

HAWTHORNE II SUBDIVISION HOMEOWNERS' ASSOCIATION BYLAWS

Article 1 – Offices

The Hawthorne II Homeowners' Association is a nonprofit, homeowner's association corporation, chartered in the State of Illinois, hereinafter referred to as the "Corporation." This Corporation shall have and continuously maintain, in the State of Illinois, a registered office and a registered agent whose office is identical with such registered office. The Corporation may have other offices within the State of Illinois as the Board of Directors from time to time determines.

Article II - Members

Section 1 - Classes and Qualifications of Members

The Corporation shall have one class of membership. Each owner of a property interest in the Hawthorne II Subdivision and Hawthorne II Villaminiums shall become a member of the Corporation. The Subdivision and Condominiums are principally located in Section 30, Township 24 North, Range 3 East of the third principal meridian, according to the plats thereof in McLean County, Illinois.

Section 2 - Voting Rights

Upon payment of dues, as outlined in the Bylaws, each member shall be entitled to one vote on each matter submitted to vote of the members; provided that where title of record is in more than one person or entity, such co-owners acting jointly shall be entitled to only one vote.

There will be only one vote per lot or condominium. The owners of a home situated on more than one lot will have only one vote. Owners of multiple lots or condominiums can have multiple votes, one per dues paying entity, if all dues and assessments are paid on all properties.

Members that are delinquent in the payment of dues and/or assessment payments, as described below in Article 9, Section 2 on dues, are not eligible to vote until the delinquent dues and/or assessments are paid in full. Members that are current in their dues and/or assessments shall be termed "Eligible Voting Members."

Section 3 - Termination of Membership

The membership of any person is terminated as of the time when they relinquish their interest in a residence or property owned by them in said subdivision or condominium.

Section 4 - Articles of Incorporation, Bylaws. Rules, and Regulations

All members of the Corporation, the Hawthorne II Homeowners' Association, shall be governed and controlled by the Articles of Incorporation, the applicable Protective Covenants of Hawthorne II Subdivision and additions thereto, the Bylaws thereof, and any Rules and Regulations approved by the Board of Directors.

Article III - Meetings of Members

Section 1 - Annual Meetings

The Annual Meeting of the Members shall be held in the fall of each year, at such time and place as the Board of Directors may determine. This meeting will be for the purpose of electing Directors and for the transaction of other such business as may come before the meeting.

If the election of the Directors is not held at the Annual Meeting or any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members, which will be held as soon thereafter as is convenient with proper notice as stated in Section 4 - Notice of Meetings. This must be within sixty (60) days of the Annual Meeting.

Section 2 - Special Meetings

Special meetings of the members may be called either by the Board of Directors or by the written petition of 20% of the Eligible Voting Members, as defined in Article 11, Section 2.

Section 3 - Place of Meeting

The Board of Directors may designate any place within McLean County, in the State of Illinois, as the place of meeting.

Section 4 - Notice of Meeting

Written notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail, postal or electronic, to eligible voting members not less than ten days, nor more than forty days before such meeting. In case of special meetings or one required by statute or by these Bylaws, notice of meeting is deemed delivered when deposited in the U.S. Mail, addressed to the member's address that appears on the records of the Corporation, as provided by said members, with postage thereon prepaid.

Section 5 – Proxies

At any meeting of members, a member eligible to vote may vote either in person or by proxy executed in writing by the member or by their duly authorized attorney-in-fact. The Board of Directors may solicit proxy votes authorizing the Secretary of the Board or the member's designated agent to vote on the member's behalf. No proxy shall be valid after three months from the date of its execution unless otherwise provided in the proxy. No proxy holder may become an Officer or Director of the Corporation unless they are

themselves an Eligible Voting Member.

Section 6 – Quorum

One-tenth (1/10) of the total Eligible Voting Members shall constitute a quorum at any meeting. Proxies will count toward this quorum. If a quorum is not present at any meeting of the membership, a majority of the members present may adjourn from time to time without further notice.

Section 7 - Eligible Business

The Board of Directors shall include a brief agenda with the notice of meeting. However, the actions eligible to be taken are not limited to those listed on this agenda. Any legal, corporate action can be taken, except for amending the Corporation Bylaws which must be listed as an agenda item. The exact changes to the Bylaws do not need to be specified on the agenda.

Article IV - Board of Directors

Section 1 - General Powers

The affairs of the Corporation shall be managed by its Board of Directors.

The Board of Directors shall be authorized to consider and approve all necessary Rules and Regulations that are in the best interest of the Corporation and are not forbidden by the Protective Covenants of the Subdivision and any additions thereto, state statutes or regulations, or the Bylaws of the Corporation thereof. These Rules and Regulations may serve to more fully describe and enforce the Protective Covenants and/or Bylaws of the Corporation.

Section 2 - Number, Tenure, and Qualifications

The number of Directors shall be a minimum of five and a maximum of nine. Each Director shall hold office for three years and until their successor has been elected and qualified. Directors must be Eligible Voting Members of the Corporation. There shall be a limit of one member of the same household that can serve on the Board of Directors at the same time.

