

BY-LAWS

OF

HAWTHORN OF AURORA
HOMEOWNERS' ASSOCIATION, INC.

A Non-Profit Ohio Corporation

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BY-LAWS OF
HAWTHORN OF AURORA HOMEOWNERS' ASSOCIATION, INC.

The within By-Laws are executed and incorporated by reference in the Hawthorn of Aurora Planned Lot Development Declaration of Covenants and Restrictions. Their purpose is to provide for the establishment of a Homeowners' Association for the government of the property in the manner provided by the Declaration and by these By-Laws.

ARTICLE I

The Association

Section 1. Name and Nature of Association. The name of the Association shall be Hawthorn of Aurora Homeowners' Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located in the City of Aurora, County of Portage, and State of Ohio. The Association may have such other offices, either within or without the City of Aurora, as the Board of Trustees ("Board") may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants and Restrictions for the Hawthorn of Aurora Planned Lot Development, Aurora, Ohio, as recorded in Vol. _____, Page _____, of the Portage County Records.

Section 4. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot or Living Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. Membership shall terminate upon the conveyance, transfer or assignment of record by such Owner of his interest in a Lot or Living Unit, at which time the new Owner shall immediately become a Member of the Association.

Section 5. Voting Rights. The membership of the Association shall be divided into two (2) classes entitled to the rights hereinafter set forth with respect to such classifications.

The Association shall have two (2) classes of voting membership, namely Class A and Class B.

Class A. Class A Members shall be all those Owners as defined in Article I of the Declaration with the exception of the Developer, a Sub-developer, or a Builder. Class A Members shall be entitled to one vote (1) for each Lot or Living Unit in which they hold the fee simple interest or interests. When more than one person holds such interest or interests in any

Lot or Living Unit, all such persons shall be Members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot or Living Unit.

Class B. Class B Members shall be the Developer and any Sub-developer who shall be entitled to three (3) votes for each Lot or Living Unit owned in the Properties, as defined in Article II, Section 1, of the Declaration provided that the Class B membership shall cease and become converted to Class A membership when the total votes outstanding in the Class B membership equal the total votes outstanding in the Class A membership. Thereafter, the Class B Member shall be deemed to be a Class A member entitled to one (1) vote for each Lot or Living Unit in the Properties owned by it as defined in Article II of the Declaration.

For the purpose of determining votes allowed under this Section as to unallotted land, the number of Lots shall be based on the Preliminary Development Plan dated April 1988 and approved by the Aurora Planning Commission on May 4, 1989, subject to any future revisions thereof.

For the purposes of determining the votes allowed under this Section, when Living Units and Lots are counted, the Lot or Lots upon which a Living Unit is situated shall not be counted.

Section 6. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board either on the property or as convenient thereto as possible and practical.

Section 7. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his, her or their behalf shall be made in writing to the Secretary of the Association and shall be revocable at any time by actual notice to the Secretary of the Association by the member or members making such designation. Notice to the Association in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 8. Annual Meeting.

(a) The annual meeting of members of the Association for the election of members of the Board of Trustees, the consideration of reports to be laid before such meeting, shall be held at the office of the Association or at such other place as may be designated by the President and specified in the notice of such meeting of the Association to be attended by members other than the Developer shall be held no later than thirty (30) days after the time that seventy-five percent (75%) of the total number of Lots and Living Units shown on the Preliminary Development Plan dated April 1988, as it may be revised, are sold and conveyed by Developer. Thereafter, the annual meeting of members of the Association shall be held on the third Monday of January each succeeding year thereafter, if not a legal holiday and, if a legal holiday, then on the next succeeding business day.

(b) Special Meeting. Special meetings of the members of the Association may be held on any business day when called by the President of the Association or by the Board of Trustees of the Association or by members entitled to exercise at least twenty-five (25%) of the voting power of the Association. Upon request in writing, delivered either in person or by certified U.S. Mail to the President or the Secretary of the Association by any persons entitled to call a meeting of members, such officer shall forthwith cause to be given to the members entitled thereto notice of a meeting to be held on a date not less than seven (7) or more than sixty (60) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such requests, the persons calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at 6:00 p.m., and shall be held at the office of the Association or at such other place and time as shall be specified in the notice of meeting.

(c) Notice of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the member of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association who is a Member of record as of the day next preceding the day on which notice is given. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of the meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any members of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any members of the Association at any such meeting without protesting the lack of proper notice prior to or at the commencement of the meeting shall be deemed to be a waiver by him of notice of such meeting.

