

BYLAWS

OF

THE BURR HILL CLUB HOMEOWNERS' ASSOCIATION, INC.

I. DEFINITIONS.

All terms, including but not limited to "Declarant," "Owner," "Lot," "Dwelling," and "Community Areas," used herein which are defined in the Declaration of Covenants and Restrictions for The Burr Hill Club (the "Declaration") executed contemporaneously herewith shall be used herein with the same meanings as in the Declaration.

II. LOCATION OF PRINCIPAL OFFICE.

The office of The Burr Hill Club Homeowners' Association, Inc. (the "Association") shall be at 5N762 Burr Road, St. Charles, Illinois 60175 or at such other place as may be established by resolution of the Board of Directors of the Association (the "Board") from time to time.

III. MEMBERS.

A. Every person or entity who is a record fee simple owner of a Lot, including the Declarant at all times as long as it owns any property subject to the Declaration, shall be a member of the Association. There shall be two (2) classes of members, as follows:

1. Class A Member. Class A Members shall be all Owners other than the Class B Member. Owners shall automatically become Class A Members upon purchase of property in the Subdivision.
2. Class B Member. The Class B Member shall be Chicago Title and Trust Company, not in its own capacity but solely as trustee under the Trust Agreement, or its designee, successor or assignee as owner of the Subdivision.

B. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot or other property which is subject to assessment.

IV. VOTING AND ASSESSMENTS.

A. Subject to the restrictions and limitations hereinafter set forth, each Class A Member shall be entitled to one (1) vote for each Lot in which he holds the interest required for membership. When one or more person holds such interest or

interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot owned by one or more Class A Members.

B. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership. The Class B Member shall have the right to appoint a majority of the Board so long as it owns at least one (1) Lot in the Subdivision.

C. Except as otherwise provided by the Declaration or these Bylaws, the affirmative vote of a majority of the votes which are entitled to be cast by the Owners of Lots represented at any meeting of the members duly called at which a quorum is present, shall be binding upon the members.

D. The Association will obtain funds with which to operate by assessment of its Members in accordance with the provisions of the Declaration, as supplemented by these Bylaws.

E. Assessments and installments not paid when due shall bear interest from the date when due until paid at the rate set forth in the Declaration and shall result in the suspension of voting privileges during any period of such non-payment.

#### V. BOARD OF DIRECTORS.

A. So long as the Declarant has a right to appoint a majority of the Board of Directors, the affairs of the Association shall be managed by a Board consisting of three (3) Directors. Thereafter the Board shall consist of not less than three (3), nor more than five (5) Directors. So long as the Declarant shall have the right to appoint a majority of the Board, Directors need not be members of the Association and need not be residents of the State of Illinois; thereafter, all Directors shall be members of the Association. Beginning with the first annual election of the Board of Directors, there shall be one (1) Director appointed by the Class A Members so long as the Class B Member has the right to elect a majority of the Board of Directors. Elections shall be by plurality vote. At the first annual election to the Board of Directors, the term of office of the elected Director receiving the highest plurality of votes shall be established at two (2) years. In addition, the Class B Member shall appoint two (2) Directors to serve for a term of one (1) year. Thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time; and the term of the Director so elected or appointed at each annual election shall be for two (2) years expiring at the second election following their election, and thereafter until their successors are duly elected and qualified, or until removed from office with or without cause by the affirmative vote of a majority of the members which elected or appointed them. Any Director appointed by the

Class B Member shall serve at the pleasure of the Class B Member, and may be removed from office, and a successor Director may be appointed, at any time by a Class B Member.

B. A majority of the Board shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board.

C. Any vacancy occurring on the Board because of death, resignation or other termination of services of any Director, shall be filled by the Board except that the Declarant, to the exclusion of other members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by the Declarant. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and until his successor shall have been elected and/or appointed and qualified.

## VI. ELECTION OF DIRECTORS.

A. Nominations for the election of Board members (other than Board members elected by the Declarant) shall be made by a Nominating Committee appointed by the Board.