A minimum of one-third (1/3) of the Board of Directors will be eligible to be elected at the Annual Meeting each year. The Board will determine the terms for the elected members after the first election.

Section 3 - Regular Meeting

An Annual Meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately following, and at the same place as the Annual Meeting of Members. The Board of Directors may provide by resolution the time and place, either within or outside the State of Illinois as defined in Section 5, "Place of Meeting in Article IV, for the holding of additional regular meetings of the Board of Directors without other

notice than such resolution. The Board is required to hold at least four (4) meetings during the year, preferably quarterly.

Section 4 - Special Meetings

Special meetings of the Board of Directors may be called by or at the request of any three directors or by the President. The person or persons authorized to call Special Meetings of the Board may pick any place for the holding of any special meeting of the Board called by them, providing it is in McLean County, Illinois. The Board can conduct emergency meetings due to extraordinary circumstances that require immediate Board action. Any actions taken at an Emergency Board Meeting must later be ratified at a regular Board Meeting.

Section 5 – Location

All Board of Directors meetings must be held within the State of Illinois except for emergency meetings which are necessitated by the need for immediate Board action. These emergency meetings can be conducted via teleconferencing if necessary.

Section 6 – Notice

Notice of any special meeting of the Board of Directors shall be given at least five days previous thereto by written notice delivered personally or sent by postal or electronic mail to each director at their address as shown by the records of the Corporation. If mailed via postal mail, such notice shall be determined to be delivered when deposited in the U.S. Mail in a sealed envelope so addressed, with postage thereon prepaid.

Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or fully convened.

Neither the business to be transacted at, nor the purpose of, any regular, special meeting of the Board, as defined in Section 4 of Article IV, need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Section 7 – Quorum

The majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the directors are present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8 - Manner of Acting

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these Bylaws.

Section 9 – Vacancies

Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director appointed to fill a vacancy shall be appointed for the unexpired term of their predecessor in office.

Section 10 – Compensation

Directors shall receive no compensation for their services or attendance at meetings of the Board of Directors or members of the Corporation; provided that nothing herein shall preclude the reimbursement of any director for expenses incurred by them pursuant to any resolution of the Board of Directors of this Corporation.

Section 11 - Removal and Forfeiture

Any directors delinquent in the payment of dues and/or assessments shall forfeit their position on the Board. A director serving on the Board may be removed by the Board of Directors whenever, in the Board's judgment, the best interests of the Corporation would be served thereby; provided that this vote is unanimous by all members of the Board, excepting the Board member in question.

Article V - Officers and Committees of the Board

Section 1 – Officers

The officers of the Corporation shall be the same as the officers of the Board of Directors. These officers shall be a President, Vice-President, Secretary, and Treasurer. The same person may not hold more than one office.

Section 2 - Election and Term of Office

The officers of the Corporation shall be elected annually by the Board of Directors at the Annual Meeting of the Board of Directors, or as soon thereafter as conveniently can be done. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until their successor shall have been duly elected and shall have qualified.

Section 3 – Removal

Any officer of the Board of Directors may be removed from their positions by an absolute majority of the Board, exclusive of the officer in question.

Any agent appointed by the Board of Directors may be removed by the Board of Directors when- ever, in its judgment, the best interests of the Corporation would be served thereby.

Section 4 – President

The President of the Board of Directors shall be the principal officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors.

The President may sign, with the Secretary, any deeds, mortgages, bonds, contracts, easements; or other instruments which the Board of Directors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation.

The President in general shall assume all duties incident to the Office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5 - Vice-President

The Vice-President of the Board of Directors, in the absence of the President, shall preside at all meetings of the members and of the Board of Directors. The Vice-President will become the acting President of the Board of Directors in the event of the incapacity of the President. This change will need to be ratified by the Board of Directors at its next regular or special meeting.

Section 6 – Secretary

The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors; see that all notices are duly given in accordance with these Bylaws or as required by law; be custodian of Corporate records; act as the Board agent for proxy votes of members per Section 3 of Article II, and perform all duties incident to the office of the Secretary and such other duties as may be prescribed by the Board of Directors from time to time.

The Secretary may sign, with the President, any deeds, mortgages, bonds, contracts, easements, or other instruments which the Board of Directors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation.

The Secretary shall keep a register of each member's postal mail address, which shall be furnished to the Secretary by each member. This duty can be delegated to others, provided the Board is notified and approves.

Section 7 – Treasurer

The Treasurer shall have charge and custody and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the Corporation, deposit all such money in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with these Bylaws; and in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 8 - Committees of the Board

The Board of Directors may create committee(s) by resolution from time to time as may be necessary to carry out the activities of the Corporation. Corporation members who are Eligible Voting Members can be appointed by the Board to a committee(s). All activities of these committees must be authorized and ratified by the Board.