(d) Waiver of Notice. Waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

(e) Quorum; Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration, or by these By-Laws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and, provided further, that the members of the Association entitled to exercise a majority from time to time; if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

Section 9. Majority. As used in these By-Laws the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

Section 10. Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (a) calling of meeting to order;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of Officers;
- (e) reports of Committees;
- (f) election of Inspectors of election (unless waived by unanimous oral consent of the voting members present, if applicable);
- (g) election of Trustees, if applicable;
- (h) unfinished and/or old business;
- (i) new business; and,
- (j) adjournment

Section 11. Actions Without a Meeting. All actions which may be taken at a meeting of the Association, except an action for the removal of a Board member, may be taken without a meeting with the approval of, and in writing or writings signed by the members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting. Such writing or writings shall be filed with the Secretary of the Association.

ARTICLE II

Board of Trustees

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Trustees.

Section 2. Number of Board of Trustees. The Board of Trustees shall consist of not less than three (3) nor more than five (5) persons, of which at least two (2) must be members of the Association, or be representatives appointed by a member of the Association and be either a partner, agent, employee, member, officer, Trustee or shareholder of a member. Board members elected by the Developer need not fulfill the qualifications imposed by this Section. The initial number shall be three (3), which number may be changed by a vote of a majority of the members at an annual meeting or special meeting.

Section 3. Selection of Trustees; Vacancies. Until such time as seventy-five percent (75%) of the total number of Lots and Living Units shown on the Preliminary Development Plan dated April 1988, as it may be revised, are sold and conveyed by Developer, the Developer shall have the right to elect or designate all three (3) Board members. Within thirty (30) days of the

time that seventy-five percent (75%) of the total number of Lots and Living Units shown on the Preliminary Development Plan dated April 1988, as it may be revised, are sold and conveyed by Developer, the Association shall meet (herein referred to as the "First Annual Meeting", the Board may be expanded from three (3) members to five (5) members, and all Owners (including Developer, if Developer shall own any Lots) shall elect all members of the Board of the Association. The Trustees shall be elected at each annual meeting of members of the Association or at a special meeting called for the purpose of electing Trustees. At a meeting of members of the Association at which Trustees are to be elected, only persons nominated as candidates shall be eligible for election as Trustees and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any remaining Trustees, though less than a majority of the whole authorized number of Trustees, may, by the vote of the majority of their number, fill any such vacancy for the unexpired term.

Section 4. Term of Office; Resignations. Each Trustee shall hold office until the next annual meeting of the members of the Association and until his or her successor is elected, or until his or her earlier resignation, removal from office or death. Any Trustee may resign at any time by oral statement to that effect made at a meeting of the Board of Trustees or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the resigning Trustee may specify. Members of the Board of Trustees shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of the majority of the Trustees shall be fixed so that such terms will expire one (1) year from and after the date of the next following annual meeting of members of the Association. The term of office of the remaining Trustees shall be fixed so that such term will expire at the date of the next following annual meeting of the members of the Association. At the first annual meeting of the Association, one (1) or two Board members (depending on whether the Board consists of three (3) or five (5) members) shall be elected for a term of three (3) years, one (1) or two (2) Board members shall be elected for a term of two (2) years and one (1) Board member shall be elected for a term of one (1) years. At meetings of the Association subsequent to the first annual meeting which are called for the purpose of electing Board members, each Board member shall be elected for a term of three (3) years, or to complete unfinished terms.

Except as otherwise provided herein, each Board member shall hold office until the expiration of his term and until his successor is elected, or until his earlier resignation, removal from office or death. No cumulative voting of the Owners shall be permitted when voting for Board members.

Section 5. Organizational Meeting. Immediately after each annual meeting of members of the Association, the newly elected Trustees and those Trustees whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 6. Regular Meetings. Regular meetings of the Board of Trustees may be held at such times and places as shall be determined by a majority of the Trustees, but at least three (3) such meetings shall be held during each fiscal year.

