

**BY-LAWS OF**  
**KEYSTONE SUBDIVISION HOMEOWNERS ASSOCIATION, INC.**  
**(A Not-For-Profit Corporation)**

**ARTICLE I**

**OFFICES**

The principal office of the Corporation shall be located in Vanderburgh County, Indiana. The Corporation may also have such offices at such other places within the State as the Board of Directors may from time to time determine.

**PURPOSES**

The Corporation is formed for the purpose of conducting the business affairs of Keystone Subdivision pursuant to the corporate charter of the Corporation and any conditions, reservations, restrictions and protective covenants of record with respect to any section of Keystone Subdivision. As used herein 'Keystone Subdivision' shall include: Keystone Subdivision, Section I, which is recorded in Plat Book P at page 42 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section II, which is recorded in Plat Book P at page 67 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section III, which is recorded in Plat Book P at page 82 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section IV, which is recorded in Plat Book P at page 115 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section V-A, which is recorded in Plat Book P at page 163 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section VI-B, which is recorded in Plat Book Q at page 1 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section V-B, which is recorded in Plat Book Q at page 34 in the Office of the Recorder of Vanderburgh County, Indiana; Keystone Subdivision, Section VI-C, which is recorded in Plat Book Q at page 43 in the Office of the Recorder of Vanderburgh County, Indiana; and any single family residential portions of Keystone Subdivision Section VII, the plat of which is to be recorded, excluding, however, any portions of Keystone Subdivision Section VII consisting of condominiums, duplexes, multifamily residential or commercial development. ***AMENDED: February 26, 2000***

**LEASE**

Keystone Development, L.L.C. (hereinafter Developer), pursuant to the Covenants, will lease common facilities now or hereafter constructed in the Subdivision to the Association for One Dollar (\$1.00) and other valuable consideration. The Association will accept and assume the maintenance of all such common facilities for the use and benefit of the owners of the Subdivision lots and shall levy and collect assessments, regular and special, on such Subdivision lots to defray the cost of such maintenance.

## ARTICLE II

### MEMBERS

1. (a) The person signing the Certificate of Incorporation as Incorporator, together with two additional representatives designated by the Developer, shall be the first members of the Corporation, unless any of them shall have resigned as such member or unless such membership shall otherwise have been terminated. Thereafter, the eligibility and qualifications for membership shall be as prescribed by the Covenants or by such rules and regulations as may be prescribed by the Board of Directors of the Corporation.

(b) The Developer and each member of the Association shall each have one vote for each lot in Keystone Subdivision owned by the Developer and each member.

(c) The right or interest of a member shall not terminate except upon the happening of any of the following events: sale of lot, death, resignation, expulsion, dissolution or liquidation of the Corporation.

2. (a) Except as otherwise provided in Article III, the Annual Meeting of Members of the Corporation shall be held the last calendar day of February of each year, or on such date or dates as shall be fixed from time to time by the Board of Directors of the Corporation with notice to the members. The first Annual Meeting shall be held on a date within twelve months after the formation of the Corporation. Each successive Annual Meeting shall be held on a date not more than twelve months following the preceding Annual Meeting. Special Meetings of members may be held on such date or dates as may be fixed by the Board of Directors of the Corporation from time to time and by the members on such date or dates as shall be permitted by law.

(b) Any Annual or Special Meeting of Members may be held at such place within Vanderburgh County, Indiana as the Board of Directors of the Corporation may from time to time fix. If the Board of Directors shall fail to fix such place or time, or if members are entitled to call or convene a Special Meeting in accordance with law, then, in such event, such meeting shall be held at the principal office of the Corporation.

(c) Special Meeting of Members may be called, with at least ten (10) days' advance written notice to be given to the members as hereinafter provided, by the Board of Directors or by any officer of the Corporation instructed to do so by the Board of Directors, except to the extent that directors may be required by law to call a meeting, and shall be called by the Secretary on behalf of the members, when required to do so by law.

