

BY-LAWS OF
THE VILLAS AT HAWTHORNE PARK COMMUNITY ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of this Community Association is The Villas at Hawthorne Park Community Association, Inc. (hereinafter called the "Association"). The principal office of the Association shall be located in Fort Wayne, Indiana.

ARTICLE II

Purposes

This Association is formed under the provisions of the Indiana Non-Profit Corporation Act of 1991, as amended, to fulfill those purposes set forth in the Dedication and Plat of The Villas at Hawthorne Park, as amended (hereinafter called the "Dedication"). The terms and conditions of the Dedication, and any amendments, are incorporated herein by reference.

ARTICLE III

Owners Meetings

Section 1: Place of Meetings: The lot owners entitled to vote, as defined in the Dedication, (hereinafter called the "Owners") shall hold meetings at the principal office of the Association or at such place within the county of Allen, State of Indiana, as the Board of Directors shall authorize.

Section 2: First Organizational Meeting: The first meeting of the Owners of the Association shall be held no later than December 31, 2005, at which time the Board of Directors designated by the Developer, as defined in the Dedication (hereinafter called the "Developer") shall resign and all of the Owners, including the Developer, shall elect a new Board of Directors. If the Developer so elects, it may relinquish control and accelerate the date of this first organizational meeting. The Developer shall call and organize such first meeting of Owners.

Section 3: Annual Meetings: Thereafter, the annual meetings of the Association shall be held at the principal office of the Association at a date and time selected at the first meeting of the

Association. At such annual meeting, the Owners shall elect a Board of Directors, and may transact such other business as may properly come before the meeting.

Section 4: Special Meetings: Special meetings of the Association may be called by the President, or by a majority of the Board of Directors, or must be called by the President upon receipt of a written request from twenty-five percent (25%) of the Owners. Such written request shall state the purpose or purposes of the proposed special meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 5: Fixing Record Date: For the purpose of determining the Owners entitled to notice of any meeting of the Association, or for the purpose of any other action, the Board of Directors may fix in advance, a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of a meeting. If no record date is fixed, then the Owners entitled to vote shall be those on the date of the notice.

Section 6: Notice of Meeting: Notice of any meetings of the Association shall be in writing. Notice of the meetings other than the annual meeting shall state that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be mailed or delivered not less than thirty (30) nor more than sixty (60) days prior to the date of the meeting.

Section 7: Waiver of Notice: Notice of meetings need not be given to any Owner who signs a waiver of notice either in person or by proxy whether before or after the meeting. The attendance of any Owner at a meeting, in person or proxy, shall constitute a waiver of notice of the meeting.

Section 8: Quorum of Owners: A quorum of the Association shall be fifty-one percent (51%) or more of the Owners, unless stated otherwise in the Dedication. The subsequent joinder of an Owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. The Owners present may adjourn the meeting despite the absence of a quorum.

Section 9: Voting: The Owners shall be entitled to vote as stated in the Dedication. No Owner who has failed to pay maintenance assessments, special assessments, or other charges set forth in the Dedication, or against whom a lien therefore is being prosecuted, shall be entitled to vote except as otherwise provided by law. A quorum being present, a vote of seventy-five percent (75%) of the Owners being present shall constitute the action of the Association except as to matters where the law and the Dedication require a different majority.

Section 10: Proxies: A vote may be cast in person or by proxy filed with the Secretary before the appointed time of the meeting; a proxy is valid only for the particular meeting designated therein. A proxy may be revoked by an Owner by appearance in person at the meeting.

Section 11: Written Consent of Owners: Any action that may be taken by a vote may be taken without a meeting on written consent setting forth the action so taken or to be taken of the Owners entitled to vote thereon in accordance with Section 9 hereof unless otherwise required by the Dedication, these By-Laws, or by law.