Section 7. Special Meetings. Special Meetings of the Board of Trustees may be held at any time upon call by the President or any two (2) Trustees. Written notice of the time and place of each such meeting shall be given to each Trustee either by personal delivery or by mail, facsimile transmission or by a nationally recognized overnight delivery service, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any Trustee at any such meeting without protesting (prior to or at the commencement of the meeting) the lack of proper notice shall be deemed to be a waiver by him or her of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting, by any Trustee, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 8. Quorum; Adjournment. A quorum of the Board of Trustees shall consist of a majority of the Trustees then in office; provided that a majority of the Trustees present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time; if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board of Trustees at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these By-Laws.

Section 9. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than Trustees may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 10. Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 11. Action Without a Formal Meeting. Any action to be taken at a meeting of the Board or any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Board Members, and such consent shall have the same force and effect as a unanimous vote. An explanation of the action taken shall be mailed to all Members within ten (10) days after the written consents of all of the Board Members have been obtained.

Section 12. Powers and Duties. Except as otherwise provided by law, the Declaration or these By-Laws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Association property and subject to the limitations prescribed by law, the Declaration or these By-Laws, the Board, for and on behalf of the Association, may do the following:

- (a) Purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer and dispose of property of any description of any interest therein.

(b) Maintain, repair, replace and survey the Association property and the Common Areas.

(c) Designate and dismiss the personnel necessary for the maintenance and operation of the Association property, the Common Areas.

(d) In carrying out the purposes of the Association and subject to the limitations prescribed by law, the Declaration or these Bylaws, the Board, for and on behalf of the Association, may:

(i) Purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein.

(ii) Grant easements and the right to use the recreational facilities, if any, located on the Common Areas to Association members upon such terms, conditions and rules and regulations as the Board deems appropriate.

(iii) Make contracts.

(iv) Effect insurance.

(v) Borrow money, and issue, sell, and pledge notes, bonds, and other evidence of indebtedness of the Association; provided, however, if such borrowing is in excess of thirty percent (30%) of the most recent year's Common Expenses, the prior approval of the members of the Association entitled to exercise a majority of the voting power of the Association shall be obtained at a special meeting duly held for such purpose.

(e) Adopt Rules and Regulations.

(f) Levy assessments against Owners.

(g) Employ a managing agent to perform such duties and services as the Board may authorize.

(h) Employ lawyers and accountants to perform such legal and accounting services as the Board may authorize.

(i) Do all things permitted by law and exercise all power and authority within the purposes stated in these By-Laws or the Declaration or incidental thereto.

(j) It shall be the duty of the Board to cause to be kept in 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 one-fourth (1/4) of the voting power of the members who are entitled to vote.

Section 13. Removal of Trustees. Except as otherwise provided herein, the Board may remove any Board member and thereby create a vacancy in the Board, if by order of Court such Board member has been found to be of unsound mind, or if he is physically incapacitated, found guilty of any felony or a misdemeanor involving moral turpitude, adjudicated a bankrupt, or fails to attend three (3) consecutive lawfully constituted meetings of the Board. At any regular or special meeting of members of the Association duly called, at which a quorum shall be present, any one (1) or more of the Trustees may be removed with or without cause by the vote of members entitle to exercise at least seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such Trustee or Trustees so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Trustee whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 14. Vacancies. Except as otherwise provided, vacancies in the Board may be filled by a majority vote of the remaining Board members until an election to fill such vacancies is held. Members of the Association shall have the right to fill any vacancy in the Board (whether or not the same has been temporarily filled by the remaining Board members) at any meeting of the members of the Association called for that purpose, and any Board members elected at any such meeting of members of the Association shall serve until the next annual election of Board members and until their respective successors are elected and qualified.

Section 15. Fidelity Bonds. The Board of Trustees may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by Association and shall be a Common Expense. The Fidelity Bonds shall name the Association as the obligee. Such Bonds shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 16. Compensation. The Board Members shall not receive any salary or compensation for their services, as such, provided nothing herein contained shall be construed to preclude any Trustee from having dealings with the Association in any other capacity and receiving compensation therefor.

ARTICLE III

Officers

Section 1. Election and Designation of Officers. The Board of Trustees shall elect a President, a Secretary and a Treasurer, each of whom shall be a member of the Board of Trustees. The board of Trustees may also appoint a Vice-President, an Assistant Treasurer and an

Assistant Secretary and such other officers as in their judgment may be necessary who are not members of the Board of Trustees but who are members of the Association.

Section 2. Term of Office; Vacancies. The officers of the Association shall hold office until the next organization meeting of the board of Trustees and until their successors are elected, except in case of resignation, removal from office or death. The Board of Trustees may remove any officer at any time with or without cause by a majority vote of the Trustees then in office. Any vacancy in any office may be filled by the Board of Trustees.

