BYLAWS
OF
AUTUMN RIDGE VILLAS HOMEOWNERS ASSOCIATION, INC.

RECITALS:

Autumn Ridge Villas Homeowners Association, Inc., an Illinois not for profit corporation, certifies that:

A. On October 24, 2001, the managing members of Autumn Ridge/Sand Rock Creek, LLC, an Illinois limited liability company ("**Developer**"), caused to be recorded in the Recorder's Office of St. Clair County, Illinois, in Book of Plats 101 at Page 6, a real estate subdivision plat known as "**Autumn Ridge**."

B. On October 24, 2001, Developer also caused to be recorded in the Recorder's Office of St. Clair County, Illinois, as Document A01642119, in Book 3589 at Page 901, that certain Restriction Indenture for Autumn Ridge (the "**Indenture**") setting forth certain restrictive covenants for the Subdivision.

C. Paragraph 11 of the Indenture named Ronald L. Noble and William M. Vollmer as the Architectural Control Committee for Autumn Ridge and, pursuant to such appointment, Mr. Noble and Mr. Vollmer adopted those certain By-Laws (the "**Original By-Laws**") of Autumn Ridge Lots 1 through 5, Inclusive, and Lots 23 through 27, Inclusive, an unincorporated association (the "**Unincorporated Association**"), to establish a homeowners association for that portion of Autumn Ridge containing single-story and multi-level attached, single-family villas which share common maintenance costs (the "**Subdivision**") and to bind all parties having any interest in any Lot or Parcel (as those terms are defined herein) thereof.

D. Additional villas were subsequently added to the subdivision on lots 6-22, as shown on the real estate subdivision plat known as the "**First Addition to Autumn Ridge**," which was recorded on August 15, 2003, in the Recorder's Office of St. Clair County, Illinois, in Book of Plats 103, Page 21, as Document A01782236.

E. All Lots and/or Parcels of Autumn Ridge have now been sold and both Ronald L. Noble and William M. Vollmer have resigned from the Architectural Control Committee, transferring management of the Unincorporated Association to a board of managers (the "**Board of Managers**").

F. Pursuant to Article XI of the Original By-Laws, following the resignation of Ronald L. Noble and William M. Vollmer from the Architectural Control Committee, the Original By-Laws may be altered, amended, modified, repealed or otherwise revoked.

G. The Board of Managers determined that it is in the best interests of the homeowners in the Subdivision to replace the Unincorporated Association with the not for profit corporation described herein and, in so doing, repeal and replace the Original By-Laws with the following bylaws which are better suited for such not for profit corporation and which better provide for the

governance of matters involving villas constructed on lots from both Autumn Ridge and the First Addition to Autumn Ridge.

ARTICLE I
Name and Offices; Purpose

1.1. Name. The name of the organization is AUTUMN RIDGE VILLAS HOMEOWNERS ASSOCIATION, INC. (the "**Association**"). The Association is an Illinois not for profit corporation.

1.2. Principal Office. The principal office of the Association shall be located in the County of St. Clair, State of Illinois. The registered office and registered agent of the Association shall be within the State of Illinois and may, but need not, be located at the principal office. The Board of Directors may change the address of the registered office from time to time.

1.3. Purpose. The purpose of the Association, generally, shall be to administer the development of the Subdivision, to approve an annual budget for maintenance of common areas and certain other services within the Subdivision, to establish and collect annual and special assessments to carry out the Association's activities, to enforce the Indenture and to create additional rules and regulations as permitted under the Indenture and these Bylaws of Autumn Ridge Villas Homeowners Association, Inc. (the "**Bylaws**").

ARTICLE II
Members

2.1. Qualification. Every person or entity who is a record owner of a fee simple or beneficial interest (each an "**Owner**") in any portion of a lot (each a "**Lot**") which is subject to the Indenture shall be a member of the Association (each a "**Member**" and together the "**Members**"). For each respective one-half of a Lot (each a "**Parcel**") owned, whether vacant or improved, the Owner shall be entitled to one (1) membership in the Association and shall be considered as one (1) Member. Membership as a Member shall confer certain rights and privileges as described in the Indenture; provided, that any person or entity who holds an interest merely as security for the performance of an obligation shall not be a Member.

2.2. Membership Mandatory. Membership in the Association shall be mandatory. Subject to Article 2.1, the Owner of any Parcel shall be a Member whether or not such is expressed in any deed or other conveyance.

