DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF THE

STONE RIDGE COMMUNITY

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RECORDER MONROE CO., IN

This *Declaration of Covenants, Conditions and Restrictions of the Stone Ridge Community* (hereinafter referred to as "the *Declaration*" or "this *Declaration*"), is made this 15th day of December 1997, by R. Daniel Grossman, M.D. and Maureen Adell Grossman, husband and wife, (hereinafter referred to as "Declarant").

WITNESSETH:

(A) Declarant is the owner of the Stone Ridge Community Real Estate.

(B) Declarant desires to develop several distinct Neighborhoods on the Stone Ridge Community Real Estate which embrace a common theme and are developed as a single residential community of the highest quality which shall commonly be known as the "STONE RIDGE COMMUNITY";

(C) In furtherance of the Declarant's philosophy, the Stone Ridge Community will include private streets, landscaped buffer areas, open spaces, lakes or ponds and other common areas and amenities for the benefit of the Owners of the Lots and Residences in the Stone Ridge Community;

(D) Declarant desires to provide for the preservation and enhancement of the values and amenities in the Stone Ridge Community and the Lots, Residences, Common Areas and Community Areas and, to this end, Declarant desires to subject the Stone Ridge Community

Real Estate to certain rights, privileges, covenants, restrictions, easements, assessments, charges and liens, each and all to the extent herein provided, for the benefit of the Real Estate and each Owner of all or part thereof;

(E) Declarant deems it desirable, for the efficient preservation of the values and amenities in the Stone Ridge Community to create an agency to which shall be delegated and assigned the powers of owning the Common Areas and which shall maintain and administer the Community Areas located within the Stone Ridge Community by collecting and disbursing the Assessments and other charges imposed on the Owners, and by promoting the health, safety and welfare of the Owners of the Lots and Residences in the Stone Ridge Community; and,

(F) Declarant has caused, or will cause, to be incorporated under the laws of the State of Indiana a not-for-profit corporation under the name "Stone Ridge Community Association, Inc.", or a similar name, as such agency for the purpose of exercising such functions;

NOW, THEREFORE, Declarant hereby declares that the Real Estate is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, improved and occupied subject to the provisions, agreements, conditions, covenants, restrictions, easements, assessments, charges and liens hereinafter set forth, all of which are declared to be in furtherance of a plan for preservation and enhancement of the Real Estate, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Estate as a whole and of each of the Lots, Residences and Dwelling Units located within the Stone Ridge Community.

ARTICLE 1

Definitions

Section 1.1. Definitions. The following words and terms, when used in this

Declaration or in any supplement or amendment to this *Declaration*, unless the context clearly requires otherwise, shall have the following meanings:

"Access/Street Easement" means and refers to those areas of an Owner's Lot identified and depicted on the Plat which are provided for the permanent non-exclusive vehicular and non-vehicular ingress and egress of the Owners, public utility employees, governmental employees or representatives and the invitees and agents of all such parties; provided, however, that nothing in this *Declaration* or any other instrument shall be construed to have dedicated the Access/Street Easements to the public. Each Access/Street Easement also includes within its boundaries a Utility Easement as defined in this *Declaration*.

"Act" means and refers to the Indiana Not-For-Profit Corporation Act of 1971, as amended;

"Articles" means and refers to the Community Association's *Articles of Incorporation*, as the same may be amended from time to time. A conformed copy of the Articles of Incorporation are attached to and made a part of this *Declaration* as Exhibit A;

"Bike Path Easement" means and refers to the irrevocable perpetual easement in favor of the City of Bloomington, Indiana as depicted on the Plat which was created for the purpose of constructing and improving a bike path across the Bike Path Easement by the City of Bloomington, Indiana Parks and Recreation Department; provided, however, the Owner of any Lot subject to a Bike Path Easement may fence, landscape, maintain, occupy and use the Bike Path Easement area in any way that does not substantially interfere with the City's later construction

of an improved bike path over the Bike Path Easement as part of an integrated network of pathways operated by the City of Bloomington Parks and Recreation Department.

"Building" means and refers to all structures erected on the Real Estate by an Owner including Residences, garages, outbuildings or enclosed structures of any kind.

"Building Setback Areas" shall mean and refer to those areas depicted on the Plat in which no Building or any part thereof may be erected or maintained.

"Bylaws" means and refers to the Code of Bylaws of the Community Association, as the same may be amended from time to time. A conformed copy of the Community Association's Bylaws are attached hereto and incorporated by this reference as Exhibit B;

"Committee" means and refers to the "Stone Ridge Architectural Control Committee", the same being the committee or entity established pursuant to Article 7 of this *Declaration* for the purposes herein stated;

"Common Areas" shall mean and refer to those areas of the Stone Ridge Community that are conveyed to and owned by the Community Association including, but not limited to the streets and roads as finally constructed by Declarant which are not located within the Access/Street Easements of an Owner's Lot together with those portions of the Real Estate which benefit the Neighborhoods and the Owners which are depicted and identified as Common Areas on any Neighborhood Plat within the Stone Ridge Community.

"Common Expense" shall mean and refer to expenses of administration of the Community Association, and expenses for the upkeep, maintenance, repair and replacement of the Community Areas, and all sums lawfully assessed against the

Owners by the Community Association, and all sums, costs and expenses declared by this Declaration to be Common Expenses;

"Community Areas" shall mean and refer to the Common Areas and those other portions of the Real Estate which benefit the Neighborhoods and the Owners including, but not limited to: the streets located within the Access/Street Easements; the landscaping, ponds, pumping equipment and amenities located in the Landscape Maintenance Easements; the ponds and water features located within any Drainage Easements; the footpaths located in the Pedestrian Easements; and, to the extent hereinafter established, such improvements located, installed or established in, to, on, under, across or through the Real Estate as are herein declared to be Community Areas by the Declarant whether located, installed or established entirely or partially on Lots (as herein defined) or portions of the Real Estate which are not Lots, or both.

"Community Association" shall mean and refer to Stone Ridge Community Association, Inc., an Indiana not-for-profit corporation which Declarant has caused, or will cause, to be incorporated under said name or a similar name, its successors and assigns;

"Community Board" or "Community Board of Directors" means and refers to the governing body of the Community Association elected, selected or appointed as provided for in the Articles, Bylaws and this *Declaration*;

"Conservation Easements" means and refers to those parts of a Lot which are identified and depicted on the Plat where, except for the initial construction of the storm water drainage system and the initial construction of the storm water detention areas, future or additional development is prohibited. Notwithstanding the existence

of a Conservation Easement, any portion of the Real Estate used for agricultural uses may continue that use.

"Declarant" shall mean and refer to R. Daniel Grossman, M.D. and Maureen Adell Grossman, husband and wife, and their successors and assigns who they designate in one or more written recorded instruments to have the rights of Declarant hereunder;

"Development Period" means and refers to the time from the execution of this Declaration by the Declarant until the first to occur of: (i) the date when Declarant transfers control of the Community Association to the Owners; or, (ii) the date Declarant records a Plat for each Neighborhood and sells all Lots and Dwelling Units within each Neighborhood; or, (iii) December 31, 2007;

"Development Plan" means and refers to the final plan, as modified or amended from time to time, which designates with particularity the controls for the development of each Neighborhood which is part of the Stone Ridge Community, as such final plan was approved as a Planned Unit Development by the Monroe County Plan Commission or any successor governmental authority.