Section 3. President. The President shall be chief executive officer of the Association. He or she shall preside at all meetings of the Board of Trustees. Subject to directions of the Board of Trustees, the President shall have general executive supervision over the business and affairs of the Association. He or she may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Trustees or otherwise provided for in the Declaration or in these By-Laws.

Section 4. Vice-President. The Vice-President, if one is elected, shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board of Trustees.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board of Trustees, shall give notices of meetings of the members of the Association and of the Board of Trustees as required by law, or by these By-Laws or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Trustees.

Section 6. Treasurer. The Treasurer shall receive and have charge of all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board of Trustees. He or she shall keep accurate financial accounts and hold the same open for the inspection and examination of the Trustees and shall have such authority and shall perform such other duties as may be determined by the Board of Trustees.

Section 7. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board of Trustees may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board of Trustees.

Section 8. Delegation of Authority and Duties. The Board of Trustees is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

Section 9. Committees. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Board Members present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each

committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board. The Board shall designate an Architectural Committee in accordance with Article VII of the Declaration.

ARTICLE IV

General Powers of the Association

Section 1. General Powers. The Board shall be responsible for the duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not prohibited by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members.

Section 2. Managing Agent. The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Trustees.

Section 3. Additional Powers. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the expenses for taxes, insurance, utilities, maintenance of Common Areas and easement areas, and such other expenses as are incurred by or on behalf of the Association, to the extent authorized by the Declaration (the "Common Expenses");
- (b) making assessments to defray the Common Expenses to the extent authorized by the Declaration, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment, provided that unless otherwise determined by the Board, the annual assessment against the proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;
- (c) providing for the operation, care, upkeep, and maintenance of all of the Common Areas;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and easement areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Master Declaration and these By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Master Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium costs thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgages, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;
- (m) making available to any prospective purchaser of a Sublot, any Owner of a Sublot, any first mortgage, and the holders, insurers, and guarantors of a first mortgage on any Sublot, current copies of the Master Declaration, the Articles of Incorporation, the By-Laws, and all other books, records, and financial statements of the Association;
- (n) permit utility suppliers to use portions of the Common Areas reasonable necessary to the ongoing development or operation of the Property; and
- (o) entering into easement agreements, license agreements and other agreements with utility companies (both private and public), the City of Aurora, the Commissioners of Portage County and with the owners of neighboring properties.

ARTICLE V

Failure to pay Assessments.

If an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board of Trustees may bring suit for and on behalf of themselves and as representatives of all Owners, to enforce collection thereof or to foreclose the lien therefore as provided in the Declaration and there shall be added to the amount due the cost of said suit, together with legal interest at the rate of ten percent (10%) per annum and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by the Declaration, any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Ownership of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board of Trustees as in the case of foreclosure of liens against real estate, as provided in the Declaration. As provided in the Declaration, the members of the Board of Trustees and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any mortgage shall be given written notice of such failure to pay such assessment.

ARTICLE VI

Indemnification of Board Members and Officers

Section 1. In General. Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him or her in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, including any judgment rendered against such member or officer to which he or she is or may be made a party by reason of his or her being or having been such Board member or officer of the association (whether or not he or she is a Board member or officer at the time of incurring such cost and expenses), except with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for misconduct or gross negligence in the performance of his or her duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him or her by reason of his or her being or having been a Board member or officer of the association, he or she shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him or her in connection with such action, suit or proceeding (whether or not he or she is a Board member or officer at the time of incurring such costs and expenses), if (a) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or was not grossly negligent in the performance of his or her duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and the cost of the Association of indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could

reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (b) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who, at the time, is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration, any vote of Association members or any agreement.

Section 2. Advance of Expenses. Funds to cover expenses, including attorneys' fees, with respect to any pending or threatened action, suit, or proceeding may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amounts unless it shall ultimately be determined that he is entitled to indemnification hereunder.