2.3. Classes. The Association shall have one (1) class of Members.

2.4. Voting Rights. Each Member of the Association shall be entitled to one (1) vote for each Parcel owned. When more than one (1) person holds a fee or undivided interest in any Parcel, the vote for such Parcel shall be exercised as the Parcel's owners shall determine among them, but in no event shall more than one (1) vote be cast with respect to such Parcel. In the event a Parcel has multiple Owners, one (1) co-Owner must be designated in writing by such co-Owners as the Owner eligible to vote on behalf of such Parcel at meetings of the Members. A failure of

the co-Owners of a Parcel to designate in writing the co-Owner who shall vote for them shall render that Parcel ineligible for voting until such time as a co-Owner is so designated.

2.5. Suspension; Expulsion. The Board of Directors (as defined herein) may, by an affirmative two-thirds (2/3) vote, suspend or expel a Member for cause after an appropriate hearing called for the purpose of considering such suspension or expulsion and may, by a majority vote of those present at any regularly constituted meeting, suspend or expel any Member who shall be in default in the payment of assessments required hereunder.

2.6. Resignation. Any Member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the Member so resigning of the obligation to pay any assessments or other charges theretofore accrued and unpaid, or assessments or other charges thereafter made. Further, any Member who resigns from the Association shall remain subject to the terms and provisions of the Indenture.

2.7. Reinstatement. Upon written request signed by a former Member and filed with the Secretary, the Board of Directors may, by a majority vote, reinstate such former Member to membership in the Association upon such terms as the Board of Directors may deem appropriate.

2.8. Transfer. The membership of a Member held by any Owner of a Parcel shall not be transferred, or pledged in any way, except upon the sale of such Parcel, and then only to the purchaser of such Parcel, and further excepting death where the ownership may be transferred by will, trust or operation of law. Any attempt to make a prohibited transfer is void and will not be reflected on the books and records of the Association. Any conveyance or change of ownership of any Parcel shall convey with it membership as a Member in the Association and no membership as a Member in the Association shall be conveyed by an Owner except in conjunction with the sale of a Parcel or by reason of death whereupon the ownership is transferred via will, trust or operation of law. The sale or permissible conveyance of any Parcel shall carry with it all the characteristics of membership as a Member in the Association although such membership is not expressly mentioned in the deed; provided, however, that no right or power conferred upon the Association shall be abrogated.

ARTICLE III
Meetings of Members

3.1. Annual Meeting. An annual meeting of the Members shall be held as determined by the Board of Directors for the purpose of electing Directors (as defined herein) and for the transaction of such other business as may come before the meeting. If the day fixed for such annual meeting shall be a legal holiday in the State of Illinois, such meeting shall be held on the next succeeding business day.

3.2. Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors or by Members representing not less than twenty percent (20%) of the total Members eligible to vote.

3.3. Place. The Board of Directors shall designate the place, either within or without the State of Illinois, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

3.4. Notice. Written notice stating the place, day and hour of any meeting of Members shall be delivered to each Member entitled to vote at such meeting not less than five (5) nor more than sixty (60) days before the date of such meeting or, in the case of a removal of one or more Directors, dissolution or sale, not less than twenty (20) nor more than sixty (60) days before the date of the meeting. In the event of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at such Member's address as it appears on the records of the Association, with postage thereon prepaid.

3.5. Informal Action. Any action required by law to be taken at a meeting of Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all Members entitled to vote with respect to the subject matter thereof.

3.6. Quorum. Except as provided in Article 10.7, Members representing twenty percent (20%) of the total votes which may be cast at any meeting shall constitute a quorum. Unless otherwise expressly provided for herein, any action may be taken at any meeting of the Members at which quorum is present upon the affirmative vote of at least fifty-one percent (51%) of the number of votes represented at the meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting at any time without further notice.

3.7. Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to action by the Association in writing without a meeting may authorize another person or persons to act on such Member's behalf by proxy, but no such proxy shall be voted or acted upon after eleven (11) months from the date of such proxy, unless such proxy explicitly provides for a longer period.

3.8. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon at a meeting at which a quorum is present shall be sufficient for action thereon unless a greater proportion is required by law or by these Bylaws.

