

CODE OF BY-LAWS
OF
SOUTH HARBOUR PROPERTY OWNERS' ASSOCIATION

ARTICLE I

Definitions

As used in this Code of By-Laws:

Section 1.01. The term "Association" shall mean South Harbour Property Owners' Association, Inc.

Section 1.02. The term "Act" shall mean The Indiana General Not For Profit Corporation Act, of 1935, the 1991 Indiana Nonprofit Corporations Act (House Enrolled Act #1505), and others as amended from time to time.

Section 1.03. The term "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as amended from time to time.

Section 1.04. The term "Code of By-Laws" shall mean the Code of By-Laws of the Association, as amended from time to time.

Section 1.05. The term "Project" shall mean the subdivision known as South Harbour, which is situated in Hamilton County, Indiana.

ARTICLE II

Identification

Section 2.01. NAME. The name of the Association is South Harbour Property Owners' Association, Inc., or (SHPOA).

Section 2.02. PRINCIPAL OFFICE AND RESIDENT AGENT. The location of the principal office of the Association and the designation of the resident agent of the Association shall be as specified in the Articles of Incorporation, unless, after the adoption of the Articles of Incorporation, such location or such designation or both shall be changed in accordance with the requirements of the Act, in which case the notice of the change that is required by the Act (and the more or most recent of such notices, if two or more shall have been made) shall be conclusive as to the matters covered by such notice.

Section 2.03. SEAL. The seal of the Association as shown in 2.03A shall be affixed on all official SHPOA documents.

Section 2.03A. SEAL DRAWING (see attached).

Section 2.04. FISCAL YEAR. The fiscal year of the Association shall begin on the first day of January in each calendar year and end on the last day of December in that same year.

ARTICLE III

Membership

Section 3.01. **QUALIFICATIONS FOR MEMBERSHIP.** The qualifications for membership in the Association shall be those prescribed in the Articles of Incorporation. The members of the Association shall be persons or corporations who at any time are owners (legal or equitable) of numbered residential lots in the Project.

Section 3.02. **EVIDENCE OF MEMBERSHIP.** The Board of Directors of the Association shall have the power (but not the duty) to cause the issuance of evidences of membership in the Association to the members in such form, as the Board of Directors shall prescribe.

Section 3.03. **PRIVILEGES OF MEMBERSHIP.** The members of the Association (and any person who both belongs to the family of a member and has the same residence as the member to whose family he belongs, and any person who is a guest of a member of the Association) shall have the privilege of using the areas designated as parks, commons or pedestrian easements in the plats of the Project, and any other recreational facilities within the Project that are owned by the Association, in accordance with the restrictive covenants for the Project, the Articles of Incorporation, and any such other rules for the use of such facilities adopted from time to time by resolutions of the Board of Directors of the Association.

ARTICLE IV

Meetings of Members

Section 4.01. **PLACE OF MEETINGS.** Any meeting of the members of the Association may be held at any place within Hamilton County, Indiana. The place at which a particular meeting of the members is to be held shall be stated in the notice of that meeting.

Section 4.02. **NOTICE OF MEETINGS.** The SHPOA Secretary will notify the members of the purpose, place, date, and time of each regular, annual, and special meeting of members not less than ten (10) days, or, if notice is mailed by other than first class or registered mail, a minimum of thirty (30) days to sixty (60) days before the meeting date. The SHPOA newsletter is considered to be an acceptable means of notification. Notice of a regular, annual, and special meeting includes a complete agenda. Unless the Secretary shall have been otherwise notified in writing, adequate notice of a meeting shall be deemed to have been given to any member if said notice is mailed to the member and recorded in the Association's master membership list. Notice of any meeting of members may be canceled or waived in a writing filed with the Secretary of the Association before the time of the meeting, at the time of the meeting, or by attendance in person.

Section 4.03. **ANNUAL MEETING.** The Annual meeting of the members of the Association for the election of Directors whose terms have expired, and for the transaction of such other business as may properly come before the meeting, shall be held at seven o'clock in the evening of the first Monday in March of each year, if that day shall not be a legal holiday, and, if it shall be a legal holiday, then on the first following day that shall not be a legal holiday. Failure to hold the annual meeting at the designated time shall not work any forfeiture of the charter, or dissolution, of the Association.

