CHRYSTAL MAY	3510 E. ROGERS ROAD	1.00	433	667
40	HAROLD & ROSA HAYS	3508 E. ROGERS ROAD	1.00	231	325
39	HAROLD D. & JOY A. PERRY	3504 E. ROGERS ROAD	1.00	225	420

CURVE DATA TABLE

SCALE: 1"=100'

CONSTRUCTION LEGEND

TOPOGRAPHIC LEGEND

These lots are for "Single Family" use.

PROPOSED SETBACKS

LOT #	FRONT	REAR	SIDE
1	AS SHOWN	35'	15'
2	AS SHOWN	35'	15'
3	AS SHOWN	35'	15'
4	AS SHOWN	35'	15'
5	AS SHOWN	35'	15'
6	AS SHOWN	35'	15'
7	40'	35'	15'
8	40'	35'	15'
9	40'	35'	15'
10	40'	35'	15'
11	40'	35'	15'
12	40'	35'	15'
13	40'	35'	15'
14	40'	35'	15'
15	40'	35'	15'
16	40'	35'	15'
17	40'	35'	15'
18	40'	35'	15'
19	40'	35'	15'
19	AS SHOWN	35'	15'

JOB TITLE: STONE RIDGE PHASE I DEVELOPMENT PLAN

REVISIONS | BY | DATE

SAB | RCB | TAH | 8/18/97

2586

SHEET 1 OF 2

06/24/97

DEVELOPMENT PLAN

EXHIBIT "C"

