

BY-LAWS

"HAWTHORNE RIDGE HOMEOWNERS ASSOCIATION, INC."

ARTICLE I

Definitions

"Association" means "Hawthorne Ridge Homeowners Association, Inc.", an association composed of Owners of properties at Hawthorne Ridge Subdivision, as the same may be shown on maps thereof recorded from time to time in the Recorder's Office of Hendricks County, Indiana.

"Indenture" means such Indenture(s) as may from time to time contain the covenants, liens, and charges established for the benefit of the Association, its Members, and the property and the residents of the communities located thereon.

"HRHA Property" means any property subject to the Indenture or the covenants, liens or charges imposed thereby.

"Community Facilities" shall mean and refer to any real property, common properties or other facility or facilities intended to be devoted to the use and enjoyment of the members of the Corporation which the Corporation may own or hereafter acquire.

ARTICLE II

Location and Purpose

The principal office of the Association shall be located at 1121 East Main Street, Plainfield, Indiana 46168.

The general objects and purposes of this Corporation shall be to promote and foster mutual understanding and good will; to enhance the Hawthorne Ridge Subdivision, Guilford Township, Hendricks County, through the realization of common interests; to establish thereon and to administer and enforce covenants, conditions, restrictions, reservations, servitudes, profits, licenses, easements, liens or charges for the support and benefit of the Corporation and the welfare or betterment of such communities or residents thereof; and to provide for the preservation of the values and amenities of any and all real property, or other Common Properties which the Corporation may own or hereafter acquire.

In furtherance of, and not in limitation of the general powers conferred by the laws of Indiana, and the objects and purposes set forth in this instrument it is expressly provided that this Corporation shall also have the following powers, viz:

- (a) To continue as a corporation, under its corporate name perpetually;

- (b) To sue and be sued its corporate name;
- (c) To have a corporate seal and to alter the same at pleasure, to use such seal generally, but the use of such seal shall be necessary only as required by law;
- (d) To acquire, own, hold, use lease, mortgage, pledge, sell, convey or otherwise dispose of property, real and/or intangible, legal or equitable;
- (e) To borrow money, and to issue, sell or pledge its obligations and evidences of indebtedness, and to mortgage or pledge its property and franchises to secure the payment thereof;
- (f) To appoint such officers and agents as the affairs of this Corporation may require, and to define their duties and fix their compensation;
- (g) By its Board of Directors to make, alter, amend or repeal By-laws for the government and regulation of its affairs;
- (h) To cease the Corporation's activities and to dissolve and surrender its corporate franchise;
- (i) To provide for the acquisition, construction, management, maintenance, and care of the Corporation property;
- (j) To do all acts and things necessary, convenient or expedient to carry out the purpose for which it is formed; provided that this Corporation shall not, by any implication or construction be deemed to possess the power of engaging in any activities for the purposes of or resulting in the pecuniary remuneration to its members as such, but this provision shall not be deemed to prohibit reasonable compensation to members for services actually rendered; nor shall such corporation be prohibited from engaging in any undertaking for profit so long as such undertaking does not inure to the profit of its members;
- (k) The Corporation shall not be organized nor operated for profit, nor shall it participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III

Membership

1. **Eligibility.** The Members of the Association are determined by Article V of its Articles of Incorporation. The rights of Members are subject to (a) the payment of the annual charges imposed by Indenture, and (b) compliance with the covenants of the Indenture and the rules and regulations of the Board of Directors regarding the use of HRHA Property and the conduct of Members, their families, their tenants, and the guests of any thereof. As provided in the Articles, the voting and other membership rights of any Member may be suspended by action of the Directors during any period when such Member shall have failed to pay any Annual Assessment and/or Special Assessment then due and payable; but, upon payment of such Assessment, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of HRHA Property, or any Community Facilities, or the personal conduct of any person thereon, the voting or other membership rights of any Member may be suspended by action of the Board of

Directors for a period not to exceed 30 days, if he, any member of his family, his tenants, or the guests of any thereof shall have violated such rules and regulations.

2. Rights and perquisites of membership. Each member is entitled to the use and enjoyment of the HRHA Property and any Community Facilities in accordance with the Indenture. Such rights may be delegated to an exercised by all members of his family who reside upon the Property, any of his tenants who reside there under a lease for a term of one year or more, and the guests of any thereof. Each Member shall notify the Secretary of the Association in writing of the name and relationship to the member of any person who shall be entitled to exercise such rights under this Section. The rights and privileges of such persons are subject to suspension by the Board in the same manner and for the same reasons as those of any Member under the preceding Section.