ARTICLE IV
Board of Directors

4.1. General Powers. The business affairs of the Association shall be managed by a board of directors (the "**Board of Directors**"). The Board of Directors may act in all instances on behalf of the Association, unless a vote of the Members is required by the Indenture, the Association's Articles of Incorporation or these Bylaws. Consistent with the provisions of the Indenture, the Board of Directors shall have the powers necessary for, and the duties which flow from, the administration of the affairs of the Association which shall include, without limitation, the following:

(a) Adopt and amend rules and regulations of the Association, including, without limitation, reasonable rules and regulations as the Board of Directors may, in its sole discretion and upon the affirmative vote of two-thirds (2/3) of all Directors, deem advisable under Article 10.7 hereof for the handling of Common Area Maintenance, maintenance of the Lots and/or Parcels, conservation and beautification of the Lots and/or Parcels and for the health, comfort, safety and general welfare of the Owners and occupants of the Lots and Parcels;

(b) Adopt and amend budgets for revenues, expenditures and reserves;

(c) Collect assessments from Owners;

(d) Hire and discharge agents, employees and independent contractors to assist in the fulfillment of the Association's duties under the Indenture and these Bylaws;

(e) Institute, defend and intervene in litigation or administrative proceedings in the Association's name, on behalf of the Association, on matters affecting the Subdivision;

(f) Make contracts and incur liabilities;

(g) Regulate the completion of Common Area Maintenance and the use, maintenance, repair, replacement and modification of any other common features, areas or facilities either owned by the Association, intended to be devoted to the common and non-exclusive use and enjoyment of the Members of the Association or for which the Board of Directors has agreed to be responsible;

(h) Cause additional improvements to be made as a part of the Subdivision;

(i) Acquire, hold or encumber, in the Association's name, any right, title or interest to real property or personal property and convey, dedicate or transfer all or any part of the Common Ground(s) to any public agency or authority for such purposes and subject to such conditions as the Board of Directors may determine;

(j) Grant easements for any period of time, including permanent easements;

(k) Impose charges or interest or both for late payment of assessments and, after notice, levy reasonable fines for violations of the Declaration and the Rules and Regulations of the Association;

(l) Impose reasonable charges for statements of unpaid assessments and/or statements of account;

(m) Provide for the indemnification of the Association's directors and officers and maintain directors' and officers' insurance;

(n) Assign the Association's right to future income, including the right to receive assessments;

(o) Exercise any other powers conferred by the Indenture;

(p) Exercise all other powers that may be exercised in the State of Illinois by legal entities of the same type as the Association;

(q) Exercise any other powers necessary and proper for the governance and operation of the Association.

4.2. Number, Election and Term. The Board of Directors of the Association shall be comprised of at least three (3) but no more than five (5) directors (each a "**Director**" and together the "**Directors**"). Initially, there shall be three (3) Directors (the "**Original Directors**"), each of whom shall initially be appointed by the Board of Managers of Autumn Ridge Lots 1 through 5, inclusive, and Lots 23 through 27, inclusive, an Unincorporated Association, the predecessor-in-interest to the Association. Of the Original Directors, one shall be appointed for a one (1) year term, one shall be appointed for a two (2) year term and one shall be appointed for a three (3) year term.

(a) Upon the expiration of each of the Original Directors' terms, successor Directors shall be elected by the Members as set forth hereinafter, each for a three (3) year term. In the case of a Director's disability, death, disqualification, resignation or refusal to act, the Board of Directors may appoint a successor Director for the unexpired term of such Director.

(b) Whenever replacement by an election is required hereunder, an election shall be held at a meeting of the Members call for such purpose, after notice thereof is provided as set forth herein. Elections of Directors other than the successors of the Original Directors shall be held at each annual meeting of the Members to elect a Director for a term of three (3) years upon the expiration of the term of each such Director so that the term of one such Director shall expire annually. If an Owner is a business entity, such entity may designate a person on its behalf as a person eligible for appointment or election as a Director. In the case of the disability, death, disqualification, resignation or refusal to act of any one or more of the Directors, other than the Directors appointed by the Board of Directors to fill the remainder of the unexpired term of a Director whose position has been vacated, a successor or successors of such Directors shall be elected by the Members at a meeting called for such purpose after notice thereof as provided in these Bylaws. Where the provisions of the Indenture cannot be fulfilled by reason of unfilled vacancies among the Directors, the Trustees of the Village of Smithton, Illinois, may upon petition of any Owner or resident of the Subdivision appoint one or more Directors to fill vacancies until such time as Directors are elected in accordance with these Bylaws. Any person so appointed who is not an Owner or resident of the Subdivision shall be allowed a reasonable fee for such person's services by the order of appointment, which fee shall be levied as a special assessment against the property in the Subdivision, and which shall not be subject to any limitation on special assessments contained in the Indenture or elsewhere.