"Drainage Easements" means those areas identified and depicted on the Plat which are created to provide storm water detention, paths and courses for area and local storm drainage, either over land or in underground conduits to serve the needs of the Stone Ridge Community, the adjoining ground or the public drainage system.

"Dwelling Unit" means and refers to those Residences including the Residences' pro-rata interest in the Neighborhood's common areas which have been constructed within the Stone Ridge Community under the provisions of the Indiana Horizontal Property Act or any successor act.

"Easements" means and refers, collectively, to the Access/Street Easement Areas, Conservation Easements, Drainage Easements, Landscape Maintenance Easements, Pedestrian Easements and Utility Easements.

"Initial Board" means and refers to the initial members of the Community Board of Directors appointed by the Declarant as provided in this *Declaration*.

"Landscape Maintenance Easements" means and refers to those areas identified and depicted on the Plat which shall be maintained by the Community Association as a Common Expense and which shall include but not be limited to the areas containing the perimeter fence along Rogers Road and Smith Road; the planters and landscaped areas along Saddlebrook Lane; the stone columns at the entrance to Henry Court and Dodson Court; the permanent entrance signage at the entrance to Stone Ridge Community from the public street(s); and, the ponds, pumping equipment and all other landscaped areas initially constructed by Declarant.

"Lot" shall mean and refer to any and each portion of the Real Estate (excluding any part of the Common Areas) designed and intended for use as a building site for, or developed and improved for use as, a Residence (which shall be deemed to include any other buildings or improvements appurtenant to such Residence), as designated by Declarant by its deed of the same to another Person and which is shown upon, and identified as a Lot on any Plat of the Real Estate or any part thereof.

"Mortgagee" shall mean and refer to the holder of a recorded first mortgage lien on a Lot, Residence or Dwelling Unit;

"Neighborhood" means any of the four (4) distinct developments within the Stone Ridge Community as depicted on the Stone Ridge Development Plan.

"Owner" shall mean and refer to: (1) the Declarant, as to each Lot or Dwelling Unit owned by it and depicted on the Plat as to each Neighborhood of which it is the owner of record; and (2) the record owner, other than Declarant, whether one or more Persons, of the fee simple title to any Lot or Dwelling Unit; provided, however, that an Owner shall not include or mean or refer to a Mortgagee or tenant unless and until such Mortgagee or tenant has acquired record fee simple title to any Lot or Dwelling Unit, but upon so acquiring title to any Lot or Dwelling Unit a mortgagee or tenant shall become an Owner;

"Pedestrian Easement" means and refers to those areas identified on the Plat as being dedicated solely for non-vehicular traffic of all of the Owners and their invitees and agents.

"Person" shall mean and refer to an individual, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof;

"Plat" means and refers to the recorded subdivision plat for each Neighborhood in the Stone Ridge Community as recorded in the Office of the Recorder of Monroe County, Indiana, as the same may hereinafter be supplemented or amended. The Plat of each Neighborhood shall describe the Lot lines, Easements, and, in the case of any Neighborhood subject to the Indiana Horizontal Property Act, the Plat includes the recorded floor plans for the Neighborhood. Plats for each Neighborhood may be recorded in phases and all recorded phases, taken together, shall constitute the Plat for that Neighborhood.

"Residence" shall mean and refer to any Dwelling Unit, Building or portion thereof located in the Stone Ridge Community designed and intended for use and occupancy as a residence by one (1) single family;

"Restrictions" shall mean and refer to the agreements, conditions, covenants, restrictions, easements, assessments, charges, liens and all other provisions set forth in this *Declaration*, as the same may be amended from time to time;

"Stone Ridge Community" means and refers to all of the Stone Ridge Community Real Estate and all Residences, Buildings, Community Areas and other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate.

"Stone Ridge Development Plan" shall mean and refer to the preliminary plan reflecting Declarant's proposed development of the individual Neighborhoods, a copy of which is attached hereto as Exhibit "C" and hereby incorporated herein by reference.

"Stone Ridge Community Real Estate" shall mean and refer to the parcel of real estate in Monroe County, Indiana described by metes and bounds in Exhibit "D" attached to and incorporated in this *Declaration*.

"Utility" means and refers to all public utility companies including but not limited to water, sewer, electric, telephone, cable television and other utilities regulated by a governmental entity and which provides service to the general public.

"Utility Easements" means and refers to those areas identified and depicted on the Plat which have been created to provide areas for the installation, maintenance, repair and replacement of transmission lines, mains, pipes conduits, cables, transformers and other utility service devices, either over land or in underground conduits, to serve the needs of the Stone Ridge Community and the lands adjoining the Stone Ridge Community which have been incorporated into the Development Plan and approved by the appropriate governmental authorities.

"Vehicle" shall mean and refer to motor homes, boats, trailers, campers, motorcycles, scooters, trucks, vans ,tractors, tractor trailers, buses, automobiles and any other motorized apparatus for the transportation of Persons.

Section 1.2. Other Terms. Other terms and words defined elsewhere in this Declaration shall have the meanings herein attributed to them.

ARTICLE 2

Declaration, Community Areas and Rights Therein

Section 2.1. Declaration. Declarant hereby expressly declares that the Stone Ridge Community Real Estate, including the Lots, Residences and Community Areas, shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the terms of this *Declaration*, including the Restrictions, exclusively for the use and benefit of the Stone Ridge Community Real Estate, the Community Association and of every Owner who now or in the future owns any Lot or Residence. The Owners of any Lot or Residence subject to this *Declaration*, and all other Persons: (i) by acceptance of a deed from Declarant conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner; or, (ii) by the act of occupancy of any Residence, shall conclusively be deemed to have accepted such deed, executed such contract and undertaken such occupancy subject to each Restriction and agreement contained in this *Declaration*. By acceptance of such deed, or execution of such contract, or undertaking such occupancy, each Owner and all other Persons acknowledge the rights and powers of Declarant, the Committee and of the Community Association with respect to the Stone Ridge Community Real Estate, the Common Areas, the Community Areas, the Lots and the Residences, and also, for itself, its heirs, personal representatives, successors and assigns, covenant, agree and consent to and with Declarant, the Committee, the Community Association, and the Owners and subsequent

Owners of each of the Lots or Residences affected by this *Declaration* to keep, observe, comply with and perform all the terms of this *Declaration* and to abide by all of the Restrictions. The provisions of this *Declaration* shall: (i) run with the land and shall be binding upon the Declarant, the Owners and upon all Persons having or acquiring any right, title or interest, legal or equitable, in and to any Lot, Residence or any portion of the Real Estate; and, (ii) inure to the benefit of the Declarant's successor in title to all or any portion of the Real Estate.

Section 2.2. Easements to Owner. Declarant hereby grants, subject to all of the Restrictions of this Declaration, a non-exclusive easement in favor of each Owner for:

Section 2.2.1 Access/Street Easements. Purposes of ingress and egress by Vehicles along the streets constructed within the Access/Street Easements. In addition to the Owners, the Vehicles of their tenants, invitees and guests, all public and quasi-public Vehicles, including but not limited to, police, fire and other emergency Vehicles, trash and garbage collection Vehicles, post office Vehicles and privately owned delivery Vehicles shall have the right to enter upon and use the private streets within the Stone Ridge Community for ingress to, egress from and access between the Residences and any public roads in the performance of their duties.