(d) Written notice stating the place, day and hour of the meeting shall be given for all meetings. Such notice shall state the person or persons calling the meeting. Notice for an Annual Meeting shall state that the meeting is being called for the election of directors and for the transaction of such other business as may properly come before the meeting. Notice of a Special

Meeting shall state the purpose or purposes for which the meeting is called. At any Special Meeting, only the business stated in the Notice of Meeting may be transacted thereat. Notice of Meeting shall be given either personally or by first class mail not less than ten (10) days nor more than fifty (50) days before the date of the meeting, to each member at his address recorded on the records of the Corporation, or at such other address which the member may have furnished in writing to the Secretary of the Corporation. Notice shall be deemed to have been given when deposited with postage prepaid in a post office or other official depository under the exclusive jurisdiction of the United States Post Office. Any meeting of members may be adjourned from time to time. In such event, it shall not be necessary to provide further notice of the time and place of the adjourned meeting if announcement of the time and place of the adjourned meeting is given at the meeting so adjourned. If the Board of Directors fixes a new record date for an adjourned meeting, a new notice shall be given, in the same manner as herein provided. No notice need be given to any member who executes and delivers a Waiver of Notice before or after the meeting. The attendance of a member in person or by proxy at the meeting without protesting the lack of notice of a meeting shall constitute a waiver of notice by such member.

(e) At every meeting of members, there shall be presented a list or record of members as of the record date, certified by the officer responsible for its preparation, and upon request therefor, any member who has given written notice to the Corporation, which request shall be made at least ten (10) days prior to such meeting, shall have the right to inspect such list or record at the meeting. Such list shall be evidence of the right of the persons to vote at such meeting, and all persons who appear on such list or record to be members may vote at such meeting.

3. At each Annual Meeting of Members, the Board of Directors shall present an Annual Report. Such report shall be filed with the records of the Corporation and entered in the minutes of the proceedings of such Annual Meeting of Members.

4. (a) Meetings of the members shall be presided over by the following officers, in order of seniority - President, Vice-President, Secretary, or Treasurer, or, if none of the foregoing are in office or present at the meeting, by a Chairman to be chosen by a majority of the members in attendance. The Secretary or an Assistant Secretary of the Corporation shall act as Secretary of every meeting. When neither the Secretary nor an Assistant Secretary is available, the Chairman may appoint a Secretary of the meeting.

(b) The order of business at all meetings of members shall be as follows:

Roll Call.  
Reading of the minutes of the preceding meeting.  
Report of standing committees.  
Officers' reports.  
Old business.  
New business.

5. Every member may authorize another member-person to act for him or her by proxy in all matters in which a member may participate, including waiving notice of any meeting, voting or participating in a meeting, or expressing consent or dissent without a meeting. Every proxy shall be signed by the member or his attorney in fact, and shall be revocable at the pleasure of the member executing it, except as otherwise provided by law. Except as otherwise provided by law, no proxy shall be valid after the expiration of eleven months from its date.

6. The directors may, but need not, appoint one or more inspectors to act at any meeting or any adjournment thereof. If inspectors are not appointed, the presiding officer of the meeting may, but need not, appoint inspectors. Each appointed inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. The inspectors shall determine the number of memberships outstanding, the voting power of each, the number of memberships represented at the meeting, the existence of a quorum, and the validity and effect of proxies. The inspectors shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result and do such acts as are proper to conduct the election or vote of all members. The inspectors shall make a report in writing of all matters determined by them with respect to such meeting.

7. Except as may be provided by law, the members attending a meeting (either in person or by proxy) entitled to cast 10% of the total number of votes entitled to be cast at the meeting, shall constitute a quorum at a meeting of members for the transaction of any business. The members present may adjourn the meeting despite the absence of a quorum.

In the election of directors, a plurality of the votes cast shall determine the election. Except to the extent provided by law, all other actions shall be by a majority of the votes cast, provided that a quorum is present at the meeting. *AMENDED: February 22, 2003*

8. The Board of Directors of the Corporation may fix a record date for the purpose of determining members entitled to notice of, to vote, to express consent or dissent from any proposal without a meeting, to determine members entitled to receive distributions or allotment of rights, or for any other proper purpose. Such record date shall not be more than fifty (50) days prior to the date of such meeting or consent or the date on which any distribution or allotment of rights, as the case may be, is to be made. In the event no record date is fixed, the record date for the determination of members entitled to vote at a meeting of members shall be the close of business on the fiftieth (50<sup>th</sup>) day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held. The record date for determining members for any purpose other than that specified in the preceding sentence shall be the close of business on the day on which the resolution of directors relating thereto is adopted. Establishment of a record date shall apply to any adjournment of any meeting, unless a new record date is fixed by the Board of Directors for such adjourned meeting.