4.3. Annual Meeting. An annual meeting of the Board of Directors shall be held without notice other than these Bylaws immediately after, and at the same location, as the annual meeting of the Members. The order of business at the annual meeting of the Board of Directors, and so far as possible at all other meetings of the Board of Directors, shall be as follows:

1. Calling of Roll
2. Proof of Notice of Meeting
3. Reading and disposal of any unapproved minutes
4. Annual reports of Officers and committees
5. Election of new Directors
6. Unfinished business
7. New business
8. Adjournment

4.4. Regular Meetings. The Board of Directors may provide by resolution the time and place, either within or without the State of Illinois, for the holding of additional regular meetings of the Board without other notice than such resolution.

4.5. Special Meetings.

(a) Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the Board of Directors so called.

(b) Notice of any special meeting of the Board of Directors shall be given at least two (2) days prior to such meeting by notice delivered personally, or by telephone to each Director, or by written notice sent by mail to each Director at the address for each such Director shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States 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 will constitute a waiver of notice of such meeting, except where a Director attends a meeting for the purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice of waiver of such meeting, unless specifically required by law or by these Bylaws.

4.6. Quorum. A majority of the Board of Directors will constitute a quorum for the transaction of business of any meeting.

4.7. Manner of Acting. The act of a majority of the voting Directors present at a meeting of the Board of Directors at which a quorum is present will be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. No Director may act by proxy on any matter.

4.8. Resignation and Removal of Directors. A Director may resign at any time upon written notice to the Board of Directors. A Director may be removed from office with or without cause, as specified by statute or by the affirmative vote of not less than two-thirds (2/3) of all Members eligible to vote, at the annual meeting of the Members or at any special meeting called for such purpose.

4.9. Vacancies. Any vacancy occurring on the Board of Directors or any Director position to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy will be elected for the unexpired term of his predecessor in office and shall receive a copy of these Bylaws within ten (10) days of such Director's election.

4.10. Compensation. Directors shall not receive salaries or compensation for their services.

4.11. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting for the action so taken, is signed by all of the Directors.

ARTICLE V
Officers

5.1. Officers. The officers of the Association (each an "**Officer**" and together the "**Officers**") will be a President, one Vice President, a Secretary and a Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2. Election and Term of Office. The Officers of the Association will be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of Officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Election of an Officer shall not in itself create contract rights.

5.3. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the affirmative vote of not less than two-thirds (2/3) of the Board of Directors whenever, in the Directors' sole discretion, the best interests of the Association would be served thereby; provided, that such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

5.4. Vacancies. A vacancy in the office of any Officer because of disability, death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term. The person so appointed to fill the remainder of such unexpired term shall receive a copy of these Bylaws within ten (10) days of such appointment.

5.5. President. The president shall be the principal executive officer of the Association (the "**President**"). Subject to the direction and control of the Board of Directors, the President

shall be in charge of the business and affairs of the Association. The President shall preside at all meetings of the Members and the Board of Directors. The President shall see that the resolutions and directives of the Board of Directors are carried into effect, except in those instances in which that responsibility is assigned to some other person by the Board of Directors. The President may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts 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 Association. The President shall, in addition to the duties set forth in this Article 5.5, perform all duties as are customarily incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.6. Vice President. The vice president of the Association ("**Vice President**") shall assist the President in the discharge of the President's duties as the President may direct and shall perform such other duties as from time to time may be assigned to the Vice President by the President or the Board of Directors. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President will perform the duties of the President and, when so acting, will have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another Officer or agent of the Association or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the Vice President may execute for the Association any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and the Vice President may accomplish such execution either under or without the seal of the Association and either individually or with the Secretary or any other Officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

5.7. Treasurer. The treasurer shall be the principal accounting and financial Officer of the Association (the "**Treasurer**"). The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Association; (b) have charge and custody of all funds and securities of the Association, and be responsible therefore, and for the receipt and disbursement thereof; and (c) perform all the duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board of Directors shall determine.

5.8. Secretary. The secretary of the Association ("**Secretary**") shall: (a) record the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association; (d) keep a register of the post office address of each Member entitled to vote, which shall be furnished to the Secretary by such Member; and (e) perform all duties customarily incident to the office of Secretary and such other duties as may be assigned to the Secretary by the Board of Directors or by the President.