Section 2.2.2 Easement over Pedestrian Easements. For purposes of ingress and egress by Persons traveling on foot or non-motorized means along the paths constructed within the Pedestrian Easements.

Section 2.3. Easements to Utilities and Governmental Units. Declarant hereby grants, subject to all of the Restrictions and within the Utility Easements, a non-exclusive easement in favor of each of the Utilities for the purpose of installation, maintenance, repair

and replacement of water, sewer, power, cable television and telephone lines, pipes, mains, conduits and transformers. Within these Utility Easements, no Buildings or other materials shall be erected, placed, installed or allowed to remain by any Owner which may damage or interfere with the use, installation and maintenance of the Utilities. Any Buildings, structures, improvements, plants, trees or other vegetation located within the Utility Easements may be removed or relocated by the Utilities without liability for damages to the Owner; however, if the Utility company, in exercising its rights, damages or destroys any legally existing vegetation, landscaping or improvements belonging to an Owner or the Community Association, the Utility shall be liable, at the Utility's expense, to the Owner or the Community Association for the reasonable cost of restoring the vegetation, landscaping or improvement to its original condition.

ARTICLE 3

Obligation of Declarant as to Community Areas;

Section 3.1. Construction and Conveyance of Common Areas. Declarant has constructed, or will construct, the roads, streets and other Common Areas within the Stone Ridge Community at the approximate locations shown on the Development Plan for the applicable Neighborhood and Declarant covenants that Declarant shall convey the Common Areas to the Community Association by a *Special Warranty Deed*, free and clear of all liens and encumbrances except the lien of current real estate taxes and assessments, legal highways and rights-of-way, all easements, covenants, conditions, restrictions and other matters of

record, the Restrictions and any other rights, interests and easements therein referred to herein or in any Plat or in this *Declaration*.

Section 3.2. Agreement to Construct Other Community Areas. Declarant has constructed or provided for Community Areas consisting of the following items:

A storm drainage system for each Neighborhood within the Drainage Easements, which may include inlet pipes, open ditches, swells, detention areas, the lakes or ponds shown on the Development Plan, pipes and other structures and drainage courses;

The installation, in the Landscape Easements, of mounds, landscaping and other screening material including, without limitation, fences, walls, mailboxes, lighting, street signs and directories.

The construction of footpaths or other pedestrian pathways within the Pedestrian Easements.

Section 3.3 Expenses of Maintaining, Repairing and Replacing Community Areas Located Upon an Owner's Lot. Upon final construction or provision of the Community Areas described in this Section 3 within each Neighborhood, if the Community Area is located entirely or partially on any one or more of the Lots, the Community Association shall assume the responsibility of the maintenance, replacement and repair of all improvements constructed by the Declarant in the Community Areas.

Section 3.4 Owner's Title Subject to all Easements. As to any Community Area located entirely or partially on any one or more of the Lots, the Owners of such Lots shall take and hold title thereto subject to the applicable easements for the maintenance, repair and replacement of such improvements as Community Areas, and a right and easement in favor of the Declarant and the Community Association for access thereto and thereon.

ARTICLE 4

Community Association, Membership, Voting, Functions

Section 4.1. Membership in Community Association. Each Owner, including Declarant, of a Lot depicted in a Plat of a Neighborhood, shall automatically become a member of the Community Association when the Plat depicting the Lot is recorded. Thereafter, the Lot Owner shall be and become a member of the Community Association and shall remain a member until such time as his record ownership of a Lot ceases at which time an Owner's membership in the Community Association shall automatically terminate, and will be transferred to the new Owner of his Lot. Any Person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a member of the Community Association.

Section 4.2. Voting Rights. Each Community Association member shall be entitled to one (1) vote for each Lot or Dwelling Unit owned with respect to each matter submitted to a vote of members. When more than one (1) Person constitutes the Owner of a particular Lot or Dwelling Unit, all such Persons shall be members of the Community Association, but all of such Persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any single Lot or Dwelling Unit.

Section 4.3. Irrevocable Proxy to Declarant. Each Owner, by acceptance of a deed to a Lot or Dwelling Unit, or by acquisition of any interest in a Residence 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 last day of the Development Period, to exercise all of said Owner's right to vote, and to vote as Declarant determines, on

all matters as to which members of the Community Association are entitled to vote under the *Declaration*, the Articles, the Bylaws, the Act or otherwise. This appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by the incompetence of the Owner granting the same. Prior to the last day of the Development Period, the members of the Association, acting through Declarant as their proxy, may act by unanimous consent and no formal meeting shall be required.

Section 4.4. Function. The Community Association has been (or will be) formed for the purpose of providing for the ownership of the Common Areas and for the maintenance, repair, replacement, administration and operation of the Community Areas as and to the extent provided herein, to pay taxes assessed against and payable with respect to the Common Areas, to pay any other necessary expenses and costs in connection with the Community Areas, and to perform such other functions as may be designated for it to perform under this Declaration or under any Plat, whether heretofore or hereafter recorded.

Section 4.5. Right of Community Board of Directors to Adopt Rules and Regulations. The Community Board of Directors may promulgate reasonable rules and regulations regarding the operation of the Community Association or the Community Areas as it may deem necessary from time to time. Such rules as are adopted may be amended by vote of a majority of the Community Board of Directors, and the Community Board of Directors shall cause copies of such amended rules and regulations to be delivered and mailed promptly to the Owners; however, no failure of the Community Board of Directors to provide notice to all Owners shall invalidate any Rule or Regulation except the Rule or Regulation may not be enforced against any Owner who did not receive notice of the amendment.

Section 4.6. Management. The business and affairs of the Community Association

shall be governed and managed by the Community Board of Directors. No person shall be eligible to serve as a member of the Community Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by Declarant as provided in Section 4.7 of this Article 4.

Section 4.7. Initial Board of Directors. The Initial Board shall be composed of the persons designated or to be designated by Declarant in the Articles, to-wit: Daniel Grossman, M.D.; Maureen Grossman. Notwithstanding anything to the contrary contained in, or any other provisions of, this Declaration, the Articles, the By-Laws or the Act (a) the Initial Board shall hold office until the first meeting of the members of the Community Association occurring on or after the last day of the Development Period, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the last day of the Development Period, every such vacancy shall be filled by a person appointed by Declarant, and such appointee shall thereafter be deemed a member of the Initial Board. Each Person serving on the Initial 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 Community Association and an Owner solely for the purpose of qualifying to act as a member of the Community Board of Directors and for no other purpose. No such Person serving on the Initial Board shall be deemed or considered a member of the Community Association nor an Owner of a Lot or Dwelling Unit for any other purpose (unless he is actually the Owner of a Lot or Dwelling Unit and thereby a member of the Community Association).

Section 4.8. Non-Liability of Directors and Officers. The Directors and officers of the Community Association shall not be liable to the Owners or any other Persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as

Directors and officers, except for their own individual willful misconduct, bad faith or gross negligence. The Community Association shall indemnify and hold harmless and defend each of the Directors and officers against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Community Association, unless any such contract shall have been made in bad faith. It is intended that the Directors and officers shall have no personal liability with respect to any contract made by them on behalf of the Community Association.

