

January 1, 1987

THE BY-LAWS OF THE PROPERTY OWNERS ASSOCIATION OF COUNTRY TOWNE ILLINOIS NOT FOR PROFIT CORPORATION  
("BY-LAWS")

ARTICLE I NAME OF CORPORATION: The name of this corporation is the Property Owners Association of Country Towne ("Association")

ARTICLE II DEFINITIONS: All terms used herein that are not defined herein shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions made the 22nd day of June, 1987, by First National Bank of Lake Forest, not personally but as Trustee under Trust Agreement dated January 7, 1987, and known as Trust No. 8178 ("Declaration").

ARTICLE III PURPOSES AND POWERS

3.01 PURPOSES: The purposes of the Association are to act on behalf of its Members ("Members" shall mean those persons, trustees, corporations, partnerships or other legal entities who are members of the Association pursuant to Article II of the Declaration) collectively as their governing body with respect to the administration, maintenance and repair of the Storm Water Detention Facilities and Improvements and with respect to the administration, maintenance and protection of the Common Open Space and Woodland Areas and for such other purposes as are hereinafter described, all on a not for profit basis.

3.02 POWERS: The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For Profit Corporation Act of the State of Illinois, the Declaration and these By-Laws.

ARTICLE IV OFFICES:

4.01. REGISTERED OFFICE: The Association 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.

4.02. OTHER OFFICES: The Association may have such other offices as the Board of Directors ("Board") (as established pursuant to Article VI of these By-Laws) may from time to time determine.

ARTICLE V: MEETINGS OF MEMBERS:

5.01 VOTING RIGHTS: There shall be one individual with respect to each Lot who shall be entitled to vote at any meeting of the Members (the "Voting Member"). If the Owner of a Lot is one individual then such individual shall be the Voting Member. If the record ownership of a Lot shall be in more than one individual, or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board may, at its election, recognize an individual Owner of the Lot as the Voting Member for such Lot. Any or all Owners may be present at any meeting of the Members, but the voting rights shall be vested exclusively in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or by his duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution. Each Voting Member shall have one (1) vote.

5.02 SUSPENSION OF MEMBER RIGHTS: It shall be the duty of each Member to pay his proportionate share of the expenses of the Association. The voting rights of a member who is delinquent in the payment of any such amount assessed against him in accordance with the Declaration and paragraph 6.13 of the By-Laws may be suspended by action of the Board during the period that such assessment remains unpaid. Upon payment of such delinquent assessment, the Member's voting rights shall be automatically restored.

5.03 PLACE OF MEETING; QUORUM: Meetings of the Members shall be held at the principal office of the Association, or at such other place in the County in which the Property is located as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Voting Members serving from time to time who represent fifty-one percent (51%) of the votes shall constitute a quorum for any action except as otherwise provided by applicable law or by the Articles of Incorporation, the Declaration, or these By-Laws.

If, however, such quorum shall not be present or represented at any meeting, the Voting Members present or represented thereat shall have the power to adjourn the meeting without further notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Voting Members representing a majority of the total votes present at such meeting. The affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes of Voting Members shall be required for the following action: (a) merger or consolidation of the Association; (b) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (c) the purchase or sale of land or of units on behalf of all Members.

5.04 ANNUAL MEETINGS: The initial meeting of the Members shall be held upon not less than ten (10) nor more than thirty (30) days' written notice given by Towne Development Group

("Developer"). If not called earlier by Developer, the initial meeting of the Members shall be held not more than sixty (60)

days after the Turnover Date ("Turnover Date" shall mean the date on which ownership of and responsibilities for the Storm Water Detention Facilities and Improvements, Common Open Space and Woodland Areas shall transfer to the Association pursuant to Article III of the Declaration.) Thereafter, there shall be an annual meeting of the Members on the first Tuesday of March of each succeeding year at 7:30 p.m., or at such other reasonable time or date not more than thirty (30) days before or after the first Tuesday of March of each succeeding year as may be designated by written notice to the Members.

5.05 SPECIAL MEETINGS: Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said meetings shall be called by

written notice, authorized by the President, a majority of the Board or by Voting Members representing at least twenty percent (20%) of the votes entitled to be cast by Voting Members.

5.06 NOTICE OF OWNERS MEETING: Written notice stating the place, day, hour and purpose of any meeting of Members shall be delivered either personally or by mail to each Member not less than ten (10) or more than thirty (30) days before the day of such meeting. If mailed, the notice of the meeting shall be deemed delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid.