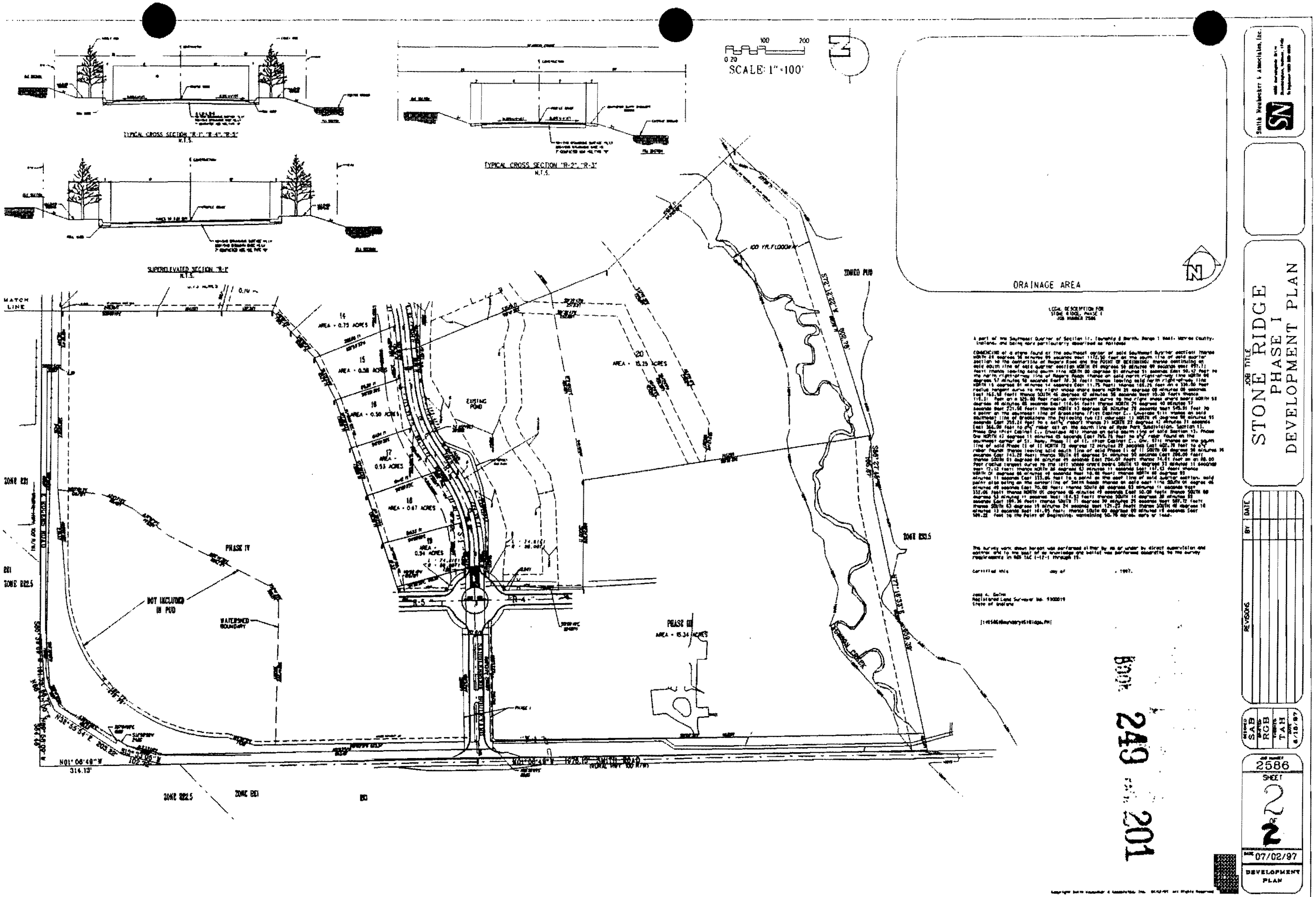

STONE RIDGE
PHASE I
DEVELOPMENT PLAN
JOB TITLE
REVISIONS
BY
DATE
Smith Neubecker & Associates, Inc.
SAB
RGB
TAH
6/18/97
2586
SHEET
2
OF
2
07/02/97
DEVELOPMENT PLAN
SCALE: 1"=100'
0
20
100
200
DRAINAGE AREA
LEGAL DESCRIPTION FOR STONE RIDGE, PHASE I
TYPICAL CROSS SECTION "R-1", "R-4", "R-5"
N.T.S.
TYPICAL CROSS SECTION "R-2", "R-3"
N.T.S.
SUPERELEVATED SECTION "R-1"
N.T.S.
MATCH LINE
100 YR. FLOODWAY
ZONED PUD
AREA = 0.73 ACRES
AREA = 0.58 ACRES
AREA = 0.50 ACRES
AREA = 0.53 ACRES
AREA = 0.67 ACRES
AREA = 0.54 ACRES
AREA = 15.25 ACRES
AREA = 15.34 ACRES
EXISTING POND
PHASE IV
PHASE III
NOT INCLUDED IN PUD
WATERSHED BOUNDARY
SMITH ROAD
ZONE 833.5
ZONE 822.5
ZONE 821
N01°06'48"W
314.13'
N38°55'54"E 203.82'
249
201

EXHIBIT "C"

EXHIBIT "D"

LEGAL DESCRIPTION FOR
STONE RIDGE BOUNDARY
JOB NUMBER 2586

A part of the Southeast Quarter of Section 11, Township 8 North, Range 1 West, Monroe County, Indiana, and being more particularly described as follows:

COMMENCING at a stone found at the southeast corner of said Southeast Quarter section; thence NORTH 89 degrees 58 minutes 09 seconds West 364.46 feet on the south line of said quarter section to the centerline of Rogers Road and the POINT OF BEGINNING; thence continuing on said south line of said quarter section NORTH 89 degrees 58 minutes 09 seconds West 2167.39 feet to the southeast corner of land of Mackey (D.R. 455, PG. 470); thence on the east line of said land of Mackey the following two (2) courses: 1) NORTH 01 degree 28 minutes 59 seconds West 350.30 feet to a 5/8" rebar found; thence 2) NORTH 01 degree 30 minutes 03 seconds West 343.29 feet to a 5/8" rebar found on the southeast line of Brookstone (Plat Cabinet C, Envelope 91); thence on said southeast line of Brookstone the following three (3) courses: 1) NORTH 60 degrees 46 minutes 58 seconds East 227.67 feet to a 5/8" rebar found; thence 2) NORTH 45 degrees 58 minutes 53 seconds East 359.39 feet to a set 5/8" rebar found; thence 3) NORTH 22 degrees 43 minutes 21 seconds East 366.00 feet to a 5/8" rebar set on the south line of Hyde Park Subdivision, Section Thirteen, Phase One (Plat Cabinet C, Envelope 40); thence on said south line of said Section Thirteen, Phase I NORTH 43 degrees 11 minutes 05 seconds East 765.76 feet to a 5/8" rebar found on the southwest corner of Saint Remy, Phase II of II (Plat Cabinet C, Envelope 97); thence on the south line of said Phase II of II the following three (3) courses: 1) NORTH 72 degrees 12 minutes 22 seconds East 602.78 feet to a 5/8" rebar found; thence 2) NORTH 86 degrees 27 minutes 45 seconds East 165.87 feet to a 5/8" rebar found; thence 3) NORTH 77 degrees 16 minutes 33 seconds East 659.39 feet to a 5/8" rebar found; thence SOUTH 01 degree 06 minutes 49 seconds East 1978.13 feet on the east line of said quarter section to the centerline of Smith Road; thence on said centerline the following four (4) courses: 1) SOUTH 13 degrees 33 minutes 05 seconds West 102.72 feet; thence 2) SOUTH 32 degrees 55 minutes 55 seconds West 203.22 feet; thence 3) SOUTH 66 degrees 47 minutes 05 seconds West 66.77 feet; thence 4) SOUTH 85 degrees 39 minutes 09 seconds West 161.73 feet to the Point of Beginning, containing 101.34 acres, more or less.