5.9. Assistant Treasurers and Secretaries. There shall be no assistant treasurers or assistant secretaries.

ARTICLE VI
Committees

6.1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association, except that no such committee shall have the authority of the Board of Directors in reference to: amending, altering or repealing these Bylaws; electing, appointing or removing any member of any such committee or any Director or Officer of the Association; amending the Association's Articles of Incorporation; restating the Association's Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors which, by its terms, provides that such resolution shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibilities under applicable law.

6.2. Architectural Control Committee. The Board of Directors may establish and maintain, as a standing committee of the Board of Directors, a committee to oversee, carry out and enforce the architectural control provisions set forth in Paragraph 10 of the Indenture (the "**Architectural Control Committee**") which shall have the duties and authority set forth in Paragraph 11 of the Indenture. Notwithstanding conflicting provisions set forth in this Article VI, the members of the Architectural Control Committee shall be elected at the annual meeting of the Members in the same manner as Directors; provided, that a member of the Architectural Control Committee must be a Member of the Association but need not be a Director. If an Architectural Control Committee is not so established and maintained, the Board of Directors shall oversee, carry out and enforce the architectural control provisions set forth in Paragraph 10 of the Indenture exercise such duties and authority as are set forth in Paragraph 11 of the Indenture.

6.3. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association and the President of the Association shall appoint the members thereof. Any member thereof may be removed by those authorized to appoint such member whenever, in the judgment of those so appointing such member, the best interests of the Association shall be served by such removal.

6.4. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Members of the Association and until such committee member's successor is appointed, unless the committee shall be sooner terminated, or unless such member is earlier removed from such committee or such member ceases to qualify as a Member of the Association.

6.5. Chair. One member of each committee of the Board of Directors shall be appointed chair by the person or persons authorized to appoint the members of such committee.

6.6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.7. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

6.8. Rules. Each committee may adopt rules for the committee's own government which are not inconsistent with these Bylaws or with the rules and regulations adopted by the Board of Directors.

ARTICLE VII
Contracts, Checks, Deposits and Funds

7.1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

7.2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer.

7.3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may direct.

7.4. Gifts. The Board of Directors may accept, on behalf of the Association, any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE VIII
Books and Records

The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member or such Member's agent or attorney for any proper purpose at any reasonable time; provided, that the reasonable cost of copying any such books or records shall be paid by the Member requesting any such copies.

ARTICLE IX
Fiscal Year

The fiscal year of the Association shall initially be the calendar year but may be fixed from time to time as deemed necessary by the Board of Directors.

ARTICLE X
Common Area Maintenance

10.1. Responsibility for Maintenance. The Association shall be responsible for the Maintenance of the Lots and Parcels. The "**Maintenance**" shall consist of the responsibility for all landscaping, fertilization, snow removal, weed removal, gutter cleaning, yard maintenance, maintenance and replacement of the Subdivision entry sign and maintenance and replacement of the sprinkler systems installed on the Lots and/or Parcels, if any, and any other common features, areas or facilities either owned by the Association, intended to be devoted to the common and non-exclusive use and enjoyment of the Members of the Association or for which the Board of Directors has agreed to be responsible. Notwithstanding the foregoing, unless otherwise agreed to in writing by the Board of Directors, Maintenance shall not include responsibility for landscaping or maintenance of trees, hedges, plants, pots, planters or other decorative features on Lots and/or Parcels which are installed by or at the direction of the Owner.

10.2. Maintenance Decisions. Maintenance issues shall be decided by the Board of Directors. The Board of Directors shall utilize a portion of the assessments collected pursuant to Article XI hereof to establish a fund for Maintenance (the "**Maintenance Fund**"). The Board of Directors shall act for the benefit of all Lot and Parcel Owners and shall provide and pay for out of the Maintenance Fund all expenses connected with the Maintenance. All other maintenance and upkeep shall be the responsibility of the respective Owners at such Owners' sole cost and expense. The decision of the Board of Directors on Maintenance items shall be conclusive and final and the Board of Directors from time to time can make decisions that any item of Maintenance mentioned herein, or subsequently added by the Board of Directors shall be either included as a Maintenance item or subsequently discontinued being maintained as a Maintenance item.

10.3. Utilities. All public utilities utilized in connection with the Maintenance shall be paid for out of the Maintenance Fund.