Section 12: Order of Business: The order of business at the annual meetings of the Association shall be:

- A. Calling the roll and certifying of proxies;
- B. Proof of notice of the meeting or certificate as to waiver;
- C. Reading and disposal of unapproved minutes;
- D. Reports of the officers of the Association;
- E. Reports of the Board of Directors of the Association;
- F. Reports of Committees;
- G. Election of Board of Directors of the Association;
- H. Unfinished business;
- I. New Business;
- J. Adjournment.

The order of business at all other meetings of the Association shall as far as practical conform to the order of business at the annual meetings insofar as the special purpose of the meetings will permit.

ARTICLE IV

Directors

Section 1: Board: The Association shall be managed by a Board of Directors, each member of which shall be over the age of twenty-one (21) years. The directors shall be Owners.

Section 2: Number and Term of Office: The Board of Directors shall consist of six (6) Directors. At the first election, two (2) Directors shall be elected to serve for a term of one (1) year; two (2) Directors shall be elected to serve for a term of two (2) years; and two (2) Directors shall be elected to serve for three (3) years.

Section 3: Nomination and Election:

- A. The Developer shall select and designate the initial members of the Board of Directors who shall serve until the organizational meeting of the Owners.

- B. At least thirty (30) days preceding each annual meeting of the Association after the organizational meeting, the President shall appoint a nominating committee of three (3) members. No member of the nominating committee shall be eligible for any nomination by said committee at such election. Such committee shall report its nominees in the notice of the annual meeting. The names of the nominees shall be either typed or printed upon a ballot as candidates for the Board of Directors.
- C. Owners may submit, not less than ten (10) days before the annual meeting, candidates for election to the Board of Directors by presenting such nomination in writing, signed by them, to the nominating committee or to the Secretary, and thereupon the names of such candidates shall also be typed or printed on the ballot as candidates for the Board of Directors.
- D. In the election of members of the Board of Directors by the Owners, the candidates shall be elected in the order of those receiving the most votes, and in case of a tie vote as to the last place to be filled, a new ballot shall be cast in order to determine the last candidate between or among those having a tie vote (excluding those with a smaller number of votes who shall be declared defeated).
- E. Officers of the Association shall be elected at the first meeting of the Board of Directors after each annual meeting of the Association.

Section 4: Vacancies: Vacancies on the Board of Directors may be filled by the Board of Directors until the next annual meeting. Directors elected to fill a vacancy shall serve until the next annual meeting, at which time by election of Owners the vacancy will be filled to the unexpired term of such vacating Director.

Section 5: Removal and Resignation:

- A. A Director may be removed for cause by the Board of Directors or by the Owners at a special meeting called for that purpose.
- B. A Director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. A resignation will not relieve the Director resigning from his liability by reason of willful misconduct or bad faith while in office. The resignation shall take effect immediately upon receipt thereof, and acceptance of the resignation shall not be necessary to make it effective.

Section 6: Quorum: A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business or for any specific item of business. If at any meeting there is less than a quorum present, the majority of those present may adjourn the meeting from time to

time until a quorum is present. At an adjourned meeting any business which could have been transacted at the meeting originally called may be transacted without further notice.

Section 7: Action of the Board: A quorum being present, a vote of the majority of those present shall constitute the action of the Board of Directors except as to those matters where the law or the Dedication require a different majority.

Section 8: Time and Place of Board Meeting: The Board of Directors shall meet regularly at least every four (4) months at such times and places as it may fix. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Owners at the place where such annual meeting of the Owners is held. A special meeting of the Board of Directors may be called by the President or two (2) Directors upon five (5) days notice given either in writing, in person, by telephone, or by facsimile to each Director.

Section 9: Powers and Duties: The Board of Directors shall have the powers and duties granted to it in the Dedication, and in addition thereto shall have the following:

- A. To make and levy annual and special assessments in accordance with the Dedication, and to use the same in the exercise of its power and duties;
- B. To maintain, repair, replace and operate all of the Association's property, and in case of casualty to reconstruct and reestablish it as provided by the Dedication;
- C. To enforce by legal means all of the provisions of the Dedication, these By-Laws, the rules and regulations of the Association, and the resolutions and decisions rendered pursuant to the By-Laws;
- D. To make or amend rules and regulations respecting the use and operation of the Association's property;
- E. To employ legal, accounting, maintenance or other personnel for reasonable compensation to perform the services required for the proper administration of the Association's property; and
- F. To do any and all things which prudent operation of the Association requires.

