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CODE OF BYLAWS OF FLAT ROCK CREEK COMMUNITY ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the Corporation is Flat Rock Creek Community Association, Inc. (hereinafter referred to as the "Corporation"). The principal office of the Corporation shall be located at 110 North Main Street, Culver, Indiana 46511, 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 Beacon Development, Inc., an Indiana corporation, and any of its successors and assigns designated 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 of Flat Rock Creek Community Association, Inc., recorded on September 25, 2000, as Instrument No. 2010185, in the Office of the Recorder of Hancock 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. "Corporation" shall mean and refer to this Corporation, which is also referred to as the "Corporation" in said Declaration.

Section 4. All of the definitions and terms as defined and used in the Declaration and the Corporation's Articles of Incorporation shall have the same meanings in these Bylaws and reference is specifically made to the Declaration containing definitions of terms.

ARTICLE III

Membership and Voting Rights

Section 1. Membership, Transfer, Voting Rights. Reference is hereby made to the Declaration and to the Corporation's Articles of Incorporation, each of which is incorporated herein by reference, which set forth terms, provisions and conditions governing and relating to

membership and voting rights of classes of members, all of which terms, provisions and conditions are incorporated herein by reference.

Section 2. Quorum. After the Applicable Date, the presence in person or by proxy at any meeting of the membership of persons entitled to vote twenty-five percent (25%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in or required by the Articles of Incorporation of the Corporation, the Declaration, these Bylaws, 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 at the meeting, until a quorum as aforesaid shall be present and represented.

Section 3. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Corporation before the appointed time of each meeting of the members of the Corporation. Cumulative voting shall not be permitted.

Section 4. Majority Required. A majority of the votes of members present (in person or by proxy) at a meeting at which a quorum is present shall be sufficient for the transaction of all business of the Corporation except on matters where a greater vote is required by the Declaration, the Articles of Incorporation, these Bylaws or by statute.

Section 5. Meetings. After the Applicable Date, meetings of the Corporation shall be in accordance with the following provisions:

(a) **Annual Meetings.** The first annual meeting of the members of the Corporation shall be held within one (1) year from the date of incorporation of the Corporation, the exact date to be decided by the 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 designate day or date.

(b) **Special Meetings.** A special meeting of the members shall be held within thirty (30) days after the Applicable Date, at which time an election shall be had of a full slate of Directors who shall collectively replace, for their unexpired terms, the Board in office immediately prior to such election. It shall be the duty of the President to call a special meeting of the members of when requested, in writing, by a majority of the members of the Board of Directors or upon a petition signed by members of the Corporation who are entitled to vote twenty-five percent (25%) of all of the votes of the membership. Notice of any special meeting shall state the time and the 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 four-fifths (4/5) of the votes present in person or by proxy at such meeting.

(c) Notice of Meetings. After the Applicable Date, 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, at least ten (10) days prior to such meeting. The mailing of a notice to each member at the address shown for such member on the Corporation'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) Report of committees
- (6) Election of Directors
- (7) Unfinished business
- (8) New business

ARTICLE IV

Nomination and Election of Directors

Section 1. Nomination. After the Applicable Date, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Corporation. The Nominating Committee 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 Corporation, or persons deemed to be members thereof, in accordance with the Declaration of Articles of Incorporation.

Section 2. Election. After the Applicable Date, 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 and the Articles of Incorporation. 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. Prior to the Applicable Date, the number of Directors comprising the Board shall be three (3), which number may from time to time be increased by resolution adopted by not less than a majority of the Board of Directors. From and after the Applicable Date, the number of Directors comprising the Board shall be five (5), which number may from time to time be increased or decreased by resolution adopted by not less than a majority of the Board of Directors. In no event shall the number of Directors be less than two (2) nor more than five (5) and no reduction in the number of Directors shall have the effect of removing a Director from office prior to the expiration of his term. In the event the number of Directors is increased subsequent to the Applicable Date, the election of the additional Director or Directors shall be by a vote of the members entitled to elect such additional Director or Directors according to a procedure established by the Board by resolution.

Section 2. Board of Directors.

2.1. Election of Board of Directors Before Applicable Date. 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 Corporation until the first meeting of the members occurring on or after the Applicable Date, and until their successors have been duly elected and qualified, unless said Directors sooner resign, are removed or otherwise are disqualified to serve in which case the Class B members shall elect their replacement(s).

2.2. Election of Board of Directors After Applicable Date. Subsequent to the Applicable Date, Directors shall be elected at the annual meeting provided in Article 3. The Board may, by resolution, establish such election procedures as it deems appropriate. Voting for the Board of Directors shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each person nominated for election. Those persons receiving the highest number of votes shall be elected.

2.3. Term. Except for the Initial Board which shall serve until the Applicable Date, each Director shall serve for a term of one (1) year or until his successor is elected and qualified. Incumbent Directors shall be eligible for re-election.