B. Declarant shall, within fourteen (14) days of the date set for the annual meeting of the Association, notify the Secretary and the Nominating Committee of the names of the Directors the Declarant is appointing to the Board, if any. Within thirty (30) days of the date of the annual meeting, the Nominating Committee shall notify the Secretary of the names of the candidates nominated for election to the Board.

C. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine. In addition to nominations made by the Nominating Committee, petitions for nominees shall be accepted if signed by one-third (1/3) of the Class A Membership. Nominations and notification of the vacancies being filled by the Declarant shall be placed on the written ballot as provided in Section D of this Section and shall be made prior to the time fixed for the annual meeting.

D. All elections to the Board shall be made on written ballots to be voted at the annual meeting, or in the discretion of the Board, by mail thirty (30) days prior to the annual meeting. The ballots shall (i) describe the vacancies to be filled by Class A Members, and (ii) set forth the names of those nominated for each vacancy by the Nominating Committee or by petition for such vacancy and the names of those appointed to the Board by the Declarant. Each member may cast one vote.

E. The members of the Board elected or appointed in accordance with the procedures set forth in this Section shall be

deemed elected or appointed as of the date of the annual meeting of the Members.

VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

A. The Board of Directors shall have power:

1. To call meetings of the members.
2. To appoint and remove at pleasure all officers, agents and employees of the Association; and to prescribe their duties, fix their compensation, and require of them such securing of fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.
3. To establish, levy and assess, and collect the assessments necessary to operate the Association and carry on its activities, and to create such reserves for extraordinary expenditures as may be deemed appropriate by the Board.
4. To collect assessments on behalf of any other homeowners association entitled to establish, levy and collect assessments from the Members of the Association.
5. To appoint committees, adopt and publish rules and regulations governing the use of the Community Areas or any portion thereof and the personal conduct of the members and their guests thereon, including reasonable admission charges if deemed appropriate.
6. To authorize and cause the Association to enter into contracts for the day to day operation of the Association and the discharge of its responsibilities and obligations.
7. To exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to members in the Declaration or these Bylaws.

B. It shall be the duty of the Board of Directors:

1. To cause to be kept a complete record of all its acts and corporate affairs.
2. To supervise all officers, agents and employees of this Association to insure that their duties are properly performed.
3. With reference to assessments of the Association:
  - a. To fix the amount of assessment against each member for each assessment period at least

thirty (30) days in advance of such date or period;

- b. To prepare and maintain a roster of the members and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member; and
- c. To send written notice of each assessment to every member subject thereto.

#### VIII. DIRECTORS MEETINGS.

A. A regular meeting of the Board shall be held quarterly on such date and at such time as the Board may establish. Notice of such meetings is hereby waived.

B. Special meetings of the Board shall be held when called by the President or Vice President of the Association or by any three (3) Directors after not less than three (3) days' notice of each Director.

C. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

#### IX. OFFICERS.

A. The officers shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as may be determined from time to time by the Board, in accordance with the Articles of Incorporation. The President shall be a member of the Board, but the other officers need not be.

B. The officers of the Association shall be elected by the Board at the annual meeting of the Board, which shall be held immediately following the annual meeting of the Association. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and qualified.

C. A vacancy in any office because of death, resignation, or other termination of service, may be filled by the Board for the unexpired portion of the term.

D. All officers shall hold office at the pleasure of the Board.

E. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

F. The Vice President, or the Vice President so designated by the Board if there is more than one Vice President, shall perform all the duties of the President in his absence. The Vice President(s) shall perform such other acts and duties as may be assigned by the Board.

G. The Secretary shall be ex officio the Secretary of the Board, and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall keep all records of the Association. He shall record in the book kept for that purpose all the names of the members of the Association together with their addresses as registered by such members.

H. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, provided however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer may, but need not, be a required signatory on checks and notes of the Association.

I. The Treasurer, or his appointed agent, shall keep proper books of account and cause to be prepared at the completion of each fiscal year an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be open for inspection upon reasonable request by a member.