Section 4.04. **SPECIAL MEETINGS.** A special meeting of the members of the Association may be called by the President, by a majority of the Board of Directors, or by a written petition signed by a person who has, or persons who have, the right under the Articles of Incorporation and the Code of By-Laws to cast forty (40) of the votes on any question upon which the vote of the membership of the Association shall be required or desirable.

Section 4.05. **CONDUCT OF MEETINGS.** All meetings, monthly, special, and annual, shall be conducted in accordance with the guidelines in Robert's Rules of Order.

Section 4.06. VOTING AT MEETINGS.

Clause 4.061. Voting Rights. The voting rights of the members of the Association shall be as prescribed in the Articles of Incorporation.

Clause 4.062. Method of voting. A vote attributable to a numbered lot in the Project shall be cast as follows:

(a) If lot is owned by one person, the vote shall be cast by that one person.

b) If lot is owned by more than one person, either as tenants common, as joint tenants, or as tenants by the entireties, the vote attributable thereto shall be deemed properly cast if cast by any one of the tenants in the absence of any objection, or contrary vote, any other of them.

(c) If lot is owned by more than one person, either as tenants in common, as joint tenants, or as tenants by the entireties, and if two or more of them desire that the vote attributable to that lot be cast in different ways, or one of them desires that it not be cast, then the vote attributable thereto shall be deemed properly cast if cast by not less than a majority in number of the tenants.

Clause 4.063. PROXIES. Any person who is entitled to vote (as the sole owner of a numbered lot in the Project or as one of a group of tenants by the entireties, joint tenants, or tenants in common owning such a lot) at any meeting of the members of the Association may vote or by registered proxy executed in writing by a duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its receipt by the Secretary or officer or other agent authorized to validate votes.

Clause 4.064. ABSENTEE BALLOTS. Any person who is entitled to vote (as the sole owner of a numbered lot in the project or a one of a group of tenants by the entireties, joint tenants, or tenants in common owning such a lot) at any meeting of the members of the Association may vote by absentee ballot. Absentee ballots will be available during the week prior to the voting date at the South Harbour Clubhouse at times and dates stated in the Association's Newsletter. Absentee ballots must be received by the Secretary or other officer or agent authorized to validate votes three days prior to the voting date.

Clause 4.065. QUORUM. A quorum shall be deemed present at any annual meeting of the members of the Association if, at such meeting, the owners of not less than fifty (50) of the numbered lots in the Project are present. A quorum shall be deemed present at any special meeting of the members of the Association if, at such meeting, the owners of not less than eighty (80) of the numbered lots in the Project are present. For the purposes of this Clause 4.065, the owner of that lot is present in person or by proxy or by attorney in fact, whether the tenant so present is a sole owner, a tenant in common, a joint tenant, or a tenant by the entireties.

ARTICLE V

The Board of Directors

Section 5.01. QUALIFICATION AND ELECTION. The affairs of the Association shall be managed by a Board of Directors consisting of nine (9) members of the Association. Directors shall be elected by members of the Association, voting in accordance with the Articles of Incorporation and the Code of By-Laws at each annual meeting of the members. In 1986, three (3) Directors will be elected to serve a three (3) year term, and four (4) Directors will be elected to serve a one (1) year term. In 1987, three (3) Directors will be elected to serve a three (3) year term, and one (1) Director will be elected to serve a one (1) year term. Thereafter, three (3) Directors shall be elected at the annual meeting of members for

terms of three (3) years to succeed those Directors whose terms have expired.

Section. 5.015. CONDUCT OF MEETINGS. All meetings, monthly, special, and annual, shall be conducted in accordance with the guidelines of Robert's Rules of Order.

Section 5.02. VACANCIES. Any vacancy that shall occur in the Board of Directors by death, resignation, or otherwise, shall be filled from the non-elected candidates on the previous years ballot and any other new candidates as a result of a written solicitation in the Association's monthly newsletter (Harbour Talk) which must be received by the seventh (7th) day of the month. The vacancy shall be filled by a majority vote of the remaining Directors, and the Director so chosen shall serve the unexpired portion of the term for which the person who is being replaced was elected or chosen. The vacancy is to be filled within sixty (60) days after notice is given by the resigning Director or Officer.