ARTICLE IV

Meetings of Members

1. Annual Meetings. The Annual Meeting of the Members shall be held at the office of the Association specified in the Notice of the Meeting, on the last Thursday in January in each year, at the hour of 7:00 p.m., commencing on the last Thursday in January of the year 1986.

2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, or by any five or more Directors. The Secretary shall call a special meeting upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

3. Notices. Notice of meetings shall be given to the Members by the Secretary. Notice may be given to the Member either personally, or by mailing a copy of the notice, postage prepaid, to the address appearing on the books of the Corporation. (Each Member shall register his address and any change in address with the Secretary.) Notice of any meetings, regular or special, shall be mailed not less than ten nor more than thirty days in advance of the meeting and shall set forth the purposes of the meeting.

4. Proxy voting. At any membership meeting the presence, whether in person or by proxy, of Members entitled to vote not less than 10% of the total membership vote, shall constitute a quorum for the transaction of business. All proxies shall be in writing and be filed with the Secretary at the commencement of the meeting. Any proxy given by a person who shall not be a qualified Member at the date of the meeting and any proxy given more than eleven months before the date of the meeting shall be void.

ARTICLE V

Assessment to Property Owners Association

1. Each owner of property shall pay assessments to Hawthorne Ridge Homeowners Association, Inc. as required under the restrictive covenants and conditions for the Hawthorne Ridge Subdivision.
2. Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the residents in the Development and, in particular, for the improvement, maintenance and construction of facilities devoted to the use of all members.
3. Annual Assessments shall be paid in advance and shall be due on the dates specified in Paragraph G of the Restrictive Covenants. No adjustments or prorations of assessments shall be made by the Association. The due date of any special assessment under Paragraph D of the Restrictive Covenants shall be fixed in the Resolution authorizing such assessment.
4. The Board shall prepare a roster of the properties and assessments applicable thereto at least thirty days in advance of such assessment due date. Such assessment roster shall be kept in the office of the Association and shall be open for inspection by an owner. Written notice of assessment shall be sent to every property owner subject thereto.
5. If any assessment is not paid when due, such assessment, including the cost of collection thereof, shall become a continuing recorded lien on the property which shall bind the property in the hands of the then owner, his heirs, devisees, personal representatives and assigns, in accordance with Paragraph I of the Restrictive Covenants. If the assessment is not paid within thirty days after the due date, there shall be added to the delinquent assessment those penalty fees, interest, cost and reasonable attorney's fees authorized pursuant to Paragraph I of the Restrictive Covenants.
6. The lien for delinquent assessments provided for herein shall be subordinated to the lien of any mortgage or mortgages now or hereafter placed upon the properties pursuant to Paragraph J of the Restrictive Covenants.
7. **Exempt Property.** The following property subject to the Restrictive Covenants shall be exempt from the assessments, charges and liens, created therein:
 - (A) All properties to the extent of any easement or other interest therein dedicated and accepted by a local public authority and devoted to public use;

(B) All common properties as defined in Article I, Paragraph 4;

(C) All properties exempted from taxation by the laws of the State of Indiana upon the terms and to the extent of such legal exemption;

(D) All properties owned by the Developer, its assigns and successors, and held by them or any of them for the purposes of engaging in the business of sale or resale of such property, including any lots which may have been reacquired by the Developer.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VI

Finance

1. The fiscal year of the Association shall begin on the first day of January each year, unless changed by resolution of the Board of Directors.

2. No later than the 31st day of December a budget of estimated income and expenditure for the next fiscal year shall be adopted by the Board. This budget shall be available for inspection by the members of the office of the Association. A summary of the approved budget shall be included in the notice of the next regular meeting of the Association.

3. The Board of Directors shall determine the official depository or depositories;

(A) After acceptance of responsibility by the Association for the administration of the assessment funds, the Treasurer shall be authorized to issue checks for expenditures incurred for the Association, provided the amount of such checks issued does not exceed in that fiscal year, the amount budgeted, in accordance with Article VI, Section 2 thereof.

(B) All checks shall be signed by the Treasurer hereunder. Such officer shall be bonded in an amount determined by the Board. Indemnity bond premiums shall be paid by the Association.

(C) An accounting of all the Association's receipts and disbursements for the previous fiscal year shall be prepared each year before the annual meeting, at which meeting the accounting in written form shall be made available to the membership.

ARTICLE VII

Special Assessments

1. It is declared the policy of this Association that special assessments are generally undesirable and shall be levied only in an emergency or under extraordinary circumstances.

2. Special assessments shall be levied only upon the recommendation of the Board and with the consent of voting members, pursuant to Paragraph D of the Restrictive Covenants.