9. The Board of Directors may, but need not, cause to be issued certificates, cards or other instruments permitted by law evidencing membership in the Corporation. Such membership certificate, card or other instrument shall be non-transferable, and a statement to that effect shall be noted on the certificate, card or other instrument. Membership certificates, cards or other instruments, if issued, shall bear the signatures or facsimile signatures of an officer or officers designated by the Board of Directors and may bear the seal of the Corporation or a facsimile thereof. Until approved by appropriate action by the Board of Directors, there shall be no membership certificates issued by the Corporation; provided, however, a complete membership roster shall be maintained by the Corporation as required by law.

### ARTICLE III

#### BOARD OF DIRECTORS

1. The Corporation shall be managed by a Board of Directors. Each director shall be at least eighteen (18) years of age, and shall be a member of the Corporation during his directorship. The initial Board of Directors shall consist of three (3) persons. Thereafter, the number of directors constituting the entire Board shall be no less than three. Subject to the foregoing, the number of Board of Directors may be fixed from time to time by action of the members or of the Directors. The number of Directors may be increased or decreased by action of the members or the Board of Directors, provided that any action by the Board of Directors to effect such increase or decrease shall require the vote of a majority of the entire Board of Directors. No decrease shall shorten the term of any director then in office.

2. The first Board of Directors shall consist of those persons designated by the Incorporator, and they, and their successors who also shall be designated by the Incorporator, shall serve for a total of four (4) years or until a minimum of Eighty Percent (80%) of the lots that are platted (including both recorded and unrecorded) in the total development of Keystone Subdivision have been sold and conveyed by the Developer, whichever last occurs, and thereafter until their successors have been duly elected and qualified or until their prior resignation or removal as hereinafter provided. Notwithstanding any provisions to the contrary herein contained, during the foregoing period of time that the Developer's representatives are serving as the Board of Directors, annual meetings shall be held. At such time or times, the Directors shall notify and render to the Lot owners a report showing the number of Lot sales and the balance of funds being held by the Keystone Subdivision Homeowners Association, Inc., and they also may conduct any other lawful business which may be transacted at such meetings. It is the intention that said reports shall be made at least annually, beginning on the last calendar day of February, 1998.

3. (a) No member of the original Board of Directors shall be removed without the unanimous vote of the remaining members of the original Board of Directors. Any or all other members of the Board of Directors may be removed with or without cause by vote of the members of the Corporation at a duly constituted meeting at which a quorum is present. The Board of Directors may remove any other director thereof for cause only.

(b) A director may resign at any time by giving written notice to the Board of Directors or to an officer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board of Directors or such officer. Acceptance of such resignation shall not be necessary to make it effective.

4. Newly-created directorships or vacancies in the Board of Directors may be filled by a vote of a majority of the Board of Directors then in office. Vacancies occurring by reason of the removal of directors without cause shall be filled by a vote of the members. A director elected to fill a vacancy caused by resignation, death, or removal shall be elected to hold office for the unexpired term of his predecessor.

5. (a) A regular Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of Members. All other meetings shall be held at such time and place as shall be fixed by the Board of Directors from time to time.

(b) No notice shall be required for regular meetings of the Board of Directors for which the time and place have been fixed. Special meetings may be called by or at the direction of the President, the Vice-President or by a majority of the directors then in office.

(c) Written, oral or any other method of notice of the time and place shall be given for special meetings of the Board of Directors in sufficient time for the convenient assembly of the Board of Directors. The notice of any meeting need not specify the purpose of such meeting. The requirement for furnishing notice of a meeting may be waived by any director who signs a Waiver of Notice before or after the meeting or who attends the meeting without protesting the lack of notice to him.