Section 3. Indemnification Not Exclusive; Insurance. The indemnification provided for in this Article VI shall not be exclusive, but shall be in addition to any other rights to which any person may be entitled under the Articles of Incorporation, Rules of the Association, any agreement, any insurance provided by the Association, or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Board, officer, agent or employee of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 4. Indemnification by Owners. The members of the Board and officers of the Association shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board and officers of the Association against all contractual liability to third parties arising out of contracts made on behalf of the Association except with respect to any such contracts made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board and officers of the Association shall have no personal liability with respect to contracts entered into on behalf of the Association. Every agreement made by any members of the Board, officer, employee or agent of the Association or by a management company, if any, on behalf of the Association, shall provide that such members of the Board, officer, employee or agent of the Association, or the management company, as the case may be, is acting only as agent for the Association and shall have no personal liability thereunder (except as an Owner), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as

his percentage of interest in the Common Areas bears to the total percentage interest of all Owners in the Common Areas.

Section 5. Cost of Indemnification. Any sum paid or advanced by the Association under this Article VI shall constitute a Common Expense and the Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article VI; provided, however, that the liability of any Owner arising out of any contract made by or other acts of any member of the Board, officer, employee or agent of the Association, or out of the aforesaid indemnity in favor of such member of the Board, officer, employee or agent of the Association, shall be limited to such proportion of the total liability hereunder as said Owner's percentage of interest in the Common Areas bears to the total percentage interest of all the Owners in the Common Areas.

ARTICLE VII

General Provisions

Section 1. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Ohio law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Ohio law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Ohio law, the Declaration, the Articles of Incorporation, and these By-Laws (in that order) shall prevail.

Section 3. Copies of Notice to Mortgage Lenders.

(a) Upon written request to the Board of Trustees by the holder of any duly recorded mortgage or trust deed against any Ownership, the Board of Trustees shall give such mortgage holder a copy of any and all notices permitted or required by the Declaration or these By-Laws to be given to the Owner whose Ownership is subject to such mortgage or trust deed.

(b) A first mortgagee of a Lot or Living Unit shall be entitled to written notice from the Association of any default in respect to the obligations of an Owner by its mortgagor Owner which is not cured within sixty (60) days. Any first mortgagee may from time to time request in writing a written statement from the Board of Trustees setting forth any and all unpaid assessments due and owing from its mortgagor Owner with respect to the Lot or Living Unit subject to the lien of its mortgage and such request shall be complied with within fifteen (15) days from receipt thereof. Any first mortgagee holding a mortgage on a Lot or Living Unit may pay any unpaid Common Expenses assessed with respect to such Lot or Living Unit and upon such payment, such first mortgagee shall have a lien on such Lot or Living Unit for the amounts so paid at the same rank as the lien of its mortgage.

Section 4. Service of Notices on Board Trustees. Notices required to be given to the Board of Trustees or to the Association may be delivered to any member of the Board of Trustees, or officer of the Association, either personally, by certified U.S. mail, or a nationally recognized overnight delivery service addressed to such member or officer at his or her Lot or Living Unit or such other address on record with the Association.

Section 5. Service of Notices on Devises and Personal Representatives. Notices required to be given any devisees or personal representatives of a deceased Owner may be delivered either personally, by mail or by a nationally recognized overnight delivery service to such party at his, her or its address appearing on the records of the court wherein the estate of such deceased Owner is being administered.

Section 6. Non-Waiver of Covenants. No covenants, restrictions conditions, obligations or provisions contained in the Declaration or these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 7. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these By-Laws shall be determined to be binding on all Owners, their successors and assigns.

Section 8. Notices of Mortgages. Any Owner who mortgages his or her Lot or Living Unit shall notify the Association, in such manner as the Association may direct, of the name and address of his or her mortgagee and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgagees of Lots".

Section 9. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of these By-Laws, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these By-Laws.

Section 10. Amendments of By-Laws. These By-Laws may be amended or modified at any time, or from time to time, by action or approval of the Owners exercising seventy-five percent (75%) or more of the voting power, provided, however, that no amendment shall have any affect upon Developer, the rights of Developer under these By-Laws and the rights of bona fide mortgagees of Lots or Living Units until the written consent of Developer and/or such mortgagees to such amendment has been secured.

Section 11. Captions. The captions used in these Bylaws are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text hereof.

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IN WITNESS WHEREOF, the undersigned, the sole member of the Association, has caused these By-Laws to be duly adopted effective as the _____ day of _____, _____.

Hawthorn of Aurora Homeowners' Association, Inc.

BY: Hawthorn of Aurora Limited Partnership, Member

By: _____

Attested by: _____
Secretary of Hawthorn of Aurora Homeowners' Association, Inc.