ARTICLE V

Officers

Section 1: Officers: At the annual meeting of the Board of Directors, there shall be elected a President, Secretary, and Treasurer. These officers shall also serve for a term of one (1) year, and they shall be members of the Board of Directors.

Section 2: President: The President shall be the chief executive officer of the Association and he shall have all of the powers and duties usually vested in such office, including the power to appoint committees as he may deem appropriate, with the consent of the Board of Directors.

Section 3: Secretary: The Secretary shall keep a record of all actions of the Board of Directors and all meetings of the Owners. He shall attend to the giving of all notices to the Owners, and/or Directors and shall supervise the service thereof. He shall prepare and have available at each meeting of the Owners a list in alphabetical order of the names of the Owners and certify which of them are entitled to vote. He shall perform all other duties incident to the office of Secretary as may be required by the President or the Board of Directors.

Section 4: Treasurer: The Treasurer shall keep the financial records of the Association and shall keep the books of account and shall have custody of all the common property of the Association, including all funds, securities and evidences of indebtedness. He shall keep the assessment roll and the accounts of the Owners. He shall perform all other duties incident to the office of a Treasurer as may be required by the President or the Board of Directors. He shall render an annual report at the annual meeting of the Owners.

Section 5: Removal: All officers or employees of the Association shall serve at the discretion of the Board of Directors and may be removed with or without cause.

ARTICLE VI

Fiscal Management

Section 1: Assessment Role: An assessment roll shall be maintained by the Treasurer in which there shall be an account for each Owner. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

Section 2: Budget: The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the various functions of the Association for the next year. Copies of the proposed budget and proposed assessments shall be transmitted to each Owner

at least fifteen (15) days before the beginning of the calendar year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each Owner concerned.

ARTICLE VII

Amendments

Section 1: Amendments: Amendments to the By-Laws shall be proposed by either a majority of the Board of Directors or by fifty-one percent (51%) of the Owners. The proposed amendment must be reduced to writing and must be accompanied by the opinion of legal counsel as to whether the amendment is permitted under the Dedication. Such opinion of legal counsel shall be included in the notice of any meeting at which action is to be taken thereon.

Section 2: Resolutions: A resolution adopting a proposed amendment shall be approved by the Owners at a meeting called for that purpose. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Adoption of an amendment must be made pursuant to Article III, Section 9 hereof.

Section 3: Effective: An amendment is effective on the date it is adopted.

ARTICLE VIII

Fiscal Year

The fiscal year of the Association shall begin on the first day of January in each year, and shall end on the last day of December in each year.

ARTICLE XIV

Execution of Instruments

All instruments of the Association shall be signed, executed and acknowledged by such officer or officers as the Board of Directors shall designate. In the absence of such designation, said instruments shall be signed by both the President and Secretary.

ARTICLE X

Rules and Regulations

The Board of Directors shall have the right to adopt administrative rules and regulations for

the Association, the Owners, and the use of the Association's property. Such rules and regulations, which shall not be inconsistent with the Dedication, or these By-Laws, may be adopted and amended or modified from time to time by the Board of Directors. A copy thereof shall be furnished to each Owner and each Owner shall comply therewith.

ARTICLE XI

Severability

If any provisions of these By-Laws, or any section, sentence, clause, phrase or word, or the application thereof, in any circumstances be judicially held in conflict with the laws of the State of Indiana, then the said laws shall be deemed controlling and the validity of the remainder of these By-Laws and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

ARTICLE XII

Adoption

The foregoing By-Laws are hereby declared to be the By-Laws of the Association.