3. The due date of any special assessment shall be fixed in the Resolution authorizing such assessment. Special assessments not paid within thirty days after the due date shall be collected pursuant to Paragraph I of the Restrictive Covenants.

ARTICLE VIII

Board of Directors

1. **Membership and powers.** The Association shall be governed by a Board of Directors. Without limiting the generality of the preceding sentence, or any power vested in it by law, the Board of Directors shall have the power (a) to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem expedient (nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever); (b) to establish, levy, assess and collect the Annual Assessment and/or Special Assessment and all other charges referred to in the Indenture (c) to adopt and publish rules and regulations governing the use of HRHA Property and Community Facilities, and the personal conduct of Members, their family, their tenants, and their guests with respect thereto; (d) to exercise for the Association all power, duties, and authority vested in or delegated to this Association, except those expressly reserved to the Members; and (e) in the event any member of the Board of Directors of this Association shall be absent from three consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting in which such third absence occurs declare the office of said absent Director to be vacant.

2. **Duties.** It shall be the duty of the Board of Directors (a) to cause to be kept a full, true and accurate record of 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 requested in writing by one-fourth(1/4) of the full membership; (b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; (c) in accordance with the Indenture, (i) to fix the amount of the

Annual Assessment and/or Special Assessments against each lot or living unit as soon as may be practicable after the beginning of each calendar year and in any event before April 1; (ii) to prepare a roster of the properties and Annual Assessment and/or Special Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member; and (iii) to send written notice of each assessment to every Owner subject thereto; (d) to issue or to cause an appropriate officer to issue, upon demand by any person a certificate stating whether any Annual Assessment or Special Assessment has been paid, which shall be conclusive evidence that any charge stated therein has or has not been paid. The Board shall adopt such rules and regulations relating to the use of the common properties and sanctions for noncompliance therewith as it may deem reasonably necessary in the best interests of the Association and its members.

1. **Vacancies.** Vacancies in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors and any such appointed Director shall hold office for the unexpired term of his predecessor in office.

ARTICLE IX

Directors' Meetings

1. **Annual meetings.** The Annual Meeting of the Board of Directors shall be held immediately following adjournment of the Annual Meetings of the Members in each year.

2. **Notices; waiver.** No notice need be given for the Annual meeting of the Board. Notice of any special meeting shall be sufficient if mailed to each Director, postage prepaid, at his address as it appears on the records of the Association, at least three days before the meeting or given personally or by telephone not later than the day before the meeting. No notice need be given to any Director who attends the meeting, or to any Director who in writing (before or after the Meeting) waives such notice.

3. **Special meetings.** Special meetings of the Board of Directors shall be called by the Secretary upon request by any officer of the Association or by any two Directors. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members.

4. **Quorum.** At all meetings of the Board a majority of the Board of Directors shall constitute a quorum, and, except as otherwise provided by law or by the By-laws the act of a majority of the Directors present shall be the act of the Board.

ARTICLE X

Election of Directors

1. **Term of office.** Each Director of the Association shall be a member of the Association, and a Director shall cease to be a Director when he ceases to be a member. Directors shall be elected for periods of up to three (3) years and until their successors are elected and qualified, but provision shall be made for the election of approximately one-third of the Board of Directors each year.

2. **Ballots.** The election of Directors shall be written ballot as hereinafter provided. At each Annual Meeting or at any special meeting called for the purpose of electing Directors, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the Articles of Incorporation of the Association. The nominees receiving the largest number of votes shall be elected.

3. **Nominations, nominating committee.** Nominations for election to the Board of Directors shall be made by the Nominating Committee, which shall consist of a Director, who shall be the Chairman, and one or more Members of the Association or an officer of a corporate member. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members to serve during such Annual Meeting and until the next Annual Meeting or until its successor shall have been duly designated and qualified. The members of the Nominating Committee shall be announced at each Annual Meeting of the Members.

4. **Nominees.** 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 to be filled. Such nominations may be made from among Members, as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to the Members.

5. **Procedure.** All elections of the Board of Directors shall be made on written ballots which shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. Such ballot shall be prepared and mailed by the Secretary to the Members at least fourteen days in advance of the Date set forth therein for a return (which shall be a date not later than the day before the Annual Meeting or any special meeting called for the purpose of electing Directors).

6. **Voting.** Each Member shall be mailed a ballot on which he may cast the number of votes to which he is entitled. The completed ballot shall be returned in the manner hereinafter outlined. The ballot shall bear on its face the name and signature of

the Member, the number of votes being cast and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes stated therein. The ballot shall be clearly designated by the Secretary.