Section 4.9. Additional Indemnity of Directors and Officers. The Community Association shall indemnify, hold harmless and defend any Person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or officer of the corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him 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 that such Director of officer is liable for gross negligence or misconduct in the performance of his duties. The Community Association shall also reimburse to any such Director or officer the reasonable cost of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director or officer was not guilty of gross negligence or gross misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director or officer, no Director or officer shall be considered or deemed to be guilty of or liable for negligence or gross misconduct in the performance of his duties where, acting in good faith, such Director or officer relied on the books and records of the Community Association or statements or advice made by or prepared by the

Managing Agent (if any) or any other 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 or officer had actual knowledge of the falsity or incorrectness thereof; nor shall a Director or officer be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 4.10. Bond. The Board of Directors may provide surety bonds and may require the Managing Agent (if any), the treasurer of the Community Association, and such other officers as the Board deems necessary, to provide surety bonds, indemnifying the Community Association against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

Section 4.11. Initial Management. Notwithstanding anything to the contrary contained in this Declaration, Declarant shall have, and Declarant hereby reserves to itself, the exclusive right to manage or designate a Managing Agent for the Real Estate and Community Areas, and to perform all the functions of the Community Association, until the last day of the Development Period. Declarant may, at its option, engage the services of a Managing Agent affiliated with it to perform such functions and, in either case, Declarant or such Managing Agent shall be entitled to reasonable compensation for its services.

ARTICLE 5

Assessments

Regular and Special Assessments of the Community Association shall be determined and collected as follows:

5.1 Annual Accounting. Annually, after the close of each calendar year and prior to the date of the Community Association annual meeting, the Board of Directors shall cause to be prepared and shall mail or deliver to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred, or paid by the Community Association during the preceding calendar year.

5.2 Proposed Annual Budget. Annually, prior to the date of the annual meeting of the Community Association, the Board of Directors shall cause to be prepared a proposed annual budget estimating the total Common Expenses for the ensuing calendar year and shall furnish a copy of such proposed budget to each Owner prior to the date of the Community Association annual meeting. The proposed annual budget shall be submitted to the Owners at the Community Association annual meeting for adoption and, if a quorum of the Owners is present, 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, however, in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved. The final budget adopted by the Owners at the annual meeting shall be the basis for the Regular Assessments for the ensuing calendar year. Each Lot or Dwelling Unit in any Neighborhood in the Stone Ridge Community shall bear an amount that is equal to the Owner's pro-rata share of the Common Expenses determined by dividing the total annual budget by the total number of all Lots and Dwelling Units depicted on a Plat for the Neighborhoods in the Stone Ridge Community; provided, however, that the Restrictions

of any Neighborhood may required the Lot Owners of that Neighborhood to pay more, but not less, than their respective pro-rata share of the Common Expenses. Any unused additional Regular Assessment paid by the Owners of any Neighborhood pursuant to a Neighborhood Declaration shall reduce the Regular Assessments of all the Owners for the succeeding year as provided in Section 5.6.

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 Common Expenses.

Prior to the expiration of the Development Period, the Declarant shall provide each Owner with the proposed annual budget for the Common Expenses but may otherwise vote at any annual meeting of the Owners by consent without the necessity of holding a formal meeting.

5.3 Regular Assessments. The Regular Assessment against each such Lot or Dwelling Unit shall be paid in twelve (12) monthly installments beginning on the first day of January and on the first day of each month thereafter 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 One Hundred Fifty Dollars ($150.00) per month. Notwithstanding the provisions contained in Section 5.7, Declarant agrees that the Regular Assessment will not increase by more than ten percent (10%) per calendar year during the Development Period.

5.4 Payments on the Initial Sale of Each Lot. Upon the initial sale of each Lot or

Dwelling Unit in the Stone Ridge Community, the Owner shall pay: (i) the pro-rated Regular and Special Assessments for the year of closing; and, (ii) a non-refundable one-time payment of One Hundred Fifty Dollars ($150.00) which shall be deposited to the Community Association bank account and which shall be permanently retained by the Community Association to meet the initial working capital needs of the Community Association.

5.5 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.

5.6 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 Common Expenses in the next year.

5.7 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, except as otherwise provided in Section 5.3 which limits Regular Assessment increases during the Development Period.

5.8 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 Common 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 5.8 shall be maintained in a separate federally-insured account and any interest thereon shall be added to and deemed a part of such fund.

5.9 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 designated 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.

5.10 Accounting Practices of the Community Association. 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.

5.11 Collection of Assessments. 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.

5.12 Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in the Declaration, the Articles of Incorporation of the Community Association or the Community Association 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.

5.13 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 Common 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 6

Real Estate Taxes, Utilities

Section 6.1. Real Estate Taxes. Real estate taxes on each Lot, Dwelling Unit and on any Residence or other improvement on each Lot, including all portions of the Lots encumbered by Easements, are to be separately assessed and taxed to each Owner and shall be paid by the Owner. Any real estate taxes or other assessments against the Common Areas shall be paid by the Community Association as a Common Expense.

Section 6.2. Utilities. Each Owner shall pay for his own utilities which, to the extent possible, shall be separately metered to each Residence. Utilities which are not separately metered to an Owner's Residence shall be treated as and paid as a Common Expense, unless otherwise determined by the Community Association.

ARTICLE 7

Maintenance, Repairs and Replacements

Section 7.1. By Owners. Except to the extent specifically assumed by another association of Owners, each Owner shall, at his own expense, be responsible for, and shall promptly perform as the need therefore arises, all maintenance, repairs, decoration and replacement of his own Residence, both interior and exterior. In addition, each Owner shall furnish and be responsible for the maintenance of all portions of his Lot, except for the areas located within the Landscape Maintenance Easements which are part of an Owner's Lot. All fixtures and equipment installed within or as part of a Dwelling Unit, commencing at the points where the utility lines, pipes, wires, conduits or systems enter the Dwelling Unit shall be maintained and kept in repair by the Owner thereof. Each Owner of a Lot shall maintain and keep in repair all fixtures and equipment installed within or as part of a Residence, commencing at the points where the utility lines, pipes, wires, conduits or systems enter the

Owner's Lot. Each Owner shall promptly perform all maintenance and repair of his Lot and Residence which, if neglected, might adversely affect any other Lot or Residence or any part of the Community Areas. Such maintenance and repairs include but are not limited to internal water lines, plumbing, electric lines, gas lines, appliances, and all other fixtures, equipment and accessories belonging to the Owner and a part of or appurtenant to his Residence or Lot.

Section 7.2. By the Community Association. Maintenance, repairs, replacements and upkeep of the Common Areas shall be furnished by the Community Association, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses.

In addition to the maintenance of the Common Areas, the Community Association, as part of its duties, and as a part of the Common Expenses, shall provide for maintenance for the following items, which shall be considered part of the Community Areas for purposes of maintenance only:

The Landscape Maintenance Easement areas, including those portions of the Real Estate, whether or not said portions are part of any of the Lots, which are located outside any perimeter fencing (including walls) originally installed by Declarant as part of the perimeter treatment of the Real Estate, but only to the extent that the same are not maintained by or the responsibility of a public authority; provided, however, that the Community Association shall have no obligation to maintain any public street, road or highway located within any public right-of-way on or abutting the Real Estate.

The Drainage Easements including the lakes or ponds shown on the Stone Ridge Development Plan, including any equipment (such as water wells, foundations or other aeration equipment) installed by Declarant as an appurtenance to or to aid in

the functioning of such lakes or ponds, whether or not located on Lots.