Section 5.03. PLACE. All meetings of the Board of Directors of the Association shall be held at such place as may be specified in the respective notices, or waivers of notice, thereof.

Section 5.04. QUORUM. A majority of the whole Board of Directors shall be necessary to constitute a Quorum thereof, except for the filling of vacancies, which shall require a majority of the existing Directors for a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5.05. NOTICE OF MEETINGS. A written or printed notice stating the place, day, and hour of the annual or a special meeting shall be delivered or mailed by the Secretary to each Director at least three (3) days before the date of the meeting. Notice of any meeting of Directors may be waived by any Director in a writing filed with the Secretary before the time of the meeting, at the time of the meeting, or by attendance in person.

Section 5.06. ANNUAL MEETING. The Board of Directors shall hold an annual meeting immediately after the annual meeting of the members of the Association, for the purposes of organization, election of officers, and the consideration of any other business that properly may be brought before the meeting. The failure to hold any mutual meeting at the designated time shall not work any forfeiture of the charter, or dissolution, of the Association.

Section 5.07. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the President or may be called on the written request of any two (2) Directors. For matters requiring immediate action before the next scheduled meeting of the Board of Directors all votes and minutes to the meeting are recorded as a matter of record.

Section. 5.075. VOTING. All voting action required by the Board of Directors shall be recorded by a roll call vote.

Section 5.08. POWERS AND DUTIES OF DIRECTORS.

Clause 5.081. POWERS. The power of the Board of Directors shall include (but not be limited to)--

(a) the power to adopt and publish rules and regulations governing the use of those parts of the Project that are or will be owned by, or are otherwise under the control of, the Association; and

b) the power to exercise for the Association all the powers and duties of the Association whose exercise is not reserved or committed to the membership of the Association by the Code of By-Laws of the Articles of Incorporation.

Clause 5.082. DUTIES. The duties of the Board of Directors shall include (but not be limited to) the duty to fix prior to the first day of February in each year, the amount of the annual charge that is to be made against each member of the Association pursuant to the provisions for

such a charge that are contained in the Articles of Incorporation and in the subdivision plats of the Project.

Clause 5.083. INDEMNIFICATION. The Corporation shall indemnify any and all persons who may serve or who have served at any time as Directors or Officers, and their respective heirs, administrators, successors, and assigns, against any and all expenses, including amounts paid upon judgments, council fees, and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which they, or any of them, are made parties, or a party, or which may be asserted against them or any of them by reason of them being or having been Directors or Officers or a Director or Officer of the South Harbour Property Owners' Association, Inc., or its successor. The Association will indemnify any Directors, Officers and/or employees for actions undertaken in their capacity as Director, Officer and/or employee so long as they have acted in good faith and in a manner believed to be in the best interest of the Association and said acts committed by the Director, Officer and/or employee do not indicate any misconduct or recklessness, the Association shall then indemnify said person or persons. Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, By-Laws, agreement, vote of members, or otherwise.

Section 5.09. ADOPTION OF RULES AND REGULATIONS. The Board of Directors shall adopt rules and regulations relating to the use and enjoyment of the properties in the Project that are owned by the Association by a majority vote at a regular meeting or a special meeting of the Board of Directors.

Section 5.10. COMMITTEES. The Board of Directors may create such temporary and standing committees as it shall deem necessary, and shall assign to each committee so created such duties, as the Board of Directors shall consider proper for assignment to such committee. The Board of Directors shall choose committee members from the membership of the Association, and each such committee member shall serve at the pleasure of the Board of Directors.

ARTICLE VI

The Officers of the Association

Section 6.01. NUMBER. The officers of the Association shall be a President, a Secretary, and a Treasurer, and, in addition, the Directors may choose not more than two (2) Vice Presidents and not more than two (2) Assistant Secretaries. Any person may hold two (2) offices at the same time except the offices of President and Secretary. No officer, except the President, need be a Director.

Section 6.02. ELECTION AND TERM OF OFFICE. The officers shall be chosen annually by the Board of Directors at the annual meeting of the Board of Directors. Each officer shall hold his office until his successor shall have been chosen and qualified, or until his death, resignation, or removal.