All committees shall consist of three or more representatives appointed by the Board. Each committee will keep regular records and fully account for any monies expended and/or received. A designated Board member will be assigned to each committee and will serve as the Board's liaison.

Any committee members may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby.

Article VI - Contracts, Checks, Deposits, Funds, and Properties

Section 1 – Contracts

The Board of Directors may approve and authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation, with such authority being general or confined to specific situations.

Section 2 - Checks, Drafts. Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be approved by the Board of Directors in such manner as shall from time to time be determined by resolution of the Board of Directors. Such instruments shall be signed by the Treasurer or President and countersigned by one other Officer of the Corporation.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, purchases, contracts for purchase of goods and/or services that are **\$500.00** or total **\$500.00** for the same general purpose must be authorized by the Board of Directors before they are executed. Any checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation that is under **\$500.00** shall be documented and ratified by the Board of Directors at the next regular Board Meeting.

All transactions must be documented sufficiently to comply with generally accepted accounting principles.

Section 3 - Deposits

All funds of the Corporation shall be deposited within thirty days to the credit of the Corporation at such banks, trust companies, or other depositories as the Board of Directors may approve.

Section 4 - Gifts

The Board of Directors may accept, on behalf of the Corporation, any contribution, gift or bequest for the specific or general use of the Corporation.

Section 5 - Property

All land and/or property owned and/or leased by the Corporation must be held in the name of the Corporation. All changes in the status of land and/or property owned and/or leased by the Corporation must be approved by an absolute majority of the Board of Directors.

Section 6 - Excess Operating Income

If there is any income which is in excess of the amounts used for operation, maintenance, or management of the Corporation property for any fiscal year, the Board of Directors is authorized to treat that excess as a carry-over to offset the next year's expenses.

Article VII - Books and Records

The Corporation shall keep correct and complete books and records of accounts and shall maintain minutes of the proceedings of its members and Board of Directors. All books and records of the Corporation may be inspected by any member, or their agent or attorney, with proper purpose and prior notification in writing to the President of the Association.

The financial books will be maintained by the Treasurer and will be audited within sixty days of the close of each calendar year. The audit will be conducted by the Treasurer, one other Officer and one non-Officer member of the Board of Directors, as selected by the President. The Board of Directors at its discretion can have the financial books of the Corporation audited by an independent accounting firm. An outside audit, however, shall occur no less than once every five years.

The Treasurer will present a financial report at each Board meeting and at the Annual Meeting of the Membership.

Article VIII - Accounting Year

The accounting year of the Corporation shall be on a calendar year basis.

Article IX – Dues

Section 1 - Annual Dues and Special Assessments

The Board of Directors shall determine any change in the Annual Dues payable to the Corporation to be assessed to each member of the Corporation, subject to the ratification by a majority of the Eligible Voting Members present and proper proxies at the Annual Membership Meeting.

Special Assessments, in the addition to the Annual Dues, may be determined by the Board of Directors as necessary, subject to ratification by a majority of the Eligible Voting Members present and proper proxies at the Annual Membership Meeting or at a Special Membership Meeting called by the Board of Directors.

Upon the sale and subsequent closing of any lot by the developer, the first year dues or assessments shall be prorated for the balance of that calendar year.

Any projected increase in dues proposed by the Board shall be specifically outlined in the agenda.

Section 2 - Dues and Assessment Notices

Annual dues notices will be sent to each Corporation member no earlier than January 1st and no later than April 1st of each year. If any members have not paid their dues after two (2) written notices sent to the postal mail address of the member(s) listed in the Corporation records, the Board of Directors shall turn the amount owed over for collection and may at the Board's discretion cause a lien to be recorded on the member's subject property and the member(s) shall be liable for the payment of any collection costs and/or attorney's fees incurred as a result of such default of dues.

Notice of Special Assessments can be sent any time during the year and will be sent to each Corporation member at the postal mail address of the member(@ listed in the Corporation records. If any member(s) have not paid their assessment after two (2) written notices sent to the postal mail address of the member(s) listed in the Corporation records, the Board of Directors shall turn the amount owed over for collection and may, at the Board's discretion, cause a lien to be recorded on the member's subject property and the member(s) shall be liable for the payment of any collection costs and/or attorney's fees incurred as a result of such default of assessment(s).

Section 3 - Default and Termination of Voting Rights

Any member(s) in default in the payment of their annual dues and/or special assessments shall have their voting rights and all privileges and benefits of the Corporation suspended. These rights and privileges can be restored by the Board of Directors upon payment in full of all dues, assessments and collection costs and attorney's fees due the Corporation.

Article X - Amendments to the Bylaws of the Corporation

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by an absolute majority of the Directors present at any regular Board Meeting, provided that at least five days written notice is given of intention to alter, amend, or repeal or to adopt new Bylaws at such meeting. These altered, amended, repealed or new Bylaws shall not take effect until they are ratified by a majority of the Eligible Voting Members present and proper proxies at the Annual Membership Meeting or a Special Membership Meeting called by the Board of Directors.