Section 7.3. Owner's Responsibility for Damage to the Community Areas. Notwithstanding any obligation or duty of the Community Association to repair or maintain any of the Community Areas (or items deemed Community Areas for purposes of maintenance), if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused to the Community Areas (or items deemed as such for purposes of maintenance), or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Community Association, unless such loss is covered by the Community Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Community Association, the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's Lot is subject.

Section 7.4. Access by the Community Association. The authorized representatives of the Community Association, the Community Board and Managing Agent for the Community Association (if any) shall be entitled to reasonable access to any Lot or Dwelling Unit as may be required in connection with maintenance, repairs or replacements of or to the Community Areas and items deemed as Community Areas for purposes of maintenance, granted or created by any Plat of any portion of the Real Estate for such purposes.

ARTICLE 8

Architectural Control Committee and Procedure for Plan Approval

Section 8.1. Committee Purpose and Powers. The Committee is charged with the responsibility of preserving and enhancing the values of properties subject to the Restrictions, of maintaining a harmonious relationship among Residences, the natural vegetation and topography of the Lots. For these purposes, the Committee has the right to promulgate and enforce rules, regulations and guidelines to regulate the exterior design, appearance, use, location and maintenance of lands, and improvements thereon, subject to the Restrictions. In order to satisfy this responsibility, the Committee has the right to approve or disapprove plans and specifications for all proposed construction of Residences or other Buildings on any Lot subject to these Restrictions; and, approve or disapprove plans and specifications for all remodeling, renovating or improving the exterior of any Residence or Lot subject to these Restrictions.

Section 8.2. Membership of the Committee. During the Development Period, the Committee shall consist of Dan Grossman, Tom Coombes and an architect, builder or engineer chosen by the Declarant. Each member appointed by Declarant shall have one (1) vote in all matters coming before the Committee. Upon the expiration of the Development Period, the Owners of each Neighborhood shall elect a representative to serve on the Committee along with a person appointed by the Declarant. Except for the Declarant's representative, each member of the Committee shall: (1) be qualified to serve on the Committee by virtue of being a designer, architect, builder or engineer; and, (2) be elected by a majority vote of the Owners of the Lots and Dwelling Units comprising each respective Neighborhood. Each Neighborhood representative to the Committee shall have one (1) vote.

All Committee actions shall be by majority vote of the members of the Committee present at any duly called meeting.

Section 8.3 Plans and Specifications to be Submitted.. In order to properly review proposed construction, renovation or remodeling the Committee has established the following minimum specifications.

All plans and specifications must be submitted for approval IN DUPLICATE.

All plans, drawings and blueprints of proposed Residences, additions or other improvements to a Residence or upon a Lot are to be of professional quality and drawn to a scale of not less than ¼" - 1'. All plot plans shall be drawn to a scale of not less than 1" – 30'.

The following drawings shall be considered minimum for approval study by the Committee:

A **Site Plan** which includes a complete topographic study showing the location of all trees, proposed structures, drives, utility services, terraces and all landscape details (including size and type of all plantings).

A **Residence Plan** including, but not limited to foundation plans, floor plans, exterior elevations, electrical drawings, and complete specifications for all materials to be used on the exterior of the Residence and any other improvements. The following plans are to be submitted for each element of construction: front elevation, rear elevation, side elevations, floor plan of each floor and a foundation plan.

Specifications of or for all Residences showing all exterior building materials.

Section 8.4 Method of Approval or Disapproval. The Committee shall review plans and specifications submitted to it. Upon approving a set of plans and specifications, the Committee shall stamp both sets of plans and specifications "Approved, Stone Ridge Architectural Control Committee, By _____ Date _____" and keep one set of plans and specifications for its files. The second set of plans and specifications bearing such approval will be returned to the Owner. If the Committee disapproves the Owner's plans and specifications, written notice of such fact shall be given to the Owner and the notice of disapproval shall specify the reason or reasons for such disapproval.

ARTICLE 9

Residential Construction Provisions

Section 9.1. Necessity for Construction Guidelines. The Declarant believes that it is important for the Residences in the Stone Ridge Community to reflect the overall quality and ambiance of the development. In order to create and maintain a high quality residential development in the Stone Ridge Community, construction criteria have been established by the Committee. The guidelines adopted by the Committee shall, at a minimum, provide that an Owner wishing to construct a Residence within the Stone Ridge Community shall provide guidance to Owners or potential Owners in preparing and submitting plans and specifications to the Committee for its consideration. These guidelines may be changed, modified and amended by the Committee at any time, and from time to time, in accordance with the procedure therefor set forth in these Restrictions.

NOTE: NO NEW CONSTRUCTION OR IMPROVEMENT TO AN EXISTING STRUCTURE MAY BE INITIATED WITHOUT PRIOR WRITTEN APPROVAL FROM THE COMMITTEE.

Section 9.2 General Requirements for All Construction in the Stone Ridge Community. While detailed construction requirements may vary by Neighborhood, the general requirements are set forth below.

9.2.1 Square Footage. All sections or areas for single family residences have minimum square footage requirements which are or will be specified on the Plat for the respective Neighborhoods. The square footage of a Residence as referred to on such Plat shall not include porches, terraces, garages, carports, accessory buildings or basements.

9.2.2 Tree Preservation. No tree outside of the building, driveway and parking areas of a Lot shall be removed without the prior written approval of the Committee and such approval shall only be granted upon proof of unusual hardship in the practical utilization of the Lot. The removal or destruction of any trees without the consent of the Committee shall result in liability of the Owner of such Lot to replace said trees with trees of like kind, quality and size.

9.2.3 Colors and Materials of Homes. Materials used on the exterior of Residences and improvements are subject to the approval of the Committee, and all exterior colors are, generally, to be subdued, earthen tones or white and compatible with other Residences in or planned for the same Neighborhood or immediate area.

9.2.4 Erosion Control and Tree Protection Measures. During periods of construction of a Residence or other improvements on a Lot, the builder shall provide adequate physical barriers such as straw bales or snow fencing in order to protect

trees from damage by construction equipment and related activities. In addition, builders shall be required to exercise erosion control measures in full compliance with all applicable governmental laws and ordinances and, in addition, shall take any additional measures or precautions to prevent silt transportation to the main drainage ways. Builders shall provide appropriate temporary seeding of disturbed each areas and temporary wood or straw bale dams to restrict silt-sediment transportation. The Owner of a Lot shall be responsible for the performance of all requirements of these guidelines by builders and contractors employed or engaged by or through such Owner.

9.2.5 Sanitary Sewage Disposal Systems. No septic tanks or other sewage disposal systems are to be installed on any Lot and all Residences shall be connected to the public sewer system. Each Residence shall have a mechanical device for grinding and disposing of garbage and food waste in the kitchen which shall discharge to the sewer drain.

9.2.6 Storm Water Drainage. To aid in the efficient operation of the storm water drainage system of the Stone Ridge Community, all water discharged from Residences or other improvements on any Lot, including, but not limited to, water discharged from or through roofs, downspouts, sump pumps, gravity drains, water treatment and geothermal devices, patios, pool decks and tennis courts, shall be directed and controlled so that such water discharges to the Drainage Easements at locations which shall be approved by the Committee.