10.4. Liability Insurance. The Board of Directors shall decide which policy or policies of insurance should be maintained on behalf of the Association and the Board of Directors in order to adequately insure each against liability in connection with the Maintenance. Any such insurance maintained at any time shall be paid for out of the Maintenance Fund.

10.5. Additional Insured. In carrying its duties with respect to Maintenance as described herein, the Association, Officers and Directors shall not be guilty of trespass or property damage for coming onto, crossing, modifying or improving any Lot or Parcel or for directing any third party to go onto, cross, modify or improve any Lot or Parcel.

10.6. Real Estate Manager. The Board of Directors may, at its discretion, employ a real estate manager to handle all of the Maintenance. The cost of such real estate manager shall be paid for out of the Maintenance Fund. If a real estate manager is so retained, the real estate manager shall be responsible for ensuring the timely and appropriate handling and completion of all Maintenance and such other items as the Board of Directors, in its sole discretion, designates to be handled by the real estate manager. The real estate manager shall receive a fee agreed upon between the Board of Directors and the real estate manager and shall be compensated for all expenditures on behalf of the Association. The decision of the Board of Directors on the hiring of the real estate manager and the items to be paid out of the Maintenance Fund shall be conclusive and final in all events.

10.7. Rules and Regulations. The Board of Directors, by a vote of at least two-thirds (2/3) of all Directors, and without the approval of any of the Association's Members, except as hereinafter set forth, may adopt, modify, repeal or replace such reasonable rules and regulations as the Board of Directors deems advisable for the handling of Maintenance, maintenance of the Lots and/or Parcels, conservation and beautification of the Lots and/or Parcels and for the health, comfort, safety and general welfare of the Owners and occupants of the Lots and Parcels. Written notice of such rules and regulations shall be given to all Members and the Lots and Parcels shall at all times be maintained subject to such rules and regulations. If, within thirty (30) day from the date of the written notice to the Members of the adoption of any such rules and regulations, one-fourth (1/4) of the Members file with the Board of Directors a written objection thereto, such rules and regulations shall be deemed rescinded until and unless approved by at least three-fourths (3/4) of the Members. Notwithstanding the foregoing, all rules and regulations of the Association's predecessor-in-interest which were adopted prior to the date of these Bylaws shall remain in full force and effect as if approved by the Board of Directors in accordance herewith, until and unless modified, repealed or replaced pursuant to this Article 10.7.

ARTICLE XI
Assessments

11.1. Creation of Assessments, Lien and Personal Obligation of Assessments.

(a) The Owner of each Parcel within the Subdivision covenants and agrees and each Owner, by acceptance of a deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

(i) Monthly statements billed annually;

(ii) Additional assessments;

(iii) Special assessments against any particular Parcel which are established by the Indenture including, without limitation, reasonable fines as may be imposed in accordance with the terms of the Indenture;

(iv) Special assessments which shall relate to a particular, one-time-only project;

(b) All such assessments, together with late charges, interest not to exceed the maximum legal rate, out-of-pocket costs and attorneys' fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Parcel against which each assessment is made.

(c) Each such assessment, together with late charges, interest, out-of-pocket costs and attorneys' fees actually incurred, shall also be the personal obligation of the person or entity who was the Owner of such Parcel at the time the assessment arose, and the grantees of such person or entity shall be jointly and severally liable for whatever portion may be due at the time of conveyance, except no first mortgagee who obtains title to a Parcel pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued before acquisition of title.

(d) Assessments shall be paid in the manner and on the date fixed by the Board of Directors. If the Board of Directors does not otherwise provide, the assessments shall be paid in monthly installments.

11.2. Determination of Assessment. On or before December 1 of each year, the Board of Directors shall meet to determine the amount of the annual assessment to be paid by each Member in the ensuing year. In order to determine the amount of such assessment, the Board of Directors shall estimate the total amount necessary to pay the cost of Maintenance during the ensuing calendar year, together with an amount considered by the Board of Directors to be necessary for the cost of all other Common Expenses and a reserve for all other contingencies. Such estimated cash requirement shall be assessed to the Members in accordance with the number of votes each Member is entitled to on a pro rata basis to the total number of Parcels completed for occupancy as residential units. Each Member shall be sent, on or before December 15, an initial written bill setting out the monthly amount due from each Member for the ensuing year and each monthly amount due shall be due within fifteen (15) days of the beginning of each month.