6. Except to the extent provided herein or in the Certificate of Incorporation of the Corporation, a majority of the entire members of the Board of Directors shall constitute a quorum. At any meeting held to remove one or more directors a quorum shall consist of a majority of the directors present at such meeting. Whenever a vacancy on the Board of Directors shall prevent a quorum from being present, then, in such event, the quorum shall consist of a majority of the members of the Board of Directors excluding the vacancy. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except to the extent provided by law and these By-Laws, the act of the Board of Directors shall be by a majority of the directors present at the time of vote, a quorum being present at such time. Any action authorized by resolution, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board of Directors with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

7. The President shall preside at all meetings of the Board of Directors. If there be no President, or in his absence, the Vice-President or any other director chosen by the Board shall preside.

8. Whenever the Board of Directors shall consist of more than three persons, the Board of Directors may designate from their number, an executive committee and other standing committees. Such committees shall have such authority as the Board of Directors may delegate, except to the extent prohibited by law. In addition, the Board of Directors may establish special committees for any lawful purpose, which may have such powers as the Board of Directors may lawfully delegate.

## ARTICLE IV

### OFFICERS

1. The Board of Directors may elect or appoint a President, one or more Vice-Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, and such other officers as they may determine. All officers shall be members of the Corporation. Any two or more offices may be held by the same person except the office of President and Secretary.

2. Each officer shall hold office until the Annual Meeting of the Board of Directors, and until his successor has been duly elected and qualified. The Board of Directors may remove any officer with or without cause at any time.

3. (a) The President shall be the chief executive officer of the Corporation, shall have the responsibility for the general management of the affairs of the Corporation, and shall carry out the resolutions of the Board of Directors.

(b) During the absence or disability of the President of the Corporation, the Vice-President, or, if there be more than one, the Executive Vice-President shall have all the powers and functions of the President. The Vice-President shall perform such duties as may be prescribed by the Board of Directors from time to time.

(c) The Treasurer shall have the care and custody of all of the funds and securities of the Corporation, and shall deposit said funds in the name of the Corporation in such bank accounts as the Board of Directors may from time to time determine. The Treasurer shall, when duly authorized by the Board of Directors, sign and execute all contracts in the name of the Corporation when counter-signed by the President; he may also sign checks, drafts, notes and orders for the payment of money, which shall have been duly authorized by the Board of Directors and counter-signed by the President.

(d) The Secretary shall keep the minutes of: the meetings of the Board of Directors; and the meetings of the members. He or she shall have the custody of the seal of the Corporation, and shall affix and attest the same to documents duly authorized by the Board of Directors. He or she shall serve all notices for the Corporation which shall have been authorized by the Board of Directors, and shall have charge of all books and records of the Corporation.

ARTICLE V

MISCELLANEOUS

1. The Corporation shall keep at the principal office of the Corporation: complete and correct records and books of account; minutes of the proceedings of the members, the Board of Directors, or any committee appointed by the Board of Directors; and a list or record containing the names and address of all members.

2. The corporate seal shall be in such form as the Board of Directors shall from time to time prescribe.

3. The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law.

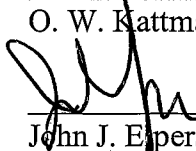
4. (a) Except as provided in Article III of these By-Laws, all By-Laws of the Corporation shall be subject to alteration or repeal and new by-laws may be made, by a majority vote of the members entitled to vote in the election of directors, at a special meeting of the members called for such purpose. Article III of these By-Laws cannot be amended or repealed, except with the full written consent of the Developer.

(b) Except as otherwise limited in these By-Laws, the Board of Directors shall have the power to make, alter or repeal, from time to time, By-Laws of the Corporation, except that the Board may not amend or repeal any by-law in which control thereof is vested exclusively in the members. If any by-law regulating an impending election of directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of members for the election of directors, the by-laws so made, amended or repealed, together with a concise statement of the changes made.

Approved: February 1, 1996  
Amended: February 26, 2000  
Amended: February 22, 2003

  
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W. C. Bussing, Jr., Director

  
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O. W. Kattmann, Jr., Director

  
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John J. Eppers, Jr., Director