9.2.7 Additional Provisions. All Lot Owners will be required to furnish and install dusk-to-dawn light fixtures at all driveway entrances to their Lots, the style and type of which will be selected by the Committee and shall be the standard for the

entire Neighborhood. Mercury vapor lights are not deemed appropriate and shall not erected by any Residence Owner within the Stone Ridge Community. The fixtures shall disperse low ground light for the drive entrances and shall feature the address number of the Residence the drive serves. All roofing of structures on the property shall be shake shingle, tile, a minimum of 300#/square asphalt shingle, or other material approved by the Committee. The Committee may, at the Committee's sole option, provide a list of suggested interior finishes to Owners to establish guidelines for the desired quality of construction.

9.2.8 Construction Trades. All construction trades performing work on any Residence on any Lot in the Stone Ridge Community will be expected to do their work in a professional manner, and in accordance with all standards published by the recognized trade councils of their respective industries, and it shall be understood that all work performed shall be of the highest quality known to the trade. It is not the duty or the responsibility of the Committee to supervise or inspect the quality of construction performed by the construction trades, but should the Committee discover what it considers "low quality work""or work being performed which is not in accordance with the plans approved by the Committee, the Owner of the Lot and the holder of the building permit for the work in question (if known) may be notified and the work shall be corrected to a professional standard and made to conform to the approved plans.

9.2.9 Manufacturer's Instructions. The manufacturer's printed instruction and directions for the application or installation of their products shall always constitute the minimum standard for the application or installation of that product.

Section 9.3 Architectural Control Guidelines. As noted previously, any new

Residence or other Building or any addition to an existing Residence or Building or an exterior alteration or renovation affecting the exterior of an existing Residence or other Building must have the prior written approval of the Committee before any such work is undertaken. The Committee has established the following guidelines for construction and improvements in any Neighborhood subject to the Restrictions. Any addition, exterior alteration or renovation affecting the exterior of an existing Residence shall be compatible with the design character of the original Residence. Any new Buildings (if permitted) shall be compatible with the existing structure.

Section 9.4 Fences, Walls and Screening. It is the goal of the Committee to keep all fencing or screening as harmonious as possible with the architectural character of the Stone Ridge Community. No fence or screen will be approved if its installation will obstruct necessary sight lines for vehicular traffic. Undue obstruction of view or other amenities from adjoining properties will be taken into consideration by the Committee when reviewing fences for approval. Except for decorative fences and walls that are integral to the Residence's architecture and which have been specifically approved by the Committee, fences shall not be nearer to the front of a Residence than the rear foundation line of the Residence. The Committee shall have the right to require landscaping of the exterior side of all solid fencing on a Lot (i.e., on the sides of such fencing facing away from the Residence on such Lot). Fences may be privately installed but must be constructed to professional levels of quality. Non-professionally installed fences will be inspected by the Committee after completion in order to insure that the final product is of a professional quality and final approval of the fence shall be deemed withheld until successful completion of this final review.

The Committee is of the opinion that the environmental integrity of the Stone Ridge

Community will be materially lessened if the open nature of the community is damaged by a proliferation of fences of excessive height.

The Committee will not approve an application for the installation of a chain link or other galvanized metal fencing unless it is: (1) vinyl coated or covered with similar coating material; (2) located behind the Owner's Residence; and, (3) not visible from any public street or any private streets within the Stone Ridge Community. All fencing or screening should preferably have finished material on both sides. If only one side has finished materials, that side must face the public side or adjoining property. Walls above grade should be constructed of natural stone, masonry or attractive timber.

Section 9.5 Landscaping and Plantings. Landscape improvements are considered by the Committee to be terraces, retaining walls, unusual vegetation coverings, walks, bank treatment, detached patios, and cabanas. With respect to these improvements the Owner shall submit:

Two copies of a plot plan showing the location of the proposed improvements on the Lot, existing grades at the nearest property line with proposed finished grades as applicable to the improvement.

Two copies of such additional plans as may in the Committee's opinion be required in order to evaluate the appearance of the improvement and type of construction, including the type of material used, the color of the finished improvement and the type of vegetation, if any.

Trees, hedges and shrubs which restrict sight lines for vehicular traffic shall be cut back or removed. Special landscaping beyond that normally associated with a single family residence must be approved by the Committee prior to installation. The Owner of each Lot shall establish a satisfactory lawn by seeding or sodding the Lot as

soon as possible following completion of a home, weather conditions permitting.

Section 9.6 Exterior Antennas. Unless specifically authorized by the Committee, no television, radio or other antennas (including, without limitation, satellite receiving dishes) may be erected by any Owner on the exterior of a Residence or on a Lot; however, Direct Satellite System (DSS) dishes or the equivalent are allowed **provided**: (1) they are adequately screened with appropriate landscape materials so that the DSS dish is not visible from any street; and, (2) the diameter of the dish does not exceed eighteen (18) inches.

Section 9.7. Swimming Pools. Swimming pools must have the approval of the Committee before any work is undertaken. Permanent backyard pools will be approved by the Committee only after careful consideration of the potential effect of such a pool on neighboring Residences.

An application for the construction of a swimming pool will not be considered unless the application is accompanied by an application for acceptable fence and landscape design approval. The design of such fence shall conform to county or municipal regulations for such fencing. Use of plantings in the vicinity of the proposed pool will be required to soften the effect of sound and required pool fencing on adjacent properties.

Section 9.8. Tennis Courts, Racquetball Courts, Paddle Ball Courts, Etc.. Tennis courts, racquetball courts, paddle ball courts, squash courts, and other recreational or sporting facilities will be approved by the Committee only after thorough consideration of the potential effect of such a structure or use on neighboring properties. The Committee will not approve non-baffled lighted courts or facilities. An application for the construction of any such facility will not be considered unless the application is accompanied by an application for an acceptable fence and landscape design approval. It is recommended by the Committee

that any such fencing be of an open composition in order to blend in with the surrounding properties and soften the effect on adjacent properties.

Section 9.9. Driveways and Patios. All driveways and patios must be paved with asphalt, concrete or other approved hard-surface material. Extensions, widening or rerouting of existing driveways and patios must have the approval of the Committee prior to construction.

Section 9.10. Retaining Walls and Bank Treatments. Any retaining wall must be approved by the Committee before installation is initiated. Retaining walls which divert ground water onto adjoining properties or which otherwise substantially change the existing drainage pattern will not be approved.

Section 9.11. Solar Heating Systems. The Committee acknowledges the increased use of residential solar heating systems which utilize solar heating panels and related equipment. The Committee will carefully review solar heating plans to insure that their use and location have a minimum detrimental effect on adjoining properties.

Section 9.12. Mailbox Design. In order to preserve the overall aesthetic appearance of the Stone Ridge Community, any mailbox must be approved by the Committee as to size, location, height and composition before it may be installed. The specifications for the standard type of mailbox that will be approved by the Committee can be obtained by contacting the Committee.

Section 9.13. Exterior Lighting. No Owner shall install a mercury vapor or exterior fluorescent light on the Owner's Lot. All exterior lighting on the Owner's Lot shall be incandescent lighting with baffling.

Section 9.14 Miscellaneous. All exterior lighting shall be directed in such a manner so as not to create annoyance to adjacent properties. Trash and garbage containers shall not

be permitted to remain conspicuous except on days of trash collection. Owners shall keep garage doors closed at all times except during times of actual use of the garage facility. All garage doors must have automatic closing devices. Collapsible and removable clothes lines will be permitted by the Committee, but permanent clothes lines will not be approved by the Committee.