ARTICLE VI: BOARD OF DIRECTORS:

6.01 IN GENERAL: The affairs of the Association shall be vested in the Board, which shall consist of five (5) persons ("Directors"). The Board shall have all of the powers granted to it under the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois.

6.02 DEVELOPER DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the Members after the Turnover Date the Board shall consist of three (3) persons from time to time designated by Developer. Such persons may but need not be Members and such persons shall serve at the discretion of Developer. During such period the Voting Members may elect from among the Members that number of non-voting counselors to the Board as Developer may, in its sole discretion, permit.

6.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Members after the Turnover Date the Voting Members shall elect a full Board in the manner hereinafter provided to replace the Developer designated Board established under Section 6.02 hereof. From and after such meeting, each member of the Board shall be a Member or a Voting Member. Within sixty (60) days after the election of a majority of the Board other than Developer, Developer shall deliver to the Board: (a) Original copies of the Declaration, these By-Laws, the Association's Articles of Incorporation and the Association's minute book, if one was kept. (b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Developer designated Boards; (c) All Association funds and bank accounts; and (d) A schedule of all personal property, equipment and fixtures belonging to the Association, including documents transferring the Property to the Association.

6.04 ELECTION: At the first meeting of the Members after the Turnover Date and at each subsequent annual meeting of the Members, the Voting Members shall elect a full Board. Each Director shall hold office until the next annual meeting of the Members or until his successor shall have been elected and

qualified. Directors may succeed themselves in office. In all elections for members of the Board, each Voting Member shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of votes to which such Voting Member is entitled (but cumulative voting shall not be permitted). The candidates receiving the highest number of votes with respect to the number of positions to be filled shall be deemed to be elected. 6.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the Members, at such place and time as shall be fixed by the Directors at the annual meeting of the Members, and no notice shall be necessary to the Directors in order legally to constitute such meeting provided a majority of the whole Board shall be present at the annual meeting of the Members.

6.06 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four (4) such meetings shall be held during each fiscal year.

6.07 SPECIAL MEETINGS: Special meetings of the Board may be called by the President of the Association ("President") (to be elected pursuant to Article VII of these By-Laws) or by at least one-third (1/3) of the Directors then serving. □

6.08 NOTICE OF BOARD MEETINGS: Written or printed notice

stating the place, day and hour of any meeting of the Board shall be delivered by each Director at least ninety-six (96) hours prior to the meeting, either personally or by mail. If mailed, the notice of the meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Association, with postage prepaid. Notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Member in the same manner as provided in Section 5.06 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened.

6.09 OPEN MEETINGS: Each meeting of the Board shall be open to all Members. The Board may adopt reasonable rules governing the conduct of Members who attend meetings, and Members who do not comply with such rules may be removed from the meeting.

6.10 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of the Officers of the Association ("Officers") (to be elected as provided in Article VII of these By-Laws) and for the transaction of business at any meeting of the Board. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

6.11 COMPENSATION/REIMBURSEMENT FOR EXPENSES: Directors shall receive no compensation. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

6.12 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by the affirmative vote of Voting Members representing at least fifty-one percent (51%) of the votes at any annual meeting or at a special meeting called for such purpose. Any Director may resign at any time by submitting his written resignation to the Board. If a Director

ceases to be either a Member or a Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns or is removed may be elected by the Voting Members at any annual meeting or at any special meeting called for such purpose, and any successor so elected shall serve the balance of his predecessor's term. 6.13 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Declaration, these By-Laws and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:(a)As more fully described in the Declaration:

(i) To manage, operate, maintain and repair the Storm Water Detention Facilities and Improvements on the Property and to manage, operate, maintain and protect the Common Open Space and Woodland Areas on the Property;

(ii) To determine, levy, and collect assessments against the Members for the purpose of providing funds for the foregoing.(b) To procure appropriate insurance with respect to the Storm Water Detention Facilities and Improvements, Common Open Space and Woodland Areas.(c) To estimate and provide each Member with an annual budget at least thirty (30) days prior to the Board meeting at which the annual budget is adopted.(d) To keep a complete record of all its corporate acts and affairs, and to present a statement thereof, including a detailed record of the income and expenditures of the Association during the preceding fiscal year, to the Members at their annual meeting;(e) To employ independent contractors and such other employees as it deems necessary, and to prescribe their duties and supervise their activities; (f) To elect the Officers of the Association; and(g) To exercise for the Association all other powers, duties and authority vested in the Association and not reserved to the Members or Voting Members by law, the Declaration, the Articles of Incorporation of the Association or these By-Laws.