Section 3. Powers. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties, which powers include, but are not limited to, the power:

- (a) To adopt and publish rules and regulations governing the use of the facilities, if any, of the Corporation, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) To suspend the voting rights of Class A members and the right to use any Corporation facilities by a member, but not rights to access and easements necessary for the use of his Lot, during any period in which such member shall be in default for a period of thirty (30) days in the payment of any assessment levied by the Corporation, or the payment of any other amount or the performance of any other term of the Declaration of these Bylaws. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) To exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these Bylaws, or the Articles of Incorporation, or by statute;

(d) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to the limitations set forth in the Declaration; and

(f) To do and take all such action as is or may be necessary, desirable or appropriate to perform the duties, obligations and responsibilities of the Board as required by the Declaration, other provisions of these Bylaws, or the Articles, or by statute.

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 to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by members holding one-fourth (1/4) of the total votes of the membership entitled to vote;

(b) To supervise all officers, agents and employees of this Corporation, 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) After the Applicable Date, 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 Corporation's lien for assessments against any property for which assessments are not paid within thirty (30) days after 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 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 certificates. 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 Corporation which shall include fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than 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 improvement; and to procure and maintain other insurance as required or authorized by the Declaration, and to use the proceeds thereof for their intended purposes;

(j) After the Applicable Date, 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 Areas to be maintained; and

(l) To perform, or cause to be performed, all duties and obligations imposed upon the Corporation and the Board of Directors under the Declaration.

Section 5. Term of Office. At the first meeting after the Applicable Date, and at each annual meeting thereafter, the members shall elect Directors for a term of one (1) year to fill the vacancies created by expiring terms. There shall be no limit on the number of times a Director may serve.

Section 6. Vacancies. Except for vacancies in the Board of Directors occurring prior to the first meeting of members following the Applicable Date, 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 Corporation 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 Corporation in a capacity other than as a Director.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, 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.

Section 9. 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 by 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 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) day's 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 11. 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 12. 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 that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. 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 of all the Director. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create. Any two or more offices may be held by the same person except the offices of President and Secretary.

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 Corporation 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 be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the corporation 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. The Board may remove any officer from office with or without cause. 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 office of Vice President and any other office (other than that of President) may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and, unless other signatory authority is provided by resolution of the Board, shall co-sign all checks and promissory notes. The President shall have the power to appoint committees from among the members of the Corporation from time to time as he may in his discretion deem appropriate to assist in conducting the affairs of the Corporation. 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 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 Corporation (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 Corporation 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 Corporation and shall disburse such funds as directed by resolution of the Board of Directors; unless other signatory authority is provided by resolution of the Board, shall sign all checks and promissory notes of the Corporation; 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

Section 1. Nominations. The Board of Directors shall appoint an Architectural Review Board and a Nominating Committee, as provided in these Bylaws. At any time when the Board of Directors has not appointed an Architectural Review Board or 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 Corporation.

Section 2. Architectural Review Board. After the Applicable Date, the Architectural Review Board shall consist of three (3) members elected by the Board of Directors by a vote of a majority of the Directors then serving.

2.1 Organization. The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

2.2 Quorum. A quorum for action by the Architectural Review Board shall be a majority of its members.

2.3 Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location, and maintenance of the Subdivision and of improvements thereon and to regulate such uses of property, all as provided in the Declaration and Articles of Incorporation.

2.4 Procedures. The Architectural Review Board shall formulate general guidelines, procedures and regulations and submit them for approval to the Board of Directors. Such guidelines, procedures and regulations shall be considered adopted policy of the Board of Directors unless rejected by a two-thirds (2/3) vote of the Board of Directors within thirty (30) days after the date of submission. The adopted guidelines, procedures and regulations shall be incorporated in the Register of Regulations and the Architectural Review Board shall act in accordance therewith.

ARTICLE VIII

Financial Affairs

Section 1. Books of Account. Except as otherwise provided by the laws of the State of Indiana, by the Articles, or these Bylaws, the books and records of the Corporation may be kept at such place or places, within or without the State of Indiana, as the Board of Directors may from time to time by resolution determine, but all of such books and records shall be open for

inspection to any member at any reasonable time for purposes reasonably related to this interest as a member.

Section 2. Fiscal Year. Unless otherwise fixed, from time to time, by resolution of the Board of Directors, the fiscal year of the Corporation shall commence on 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 Corporation.

Section 3. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

Section 4. Checks, etc. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money shall, unless otherwise directed by the Board of Directors or required by law, be signed by any two (2) of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer. The Board of Directors may, however, designate officers or employees of the Corporation, other than those named above, who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money on its behalf.

Section 5. Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

Section 6. Reserve for Replacements. The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund of an amount determined annually by the Board to be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of property. In determining the amount, the Board shall take into consideration the expected useful life of the property, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Developer, managing agent or any consultants the Board may employ. Such fund shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

Section 7. Assessment Year. The assessment year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE IX

Assessments

As more fully provided in the Declaration, each Owner (other than Declarant) is obligated to pay the Corporation annual and special assessments that are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments that are not paid when due shall be delinquent. No owner may waive or otherwise escape liability for the assessments provided for in the Declaration or herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE X

Amendments

Section 1. After the Applicable Date, the power to amend, alter, add to and repeal these Bylaws is vested in the members of the Corporation; 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 Corporation 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.