ARTICLE 10

Use Restrictions

Section 10.1 Maintenance of Lots and Improvements. The Owner of any Lot in the Stone Ridge Community shall at all times maintain the Lot and any Residence, Building or other structure situated thereon in such a manner as to prevent the Lot, Residence, Building or other structure from becoming unsightly and, specifically, such Owner shall:

Mow the Lot at such times as may reasonably be required in order to prevent the unsightly growth of vegetation and weeds and exercise good husbandry with respect to all landscaping located thereon.

Remove all debris or rubbish.

Prevent the existence of any other condition that reasonably tends to detract from or diminish the aesthetic appearance of the Stone Ridge Community.

Cut down and remove dead trees.

Keep the exterior of the Residence, Buildings and other structures in such a state of repair or maintenance as to avoid their becoming unsightly.

Section 10.2 Parking. No Vehicle which exceeds twenty (20) feet in length, nor any inoperable Vehicles of any length, shall be parked for storage overnight or longer in such a manner as to be visible to occupants of the other Lots in the Stone Ridge Community or the users of any street within the Stone Ridge Community. All commercial Vehicles must be

parked overnight within an enclosed garage. No Vehicle shall be parked overnight on any street in the Stone Ridge Community.

Section 10.3 Temporary Structures. No Residence shall be occupied prior to completion, and there shall be no temporary living quarters constructed within the Stone Ridge Community. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on any Lot shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a Residence.

Section 10.4 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept, or permitted on any Lot with the exception of dogs, cats or other usual and common household pets in reasonable number. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall be confined on a leash at all times whenever they are outside a Residence or fenced-in yard.

Section 10.5 Nuisance. It shall be the responsibility of each Owner of a Residence to prevent the development of any unclean, unhealthy, unsightly, or unkept condition of the Owner's Residence. No Residence shall be used, in whole or in part, for the storage of any property or thing that will cause such Residence to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Residence that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other Owners of Lots or Dwellings in the Stone Ridge Community. No noxious or offensive activity shall be carried on upon any Residence, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Residence. There shall not be maintained any plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous,

unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Stone Ridge Community. Yard incinerators for the disposal or burning of trash are not permitted anywhere within the Stone Ridge Community.

Section 10.6 Clotheslines, Garbage Cans, Woodpiles, Etc. All clotheslines, garbage cans, woodpiles, and other similar items shall be located or screened so as to be concealed from view of neighboring Residences, streets, and other living quarters located adjacent to the Residence. All rubbish, trash, and garbage shall be regularly removed from the Residence and shall not be allowed to accumulate thereon. Yard incinerators for the disposal or burning of trash are not permitted.

Section 10.7 Signs. No sign of any kind, including any "For Sale" signs shall be nailed to any tree or attached to any street sign within the Stone Ridge Community except as may otherwise be provided in this Declaration. Except for the entrance and directional signs constructed by the Declarant within the Easements, no sign of any kind shall be displayed to the public view upon any Lot or otherwise within the Stone Ridge Community except (i) one family name sign of not more than 144 square inches in area, (ii) any signs utilized by the Declarant, or (iii) a sign limited in size to 20 inches by 30 inches containing the words "For Sale" or "For Rent" indicating the name of the seller, seller's agent or lessor and a phone number; however, for purposes of this *Declaration*, support structures of less than five (5) feet in height shall not be included in determining the sign area so long as the tallest part of the sign is not more than five (5) feet high.

Section 10.8 Subdivision of a Lot. There shall be no subdivision of any Lot within the Stone Ridge Community nor any sale thereof in parcels except that a portion of a Lot may be sold to an adjoining Lot Owner if no new Lot is created and if the transferor obtains

the prior written approval of the Committee; provided, however, the setback requirements cannot be waived.

Section 10.9 Trash Receptacles. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground or shall be so placed and kept as not to be visible from any street within the Stone Ridge Community at any time, except at the times when refuse collections are being made.

Section 10.10 Drilling and Exploration. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or within the Stone Ridge Community, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 10.11 Ditches and Swales. It shall be the duty of every Owner of every Lot in the Stone Ridge Community on which any part of an open storm drainage ditch or swale is situated to keep such portion thereof as may be situated upon his Lot continuously unobstructed and in good repair, and to provide for the installation of such culverts upon said Lot as may be reasonably necessary to accomplish the purposes of this subsection. All Owners, if necessary, shall install dry culverts between the road rights-of-way and their Lots in conformity with specifications and recommendations of the Committee.

Section 10.12 Line of Sight. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above any street, public or private, shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street boundaries and a line connecting them at points twenty (20) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within

such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 10.13 Damaged Structures. No Residence which has partially or totally been destroyed by fire or otherwise shall be allowed to remain in such state for more than three (3) months from the time of such destruction or damage.

Section 10.14. Enforcement. The provisions of Article 9 hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Neighborhood and the entire Stone Ridge Community. In the event that any Owner fails to fully observe and perform the obligations set forth in this Declaration, and in the further event that such failure is not cured within thirty (30) days after written notice of the same is given by the Committee, any Owner of any Lot within any phase of the Neighborhood shall have the right to commence judicial proceedings to abate or enjoin such failure, and to take such further action as may be allowed at law or in equity to correct such failure after commencement of such proceedings. In the event that such failure causes or threatens to cause immediate and substantial harm to any property outside of such defaulting Owner's Lot or to any person, the Committee shall have the right to enter upon such Lot for the purpose of correcting such failure and any harm or damage caused thereby, without any liability whatsoever on the part of the Committee. The failure or forbearance by the Committee to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the Restrictions cannot be adequately remedied by an action at law and that injunctive relief is appropriate. All costs incurred by the Committee in connection with any act or proceeding undertaken to abate, enjoin, or correct such failure,

including attorney's fees shall be payable by the defaulting Owner upon demand by the Committee, and shall immediately become a lien against his Lot or Dwelling Unit. The rights in the Owners and the Committee under this section shall be in addition to all other enforcement rights hereunder or at law or in equity.

ARTICLE 11

General Provisions

Section 11.1 Duration. This Declaration shall be perpetual, run with and bind all the Real Estate and shall inure to the benefit of and be enforceable by the Declarant, its respective successors, assigns, heirs, executors, administrators, and personal representative, with the following exception:

The covenants and restrictions set forth in Sections 9 and 10 shall have an initial term of forty (40) years from the date this Declaration is recorded in the Office of the Recorder of Monroe County, Indiana. At the end of this period, such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each unless at least two-thirds (2/3) of all Community Association members, at the time of the expiration of the initial period or any extension period, shall sign an instrument, or instruments (which may be in counterparts) in which they shall agree to terminate any or all of said covenants and restrictions in any manner as may be provided by law; however, no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Residence Owner in all phases of the Stone Ridge Community at least ninety (90) days in advance of the action taken in authorizing said agreement, and, in any event, any such agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement.

Section 11.2 Amendment of Declaration. Except as otherwise provided herein amendments to this Declaration shall be proposed and adopted in the following manner:

11.2.1 Notice of the subject matter of the proposed amendment shall be given to each Owner of a Lot or Dwelling Unit. Any proposed amendment to this Declaration must be approved by not less than seventy-five percent (75%) of the Owners in the Stone Ridge Community. Each amendment to the Declaration shall be executed by the Owners casting votes in favor of the amendment and shall be recorded in the office of the Recorder of Monroe County, Indiana, and such amendment shall not become effective until so recorded.