EXCEPTING THEREFROM:

A part of the Southeast Quarter of Section 11, Township 8 North, Range 1 West, Monroe County, Indiana, and being more particularly described as follows:

COMMENCING at a stone found at the southeast corner of said quarter section; thence NORTH 89 degrees 58 minutes 09 seconds West 1026.19 feet on the south line of said quarter section to the centerline of Rogers Road; thence NORTH 00 degrees 01 minute 51 seconds East 15.00 feet to the north right-of-way of Rogers Road and the POINT OF BEGINNING; thence NORTH 00 degrees 01 minute 51 seconds East 30.00 feet to a set 5/8" rebar; thence SOUTH 89 degrees 58 minutes 09 seconds East 314.96 feet to a set 5/8" rebar; thence NORTH 85 degrees 09 minutes 20 seconds East 235.33 feet to a set 5/8" rebar; thence 640.29 feet on a 402.72 foot radius non-tangent curve to the left whose chord bears NORTH 44 degrees 29 minutes 00 seconds West 574.95 feet to a set 5/8" rebar; thence NORTH 14 degrees 30 minutes 37 seconds East 74.49 feet to a set 5/8" rebar; thence NORTH 01 degree 03 minutes 51 seconds West 623.34 feet to a set 5/8" rebar; thence NORTH 88 degrees 57 minutes 09 seconds East 20.00 feet to the west right-of-way of Smith Road; thence on said west right-of-way the following three (3) courses: 1) SOUTH 01 degree 03 minutes 51 seconds East 853.49 feet; thence 2) SOUTH 13 degrees 33 minutes 05 seconds West 101.30 feet; thence 3) SOUTH 32 degrees 55 minutes 55 seconds West 24.86 feet; thence SOUTH 57 degrees 04 minutes 05 seconds East 10.00 feet to the north right-of-way of Rogers Road; thence on said north right-of-way the following four (4) courses: 1) SOUTH 32 degrees 55 minutes 55 seconds West 169.53 feet; thence 2) SOUTH 66 degrees 47 minutes 05 seconds West 59.71 feet; thence 3) SOUTH 85 degrees 39 minutes 09 seconds West 159.02 feet; thence 4) NORTH 89 degrees 58 minutes 01 second West 660.81 feet to the Point of Beginning, containing 2.04 acres, more or less.

Amendments to the Stone Ridge Community Documents as approved at the Annual Meeting held on December 17th, 2008

Declaration Changes:

5.5 Change the first sentence to read, "No Special Assessment will be levied without the assent of at least 51% of the votes cast at a meeting duly called for the purpose of passing a Special Assessment, when a quorum is present."

5.8 Remove, "Extraordinary expenditures not originally included in the annual estimate but which becomes necessary during the year will be charged, first, against the reserve funds so established before any Special Assessment is levied or made for such expenditures."

5.11 Insert after the first sentence, "A late fee shall be imposed on monthly assessments made thirty (30) days after the due date. The late fees shall be five percent (5%) of the amount due and shall be assessed each month for which there is a delinquency on the full amount of the delinquency."

By-law Changes:

2.2 Change the first sentence to read, "The annual meeting of the members of the association shall be held in the month of October in each calendar year."

2.6.5.4 Change the second sentence to read, "Such nominations must be in writing and presented to the Secretary of the Community Association at least 20 days prior to the annual meeting."

3.1.3 Add as the last sentence, "Board Members shall be elected to two year terms with the exception of the first election of board members, where terms shall be staggered (electing one board member to a one year term, one board member to a two year term and the remaining board member to a two year term) to insure continuity. Board members shall be elected as follows: No more than two members shall be elected from the Saddlebrook homeowners and no more than 3 members shall be elected from the Stone Ridge homeowners"

3.3 Change to read, "The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

3.5 Second sentence shall read, "The Secretary shall give notice of regular meetings of the Board to each Director personally, by e-mail or by United States mail at least five (5) days prior to the date of such meeting."

5.7 Remove, "Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied for such expenditures."