11.3. Use of Assessments. Assessments collected by the Association pursuant to this Article XI shall be utilized pay the cost of Maintenance and other Common Expenses and to establish such reserves as the Board of Directors deems necessary for repair to, replacement of or additions to features, areas or facilities for which the Board of Directors has agreed to be responsible or for such additional or unforeseen expenses which the Association may incur from time to time. "**Common Expenses**" shall be separate from and in addition to costs of Maintenance and shall consist of expenses of administration of these Bylaws and the Indenture, legal and

accounting fees and costs, insurance policies, repayment of debt incurred by the Association and such other expenses deemed by the Board of Directors to commonly benefit the Owners.

11.4. Specific Assessments. The Board of Directors may also levy a specific assessment against any Member to reimburse the Association for costs incurred in bringing the Member and/or such Member's Parcel into compliance with the provisions of the Indenture, the Association's Articles of Incorporation or these Bylaws, as well as any rules and regulations promulgated by the Board of Directors hereunder. Specific assessments may be levied upon the vote of the Board, after notice to the Owner and the opportunity for hearing before the Board of Directors is given.

11.5. Special Assessments. In the event that the Board of Directors considers it necessary to make any expenditure requirement an assessment for a particular project, it shall submit in writing to the Members for approval an outline of the plan for the project contemplated and the estimated amount required for completion. The special assessment must be approved by the consent of a majority of the Members eligible to vote (including by proxy) at a meeting duly called for that purpose. Written notice shall be mailed to all Members at least thirty (30) days prior to such meeting.

11.6. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Payments not made within fifteen (15) days of the beginning of each month will be subject to a ten percent (10%) late fee on the original amount due. Payments more than thirty (30) days delinquent will be subject to a twenty-five percent (25%) late fee on the original amount due. If any assessment is not paid within thirty (30) days of becoming due, the Board of Directors may bring suit for and on behalf of the Association to enforce collection thereof or to foreclose a lien therefor as provided in Article 11.8 and there shall be added to the amounts due from the delinquent Member (including late fees) the costs of such suit, including Court costs and statutory interest as provided for by the laws of the State of Illinois, together with reasonable attorneys' fees as fixed by the Court.

11.7. Lien for Assessments. The Board of Directors may direct the creation of a lien upon any Member's Parcel by the recording of a Certificate of Lien specifying the property description of the Parcel so affected and the amount of any assessments, including late fees and interest as provided hereunder, which have not been paid by such Member for a period of sixty (60) days. The direction to create the lien shall be signed by two (2) Directors. The Board of Directors shall be entitled to foreclose the lien by filing suit on behalf of the Association against the Member whose property has been subjected to the lien. The Board of Directors, or any Director individually, is authorized by these Bylaws to execute the complaint and such other documents as are necessary to cause the pursuit of legal proceedings to enforce the lien by foreclosure with the property of the Member being subjected to a judicial sale for the repayment of the lien created as provided for herein. The Board of Directors shall also be entitled to enforce the payment of all other assessments due hereunder in any other manner at any time deemed appropriate by a majority of the Board of Directors.

11.8. Copy of Notices to Mortgagee. Upon written request to the Board of Directors, the holder of any duly recorded mortgage or trust deed against any portion of any Lot or Parcel shall

be given a copy of any and all notices permitted or required by these Bylaws to be given to any Member whose property is subject to such deed or mortgage.

11.9. Nonuse Not Grounds for Waiver. No Member may waive or otherwise escape liability for assessments provided for herein by the nonuse of the Lot or Parcel owned by the Member.

ARTICLE XII
Insurance

12.1. Common Grounds. The Board of Directors, or its duly authorized agent, shall have the authority and shall obtain insurance on the common features, areas or facilities either owned by the Association, intended to be devoted to the common and non-exclusive use and enjoyment of the Members of the Association or for which the Board of Directors has agreed to be responsible. This insurance shall be in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from insurable hazards, if such insurance is reasonably available. All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as owner and beneficiary. In no event shall the insurance coverage obtained and maintained by the Board of Directors be brought into contribution with insurance purchased by individual Owners, occupants or their mortgagees.

12.2. Fiduciary Insurance Coverage. The Association shall obtain and maintain fidelity insurance covering persons who control or disburse Association funds, consisting of a fidelity bond that covers the maximum amount of funds that will be in the custody of the Association, plus the Association reserve fund and directors and officers liability coverage at a level that shall be determined to be reasonable by the Board of Directors.

12.3. Indemnification. The Board of Directors shall procure a policy of insurance, in the name of the Association, covering the indemnification of Officers, Directors and others as set forth in Article IV and Article XVI hereof.