7. **Processing.** Upon the receipt of each return, the Secretary shall immediately place it in a safe place. Not more than twenty-one days prior to the day set for the meeting at which the elections are to be held, the envelopes shall be turned over, unopened, to an Election Committee which shall consist of three persons appointed by the Board of Directors. All returns thereafter received by the Secretary on or before the date set for a return shall accordingly be turned over to the Election Committee. The Election Committee shall adopt a procedure which shall (a) establish that the Member is entitled to cast either personally or by proxy, the number of votes indicated on the ballot; and (b) that the signature of the Member on the ballot is genuine; and (c) if the vote is by proxy, that the proxy has been filed with the Secretary as provided in Article IV, Section 4, and that such proxy is valid. After the procedure has been completed relative to a ballot the count of the vote shall be taken. All ballots and proxies as well as any continuing tally of the votes shall be kept by the Election Committee, when not being processed, in a safe place. The ballots shall be retained for ninety days after the meeting and then destroyed.

ARTICLE XI

Officers

1. **Offices.** The officers of the Association shall be a President, Secretary, one or more Assistant Secretaries and a Treasurer. The President and Treasurer shall be members of the Board of Directors by reason of their offices.

2. **Election by board of directors.** All officers shall be elected at such Annual Meeting of the Board, and each officer shall hold office until the next Annual Meeting of the Board, and each officer shall hold office until his successor shall have been duly elected and qualified or until his earlier death, resignation, or removal in accordance with the By-laws. The officers shall be chosen by a majority vote of the Directors.

3. **President; duties.** The President shall be the chief executive officer of the Association and as such shall have general supervision of the affairs and property of the Association and over its several officers, subject to the direction of the Board of Directors. The President shall, if present, preside over all meetings of the Board of Directors, and shall generally do and perform all acts incident to the Office of President. He may sign in the name and on behalf of the Association all notes, leases, mortgages, deeds and all other written instruments authorized by the Board, except where the Board shall delegate the execution thereof to some other officer or agent of the Association.

4. **Secretary; duties.** The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book

to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record the names and addresses of all Members of the Association, shall see that all notices are duly given as required by the By-laws or applicable law, and shall be custodian of the corporate seal.

5. **Treasurer; duties.** The Treasurer shall receive and deposit in bank accounts approved by the Board all moneys of the Association and shall disburse such funds as directed by a resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for the disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, and shall be the chief executive officer in case of the absence or disability of the President.

6. **Books and accountings.** The Treasurer shall keep proper books of account and cause an annual audit of the Association's books to be made by an independent accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its Annual Meeting.

ARTICLE XII

Committees

1. **Standing Committees.** Standing committees of the Association shall be the Nominating Committee, the Recreation Committee, the Maintenance Committee, the Publicity Committee, and the Audit Committee. Unless otherwise provided therein each committee shall consist of a Chairman and two or more members as determined by the Board, at least one of whom shall be a Director. Each committee shall be appointed by the Board of Directors at its Annual Meeting to serve until the next Annual Meeting of the Board and until its successor shall have been duly elected and qualified, except that the Nominating Committee shall be appointed in accordance with Article X hereof. The Board of Directors may appoint such other committees as it deems desirable.

2. **Nominating Committee.** The Nominating Committee shall have the duties and functions described in Article X.

3. **Recreation Committee.** The Recreation Committee shall advise the Board of Directors on matters pertaining to any recreational program of the Association and shall perform such other functions as the Board, at its discretion, determines.

4. **Maintenance Committee.** The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of any HRA Property and Community Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

5. **Publicity Committee.** The Publicity Committee shall inform the Members of all activities and functions of the Association and shall after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

6. **Audit Committee.** The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the Members at their Annual Meetings. The Treasurer shall be an ex-officio member of the committee.

7. **Subcommittee.** It shall be the duty of each committee to receive complaints from the Members on any matter involving Association functions, duties and activities within the field of its responsibility. It shall dispose of such complaints as it seems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII

Books and Papers

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member.

ARTICLE XIV

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Hawthorne Ridge Homeowners Association, Incorporated.

ARTICLE XV

Fiscal Year

The fiscal year of the Corporation shall coincide with the calendar year.

ARTICLE XVI

Amendments

1. **Amendment procedure.** These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of the majority of a quorum of the Members present in person or by proxy, provided that those provisions of these By-Laws which

are covered by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which in fact covered by the Indentures may not be amended except as provided therein.

2. **Resolution of conflicts.** In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Indentures and these By-Laws, the Indenture shall control.