11.2.2 Notwithstanding the foregoing or anything elsewhere contained in this Declaration, the Declarant shall have the right acting alone and without the consent or approval of the Owners or any other person, to amend or supplement this Declaration from time to time if such amendment or supplement is required to: (a) provide utility service to any Lot; (b) bring this Declaration into compliance with any statutory requirements; (c) correct clerical or typographical errors in this Declaration or any exhibit hereto or any supplement or amendment thereto; or, (d) make any modifications to the Declaration deemed desirable by Declarant unless a majority of the Owners can then affirmatively prove the amendment: substantially harms the Owner's interests, substantially increases the Owner's obligations or substantially impairs the benefits accruing to the Owners.

Section 11.3 Notice. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, by regular post, with postage prepaid, addressed to the Owner at the last known post office address of the person who appears as Lot or Dwelling Unit Owner in

the records of the Monroe County Auditor's Office. Valid notice may also be given to an Owner by (i) personal delivery to any occupant of his Residence over fourteen (14) years of age; or, (ii) by affixing said notice to or sliding same under the front door of his Residence.

Section 11.4 Severability. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall not in any manner affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.

Section 11.5 Rule Against Perpetuities. If any provision of this Declaration shall be interpreted to constitute a violation of the rule against perpetuities, then such provisions shall be deemed to remain in effect until the death of the last survivor of the now living descendants of the persons signing the Declaration on behalf of Declarant plus twenty-one (21) years thereafter.

Section 11.6 Gender and Number. Whenever the context of this Declaration so requires, the use of the masculine gender shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural and vice versa. No pronoun usage shall be deemed to exclude a reference to an institutional, corporate, partnership, or any other type of business entity. The underlined titles are for convenience of reference only and shall not be used as an aid in construing the provisions hereof.

Section 11.7. Interpretation of Conflicting Provisions. It is the intent of the Declarant that all provisions in this *Declaration* shall be complementary and in addition to the provisions of any Neighborhood Declaration and the words and phrases in this *Declaration* shall be so interpreted, if possible. If any provision in this *Declaration* conflicts

with any provision of a Neighborhood Declaration, the most restrictive Declaration shall control.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the date and year first above written.

R. Daniel Grossman, M.D.

Maureen Adell Grossman

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, a Notary Public, in and for said County and State, personally appeared R. Daniel Grossman, M.D. and Maureen Adell Grossman, husband and wife, who acknowledged the execution of this *Declaration of Covenants, Conditions and Restrictions of the Stone Ridge Community* and who having been duly sworn, stated that all facts set forth are true to the best of their knowledge, information and belief.

Dated this 15th day of December, 1997.

Marlys E. Allen
Notary Public

Name Printed: Marlys E. Allen

I reside in Monroe County, Indiana.
My commission expires: 10-9-2001.

Prepared by James F. Bohrer, Mallor Clendening Grodner & Bohrer, 511 Woodscrest Drive, P.O. Box 5787, Bloomington, IN 47407

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CONSENT OF DIRECTORS

OF

STONERIDGE COMMUNITY ASSOCIATION, INC.

The undersigned, being all of the directors of Stoneridge Community Association, Inc. ("Corporation"), consent to and adopt the following resolutions, which embody actions of the directors of the Corporation, as indicated, by unanimous consent. The undersigned waive both notice and the holding of a special meeting of the Board of Directors of the Corporation. It is intended that the consent of the undersigned to the actions embodied in the following resolutions shall have the same force and effect, in the case of the Board of Directors at the special meeting of the Board of Directors of the Corporation, duly called and held.

The Secretary of the Corporation is directed to file this Consent in the minute book of the Corporation, as the duly authorized actions of the directors.

The resolutions that the undersigned directors adopt and to which they consent read as follows:

BE IT RESOLVED, that Article Five, Section 5.3 of the Code of Bylaws be amended to change the payment of the Regular Assessment from a monthly payment to semi-annual payments, all in accordance with the Amendment attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the initial Regular Assessment for Residences located in Stoneridge Phase I shall be paid in two (2) semi-annual installments of Nine Hundred Dollars ($900.00) each on the first day of January and the first day of July of each calendar year.

BE IT FURTHER RESOLVED, that upon the transfer of title from the Developer to the First Owner of each Residence constructed within Saddlebrook, the Saddlebrook Homeowners Association, Inc. shall pay the Association the sum of One Hundred Fifty Dollars ($150.00) for each Residence transferred, and thereafter, following such transfer, the homeowner of each such Residence within Saddlebrook shall pay the Regular Assessments against such Residence in two (2) semi-annual installments of Three Hundred Dollars ($300.00) each, as part of the fees paid to the Saddlebrook Association of Co-Owners, Inc.

BE IT FURTHER RESOLVED, that the Budget of the Association attached hereto as Exhibit B is adopted.

Dated: _____, 2000

R. Daniel Grossman, Director

Maureen Grossman, Director

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OF

STONERIDGE COMMUNITY ASSOCIATION, INC.

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Dated: _____, 2000

R. Daniel Grossman, Director

Maureen Grossman, Director

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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."

Stone Ridge Community Association

Motion Passed Before the Stone Ridge Community Association on May 18, 2010: To revise Article 8 (the section that governs the Architectural Control Committee) in The Declaration of Covenants, Conditions and Restrictions of the Stone Ridge Community, as per the Proposed wording below.

Current Wording:

Section 8.2. Membership of the Committee. During the Development Period, the Committee shall consist of Dan Grossman, Tom Coombes and an architect, builder or engineer chosen by the Declarant. Each member appointed by Declarant shall have one (1) vote in all matters coming before the Committee. Upon the expiration of the Development Period, the Owners of each Neighborhood shall elect a representative to serve on the Committee along with a person appointed by the Declarant. Except for the Declarant's representative, each member of the Committee shall: (1) be qualified to serve on the Committee by virtue of being a designer, architect, builder or engineer, and, (2) be elected by a majority vote of the Owners of the Lots and Dwelling Units comprising each respective Neighborhood. Each Neighborhood representative to the Committee shall have one (1) vote. All Committee actions shall be by majority vote of the members of the Committee present at any duly called meeting.

Approved Wording:

Section 8.2. Membership of the Committee. The Committee shall be comprised of three members. Each Neighborhood shall be represented on the Committee along with a person appointed by the Declarant. Except for the Declarant's representative, Neighborhood Committee members shall be an owner in and resident of his or her respective Neighborhood. The Neighborhood Boards of Directors will appoint the respective Neighborhood representatives. The term of office for the Neighborhood representatives will be either one (1) or two (2) years, and at the discretion of the Neighborhood Board. Each member of the Committee shall have one (1) vote. All Committee actions shall be by majority vote of the members of the Committee. The Committee may seek advice and counsel in its technical deliberations from building professionals such as designers, architects, builders or engineers. Technical support expenses and/or fees are to be paid by the appropriate Neighborhood Home Owner Association. Committee decisions are to be filed with the appropriate Neighborhood Home Owner Association Board within 14 calendar days from the date of the Committee's ruling and will be subject to confirmation by the appropriate Board. The Neighborhood Boards are expected to confirm rulings in a timely manner. For purposes of Neighborhood Board technical support expenses and the confirmation of Architectural Control Committee rulings, responsibility rests with the Stone Ridge Neighborhood Board of Directors unless the matter is clearly associated with the Saddlebrook Neighborhood.