ARTICLE XIII
Seal

The corporate seal of the Association, if any, shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

ARTICLE XIV
Waiver of Notice

Whenever any notice is required to be given under the provisions of the Illinois Not for Profit Corporation Act or under the provisions of the Association's Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XV
Amendments to Bylaws

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by a two-thirds vote of the Members at a meeting at which a quorum is present. Such action may be taken at a regular or special meeting for which notice of the purpose has been given in accordance herewith. The bylaws may contain any provisions for the regulation and management of the affairs of the Association not inconsistent with law or the Association's Articles of Incorporation.

ARTICLE XVI
Indemnification of Officers and Directors

16.1. Indemnification. The Association shall indemnify every Officer and Director against any and all expenses, including legal fees incurred by or imposed upon any Officer or Director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then-Board of Directors) to which such Officer or Director may be a party by reason of being or having been an Officer or Director. The Officers and Directors shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misfeasance, willful misconduct or bad faith. The Officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Officers or Directors may also be Members of the Association), and the Association shall indemnify, defend and forever hold each Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. This right to indemnification shall not exclude other rights to which any Officer or Director, or former Officer or Director, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and directors and officers liability insurance to fund this obligation, in accordance with Article XII hereof.

16.2. General Power to Hold Harmless. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was a Director, Officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment or settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believe to be in or not opposed to the best interest of the Association or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that such person's conduct was unlawful.

16.3. Power to Indemnify Litigant. The Association shall have power to indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in in the Association's favor by reason of the fact that such person is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Association, unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

16.4. Reimbursement Authorized. To the extent that a Director, Officer, employee or agent has been successful, on the merits or otherwise, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

16.5. Determination if Reimbursement is Proper. Any indemnification under Article 16.2 or Article 16.3, above, (unless ordered by a court) shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the Director, Officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Article 16.2 or 16.3, above. Such determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or

(c) By the Members entitled to vote.

16.6. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, Officer, employee or agent to be indemnified to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article.

16.7. Non-Exclusivity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any contract, agreement, vote of Members or disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall

continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

16.8. Right to Acquire Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association, as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him or her - against such liability under the provisions of this Article.

16.9. Notice to Members. If the Association has paid indemnity or has advanced expenses to a Director, Officer, employee or agent, the Association shall report the indemnification or advance in writing to the Members with or before the notice of the next Members meeting.

16.10. References to Business Entities. For purposes of this Article, references to the "Association" or to "another corporation, partnership, joint venture, trust or other enterprise" shall include, in addition to the surviving entity, any merging entity (including any entity having merged with a merging entity) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, shareholders, members, managers, employees or agents, so that any person who was a director, officer, shareholder, member, manager, employee or agent of such merging entity, or was serving at the request of such merging entity as a director, officer, shareholder, member, manager, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving entity as such person would have with respect to such merging entity if its separate existence had continued.

16.11. Miscellaneous Definitions. For the purpose of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the entity" shall include any service as a director, officer, shareholder, member, manager, employee or agent of the entity which imposes duties on, or involves services by, such director, officer, shareholder, member, manager, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries, a person who acted in good faith and in a manner he or she reasonably believed to be in the best interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the entity" as referred to in this Article.

ARTICLE XVII
MISCELLANEOUS

17.1. State and Federal Statutes. Any provision of these Bylaws which conflicts with statutes of the State of Illinois or any federal law shall be deemed null and void. Any provisions hereunder that may or might be contrary to any statute of the State of Illinois or federal law shall be deemed null and void on the effective date of that statute or law. However, the remaining provisions of these Bylaws shall remain in full force and effect.

17.2. Tax Exemption Under Section 528 of the Internal Revenue Code.

(a) It is the intent of the Board of Directors, Officers and Members that the Association shall qualify for tax exemption under Section 528 of the Internal Revenue Code (the "**Code**").

(b) To qualify for tax exemption under Section 528 of the Code, sixty percent (60%) or more of the gross income of the Association must consist solely of amounts received as membership dues, fees or assessments from the Members.

(c) To qualify for tax exemption under Section 528 of the Code, ninety percent (90%) or more of the expenditures of the Association must be for the acquisition, construction, management, maintenance and care of the association property.

(d) Each year the Association must elect to have Section 528 of the Code apply to the Association in order for the Association's tax exemption to remain in effect.

Adopted on 12/31, 2019

Director

Director

Director