

**CODE OF BYLAWS
COBBLESTONE SPRINGS HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

Name and Location

The name of the Corporation is Cobblestone Springs Homeowners Association, Inc. (hereinafter referred to as the "Association"). The principal office of the Association shall be located at 3895 North 575 East, Brownsburg, IN 46112, until and unless changed in accordance with law by the Board of Directors, but meetings of members and directors may be held at such places either within or without the State of Indiana as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Declarant" shall mean Cranfill Development Corp., and any successors and assigns of it whom it designates in one or more written recorded instruments to have the rights of Declarant under the Declaration, including, but not limited to, any mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions for Cobblestone Springs, recorded in the Office of the Recorder of Hendricks County, Indiana, and as the same may be amended or supplemented from time to time as therein provided, said Declaration being incorporated herein by reference as if set forth at length herein.

Section 3. "Association" shall mean and refer to this association.

Section 4. All of the definitions and terms as defined and used in the Declaration shall have the same meanings in these Bylaws unless otherwise required by Statute.

ARTICLE III

Membership and Voting Rights

Section 1. Membership, Transfer, Voting Rights. Each lot owner who owns a platted lot in the Cobblestone Springs Subdivision (the "Subdivision") shall be entitled to be a member of the association. [Where a lot is owned by more than one person, by joint tenancy, by tenancy by the entireties, or any other manner of ownership, there shall be only one membership, which shall be in the name or names of the owners, but shall be treated the same

as a lot with one owner.] The owners of a lot shall be entitled to one vote for each lot. Thus, where a lot is owned by more than one person, they shall vote together as one vote. In the event that owners of a lot owned jointly or in some other capacity cannot agree upon a vote, then they shall not have a right to vote, since a vote may not be split.

Section 2. Quorum. The presence, in person or by proxy at any meeting of the membership, of persons entitled to fifty-one percent (51%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in or required by the Declaration or by statute. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or represented.

Section 3. Proxies. Votes may be cast in person or by written proxy. Proxies must be delivered to the Secretary of the Association before the appointed time of each meeting of the members of the Association.

Section 4. Majority Required. A vote in person or by proxy by persons holding at least sixty-six and two thirds percent ($66\frac{2}{3}\%$) of the number of votes entitled to vote at a meeting at which a quorum is present shall be sufficient for the transaction of all business of the Association except on matters where a greater vote is required by the Declaration or by statute.

Section 5. Meetings. Meetings of the Association shall be in accordance with the following provisions, unless the Declaration, the Articles of Incorporation, the Bylaws, or statute require otherwise:

- A. **Annual Meetings.** The first annual meeting of the members of the Association shall be held within one year from the date of incorporation of the Association, the exact date to be decided by the initial Board of Directors. At such first annual meeting of the members, the members may designate a regular day or date for successive annual meetings. If the members fail to designate such a regular day or date, the Board of Directors may continue to designate the day or date of the next annual meeting until such a designation is made by the members. If any designated day or date falls upon a legal holiday, it shall be understood that the actual date of the meeting shall be the next business day succeeding such designated day or date.
- B. **Special Meetings.** It shall be the duty of the President to call a special meeting of the members when requested in writing by a majority of the members of the Board of Directors or upon a petition signed by members of the Association who are entitled to vote fifty-one percent (51%) of all of the votes of the membership. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the votes of the persons permitted to vote.

- C. **Notice of Meetings.** It shall be the duty of the Secretary to serve a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, upon each member of record, not less than ten (10) nor more than thirty (30) days prior to such meeting, unless the Declaration otherwise requires. The mailing of a notice to each member at the address shown for such member on the Association's records shall be deemed notice served.
- D. **Order of Business.** The order of business at all meetings of the members shall, to the extent applicable, be as follows:
- (1) Roll call.
 - (2) Proof of notice of meeting or waiver of notice.
 - (3) Reading of minutes of preceding meeting.
 - (4) Reports of officers.
 - (5) Reports of committees.
 - (6) Election of Directors.
 - (7) Unfinished business.
 - (8) New business.

ARTICLE IV

Nomination and Election of Directors

Section 1. Nomination. Nomination for election of Board of Directors whose term will expire shall be made by a Nominating Committee, if one exists. Nominations may also be made from the floor at the annual meeting or at any special meeting called for such purpose. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee, if appointed by the Board of Directors, shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members of the Association or persons deemed to be members thereof in accordance with the Declaration and Articles of Incorporation.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

Board of Directors

Section 1. Number and Qualification. Subject to amendment of this Section, the affairs of the Association shall be governed by a Board of Directors composed of five (5) persons.

Section 2. First Board of Directors. The first Board of Directors named in the Articles of Incorporation shall maintain, manage and administer the affairs, the real estate and other property of the Association, until their successors have been duly elected and qualified, unless said directors sooner resign, be removed or otherwise disqualified to serve. The members of the association shall vote upon and elect 2 additional directors so that there is a total of 5 Directors.

Section 3. Powers. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties.