ARTICLE VII: OFFICERS OF THE ASSOCIATION:

7.01 OFFICERS: The Officers shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Secretary, a Treasurer and such lesser officers as the Board may deem appropriate. All Officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. Officers may succeed themselves in office. The President shall be a member of the Board and all other Officers may but need not be Directors.

7.02 VACANCY OF OFFICE: Any Officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

7.03 POWERS OF OFFICERS: The respective Officers shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such Officers of an Illinois Not-For-Profit Corporation including, without limitation, the following:

(a) The President shall be the Chief Executive Officer of the Association, shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws, as provided for in the Declaration and these By-Laws;

(b) The Vice President or Presidents shall assist the President in the execution of his duties, and in the absence or the disability of the President, perform the duties and exercise the powers of such office;

(c) The Secretary shall keep minutes of all meetings of the Owners and of the Board, shall have custody of the Association seal, and shall have charge of such other books, papers and documents as the Board may prescribe.

(d) The Treasurer shall be responsible for the Association funds and for keeping full and accurate accounts of all receipts and disbursements in the Association's books of accounts kept for such purpose.

7.04 OFFICERS' COMPENSATION: The Officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the affirmative vote of Voting Members representing at least fifty-one percent (51%) of the votes of Voting Members. Upon the presentation of receipts or other appropriate documentation, an Officer shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as an Officer.

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDSf□□ 8.01 CONTRACTS: The Board may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these By-laws, to enter into any contract or execute and delivery an instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary.□□

8.02 PAYMENTS: All checks, drafts, vouchers or other 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. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

8.03 BANK ACCOUNTS: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board shall select.

8.04 SPECIAL RECEIPTS: The Board 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 IX FISCAL MANAGEMENT

9.01 FISCAL YEAR: The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of incorporation, and shall end on the last day of December of such year.

9.02 SPECIAL STATEMENT: Within ten (10) days after receipt of a written request from a Member (together with payment of a reasonable fee, if any, set by the Board), the Board shall provide the Member with a statement containing the following information:

(a) The status of the Member's account and the amount of any unpaid assessments or other charges due and owing from the Member; and

(b) A brief description of any expenditures for major repairs, alterations, additions or improvements to the Stormwater Detention Facilities and Improvements, Common Open Space and Woodland Areas which are anticipated within the period of twelve (12) months from the date of the statement.

ARTICLE X BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members and the Board, and shall keep at the registered office of the Association a record giving the names and addresses of the Members. All books and records of the Association may be inspected by a Member, or his agent, mortgagee or attorney, for the proper purpose at any reasonable time.

ARTICLE XI SEAL:

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

#### ARTICLE XII AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time by the affirmative vote of Voting Members representing at least fifty-one percent (51%) of the votes of Voting Members, provided that Section 6.02 hereof or any other provisions relating to the rights of Developer may not be amended without the written consent of Developer, and provided further that no provision of these By-laws may be amended or modified so as to conflict with the provisions of the Declaration. No amendment to these By-Laws shall become effective until recorded.

#### ARTICLE XIII INDEMNIFICATION:

13.01. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit (other than the action or suit by or in the right of the Association) or proceeding, whether civil, criminal, administrative or investigative in nature, by reason of the fact that he 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), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he 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 his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, 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 he 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 reasonable cause to believe that his conduct was unlawful.

13.02. The Association may indemnify any person who was or is a party 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 its favor by reason of the fact that he 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 him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his 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 circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

13.03. To the extent that a present or former director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any actual action, suit or proceeding referred to in paragraphs 13.01 and 13.02 of this Article XIII or in defense of any claim, issue or matter therein, he shall be indemnified against that portion of his expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such claim, issue or matter.

13.04. Any indemnification under paragraphs 13.01 and 13.02 of this Article XIII (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 he has met the applicable standards of conduct set forth in paragraphs 13.01 and 13.02 of this Article XIII. Such determination shall be made (1) by the Board by a majority vote of a disinterested quorum; or (2) if such a quorum is not obtainable, or even where such a quorum is obtainable, if that quorum so directs, by the written opinion of independent legal counsel selected by the Board in good faith; or (3) by the Members.

13.05. Expenses incurred in defending a civil or criminal action or suit, or in the course of a proceeding, may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in paragraph 13.04 of this Article XIII, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association as now or hereafter authorized by law and this Article XIII.

13.06. The indemnification provided by this Article XIII shall not be deemed exclusive of any other rights to which a person may be entitled under any By-Law, agreement, vote of disinterested Directors or otherwise, both as to action in his 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 of the Association, and shall inure to the benefit of the heirs, executors and

administrators of such a person.□□ 13.07. The Association may 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 him and 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.