Section 6.03. REMOVAL. Any officer may be removed with or without cause, at any time, by a majority vote of a Directors quorum at a special meeting of the Board of Directors called for the purpose of considering the removal.

Section 6.04. VACANCIES. Any vacancy in any office because of death, resignation, or removal, or otherwise caused, shall be filled for the unexpired portion of the term by a person chosen by the Board of Directors.

Section 6.05. THE PRESIDENT. The President, who shall be chosen from the Directors, shall have active executive management of the operations of the Board of Directors of the Association, subject, however, to the control of the Board of Directors. He shall, in general, perform all duties incident to the office of President and such other duties as, from time to time, may be assigned to him by the Board of Directors.

Section 6.06. A VICE-PRESIDENT. A Vice-President shall have such powers and perform such duties as the Board of Directors may prescribe or as the President may delegate to him. In the case of absence or inability to act of the President, a Vice-President shall temporarily act in his place.

Section 6.07. THE SECRETARY. The Secretary shall keep, or cause to be kept, in books that shall be provided for the purpose and shall remain in the Secretary's custody, the minutes of the meetings of the members of the Association and of the Board of Directors; shall at all times keep at the principal office of the Association a complete and accurate list of the names and addresses of all members of the Association; shall attend to the giving of all notices in accordance with the provisions of the Code of By-Laws and as required by law: shall be responsible for registering proxy ballots; shall be responsible for registering absentee ballots: shall be the custodian of the records (except the financial records) of the Association and of any die or instrument used in affixing the seal of the Association to paper; shall affix the seal of the Association (by means of die or hand) to every document whose execution on behalf of the Association under its seal shall have been properly authorized; and shall, in general, perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

Section 6.08. AN ASSISTANT SECRETARY. An Assistant Secretary shall have such powers and perform duties as the Board of Directors may prescribe or as the President may delegate to him.

Section 6.09. THE TREASURER. The Treasurer shall be the Financial officer of the Association; shall keep, or cause to be kept, in books that shall be provided for the purpose and shall remain in the Treasurer's custody, complete books and records showing the Financial condition of the Association and shall keep a separate financial account of each member of the Association; shall have charge and custody of, and be responsible for, all funds of the Association and shall deposit all such funds in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Association from any source; shall disburse the funds of Association in accordance with the instructions of the Board of Directors of the Association; shall render to the President, on request, an account of all his transactions as Treasurer and of the financial condition of the Association; and shall, in general, perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

ARTICLE VII

Corporate Books and Records

Section 7.01. PLACE OF KEEPING, IN GENERAL. Except as otherwise provided by the laws of the State of Indiana or the Code of By-Laws, the books and records of the Association may be kept at such place or places as the custodian thereof may select, but all of such books and records shall be open for inspection by any member of the Association for proper purposes at any reasonable time.

ARTICLE VIII

Execution of Checks and Contracts

Section 8.01. EXECUTION OF CHECKS. Every check for the payment of money of the Association and every promissory note of the Association, shall, unless otherwise ordered by the Board of Directors or required by law, be signed by any two (2) Directors of the Association. In case of emergency, the clubhouse manager shall be approved to co-sign.

Section 8.02. EXECUTION OF CONTRACTS. Every contract to which the Association shall be a party, shall be executed in its name by the President or a Vice-President and attested by the Secretary or Treasurer, when doing so shall be appropriate affix the seal of the Association to such contract.

Clause 8.021. CLUBHOUSE RENTAL CONTRACTS. Execution of rental contracts for the South Harbour Clubhouse shall be delegated to the Clubhouse Manager at the direction of the Board of Directors.

ARTICLE IX

Amendments

Section 9.01. IN GENERAL. The power to add to, alter, amend, or repeal (wholly or in part) this Code of By-Laws is vested in the Board of Directors. The affirmative vote of not less than a majority of the Directors shall be necessary to effect any addition to, or alteration, amendment or repeal of, this Code of By-Law.

South Harbour Property Owner's Association Code Of By-Laws
Revisions and Reprinting Adopted
By Action of the SHPOA Board
February 8, 1994 / June 10, 2003

Jerold B. Schwier
President
South Harbour Property Owner's
Association

Robert Alter
Secretary
South Harbour Property
Owner's Association