Section 4. Duties. The Board of Directors shall have the following duties:

- A. To cause to be kept a complete record of all its acts and corporate affairs and the Association shall maintain current copies of the Declaration, By-Laws and other rules concerning the Real Estate as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of first mortgages that are secured by Lots. These documents will be available during normal business hours or under other reasonable circumstances.
- B. To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- C. To establish the annual assessment period and fix the amount of the annual assessment against each member for each Lot owned, all in accordance with the terms of the Declaration and these Bylaws.
- D. To fix the amount of any special assessment against each member for each Lot owned, all in accordance with the terms of the Declaration and these Bylaws.
- E. To send written notice to all members of any meeting of the members called for the purpose of voting upon changes in annual assessments or voting upon a proposed special assessment, as and to the extent required by the Declaration.
- F. To send written notice of each assessment to every Owner in accordance with the Declaration.
- G. To foreclose the Association's lien for assessments against any Lot for which assessments are not paid within the due date or to bring an action at law against the Owner or other person personally obligated to pay the same.
- H. To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for issuance of these certifi-

cates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

- I. To procure and maintain liability and fire and other hazard insurance on property owned by the Association which shall include fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement only); and to use the proceeds of such hazard insurance solely for the repair, replacement or reconstruction of such insurable common property including insured improvements and to procure and maintain other insurance as required or authorized by the Declaration.
- J. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, and at least as required by the Declaration.
- K. To cause all of the Common Properties to be maintained.
- L. To perform or cause to be performed, all duties and obligations imposed upon the Association and the Board of Directors under the Declaration.

Section 5. Term of Office. Two additional directors not selected in the Articles of Incorporation shall be elected by the members for a term of one year each. At each annual meeting, unless the Declaration, the Articles of Incorporation, these Bylaws, or statute otherwise require, the members shall elect directors whose term has expired for a new term of one (1) year to fill the vacancies created by expiring term. There shall be no limit on the number of times a director may serve.

After their initial term of office, any director whose term is more than one year shall if re-elected serve for a term of one year, it being the intent that after the initial board of directors no director shall serve for more than one year. The intent in having some of the initial directors serve more than one year is to have some continuity in the initial boards of director to carry over in the early years of the association.

Section 6. Vacancies. Any vacancy in the Board of Directors shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director for the unexpired term of his predecessor, or until his successor is elected.

Section 7. Compensation. No director shall receive compensation for any service he may render to the Association as such director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties, and any director may be paid and compensated for services to the Association in a capacity other than as a director.

Section 8. Removal of Directors. At any regular or special meeting of the Association duly called, any Director may be removed with or without cause by the vote of a simple majority of the members entitled to vote and a successor shall then and there be elected to fill the vacancy thus created.

Section 9. Organizational Meeting. The first meeting of the Board of Directors shall be held within thirty (30) days after the filing of the Articles of Incorporation at such place as shall be fixed by the Directors, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present. The date of such meeting shall establish the annual meeting date of the Association for purposes of election of directors.

Section 10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such regular intervals, without notice, at such place and hour as may be determined from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the president on three (3) days' notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two thirds (2/3) of the Directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which quorum is present shall be the acts of the Board of Directors except as otherwise provided in or required by the Declaration, Articles, these Bylaws or by statute. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval or consent of all the Directors. Any action so approved or consented to shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

Officers and their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president, a vice president, and a secretary-treasurer, all of whom may be members of the

Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of president, secretary and treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

- A. **President.** The President shall preside at all meetings of the Board of Directors; he shall see that orders and resolutions of the Board are carried out; he shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. He shall have the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in conducting the affairs of the Association. The President 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 the State of Indiana.
- B. **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board or as are delegated to him by the President.
- C. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association (if any is adopted) and affix it on all papers requiring

said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

- D. ***Treasurer.*** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE VII

Committees

The Board of Directors may appoint a Nominating Committee, as provided in these Bylaws. At any time when the Board of Directors has not appointed a Nominating Committee, the Board of Directors shall itself act as, and be and constitute, such Committee not so appointed. In addition, the Board of Directors or the president may appoint other committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE VIII

Books of Account; Fiscal Year

Section 1. Books of Account. The Association shall keep detailed books of account showing all expenditures and receipts of administration. Such accounts, books, records, financial statements and other papers of the Association shall be open for inspection by the members and other persons having an interest in any Lot, including any Owner, any lender and any holder, insurer or guarantor of a first mortgage on any Lot, during reasonable business hours or under other reasonable circumstances and if requested by a vote of a majority of the members of the Association the books and records shall be audited by qualified auditors. The cost of such audit or audits shall be a Common Expense. Any holder, insurer or guarantor of a first mortgage on a Lot shall be entitled upon written request to receive a copy of any audited financial statement for the immediately preceding fiscal or calendar year free of charge to the requesting party and within a reasonable time of such request, Current copies of the Declaration, the Articles of Incorporation, the Bylaws of the Association and other rules concerning the Real Estate, shall be available for inspection by any Owner and lender, and by holders, insurers or guarantors of any first mortgage, at the principal office of the Association during normal business hours or under other reasonable circumstances, where copies of the same and of audits may be purchased at reasonable costs.

Section 2. Fiscal Year. The fiscal year of the Association shall commence January 1 and end the following December 31 each year; provided, however, that the fiscal year for purposes of assessments may be different than the general fiscal year of the Association.

ARTICLE IX

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. No member (lot owner) may waive or otherwise escape liability for the assessments provided for in the Declaration or herein by nonuse of the Common Area or abandonment of his or their Lot.

ARTICLE X

Amendments

Section 1. The power to amend, alter, add to and repeal these Bylaws is vested in the members of the Association; provided, however, that no amendment or other change shall be made in these Bylaws which conflicts with the terms and provisions of the Declaration unless the same is adopted by and approved by the members of the Association and others entitled by the terms of the Declaration to vote on amendments to the Declaration as provided in, and in accordance with the requirements of, the Declaration; provided further, there shall be no amendment of or other change to these Bylaws prior to the Applicable Date without the consent and approval of Declarant.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.