J. The names of the officers who are to manage the affairs of the Association until the first annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

President	Michael E. Rohlf
Vice President	Steven D. Devick
Treasurer and Secretary	Charles E. Olson

X. COMMITTEES.

A. The standing committees of the Association shall be:

The Nominating Committee

The Maintenance Committee

The Design Review Committee (the "DRC")

Each committee, other than the DRC, shall consist of a chairman and two (2) or more members and shall include a member of the Board. The committees (except the DRC) shall be appointed by the Board within thirty (30) days after each annual meeting of the Board, to serve until succeeding committee members have been appointed. The Board may appoint such other committees as it deems advisable.

B. The Nominating Committee shall have the duties and functions described by these Bylaws.

C. The Maintenance Committee shall advise the Board on all matters pertaining to the maintenance, repair or improvement of property in The Burr Hill Club (the "Subdivision") and shall perform or seek the performance of such other functions as the Board, in its discretion, determines.

D. The DRC shall be appointed, shall serve, and shall have the duties and functions as described in the Declaration. A party aggrieved by a decision of the DRC shall have the right within thirty (30) days of such decision, to make a written request to the Board, that the Board review such decision. The determination of the Board upon reviewing such decision of the DRC shall in all events be dispositive.

E. The Maintenance Committee and other committees appointed and so empowered by the Board (but not the Nominating Committee or the DRC) shall have the power to appoint subcommittees from among their membership, and may delegate to any subcommittees any powers, duties and functions.

F. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its scope and responsibility. A committee shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Association as may be concerned with the matter presented.

## XI. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

A. The Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

1. Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for any act alleged to have been committed by such person in his capacity as Director or officer of the Association, or in his capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such act was in the best interest of the Association or that he had reasonable grounds for belief that such action was unlawful.

2. By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein if such person acted in good faith in the reasonable belief that such action was in the best interest of the Association. Such person shall not be entitled to indemnification in relation to matters to which such person has been adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association unless, and only to the extent that, the court, administrative agency, or investigative body before which such action, suit or proceeding is held 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 indemnification for such expenses which such tribunal shall deem proper.

B. The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred and whether such Director or officer acted in good faith



in a manner, he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made 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.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

#### XII. TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED.

A. No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or in which they have a financial interest, shall be invalid, void or voidable solely for the reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

#### XIII. BOOKS AND PAPERS.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

#### XIV. MEETINGS OF MEMBERS.

A. The first annual meeting of the members shall be held prior to January 15th of each year, at such time as the Board may select, or at such other date and time as may be selected by the Board.

B. Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, by any two or more members of the Board or upon written request of the members who have a right to vote one-half of all votes of the entire membership.

C. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the members either personally or by sending a copy of the notice through the mail, postage full prepaid, to his address appearing on the books of the Corporation. Each member shall be responsible for registering his address with the Secretary and notice of the meeting shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve any action as governed by the Articles of Incorporation or the Declaration in which other notice provisions are provided for, notice shall be given or sent as therein provided.

D. The presence at the meeting of members or proxies entitled to cast one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles of Incorporation or the Declaration shall require a quorum as therein provided, if any.

#### XV. DISSOLUTION OF THE ASSOCIATION.

A. The Association may be dissolved upon a resolution to that effect being recommended by two-thirds (2/3) of the members of the Board, and approved by two-thirds (2/3) of the votes of each Class of the Association's membership.

B. Upon dissolution of the Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Real property contributed to the Association without the receipt of other than nominal consideration by the Class B Member (or its predecessor in interest) shall be returned to the Class B Member (whether or not a Class B Member at the time of such dissolution), unless it refuses to accept the conveyance (in whole or in part).
2. The Community Areas, as defined in the Declaration, shall be dedicated to Kane County, or its successor, unless the County refuses to accept such dedication.
3. Remaining assets shall be distributed among the members as tenants in common, with each member's share of the assets to be determined in accordance with its voting rights.

XVI. PROXIES.

1. At all corporate meetings of the members, each member may vote in person or by proxy.

2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months and every proxy shall automatically cease upon the sale by the member of his home or other interest in the property.

XVII. SEAL.

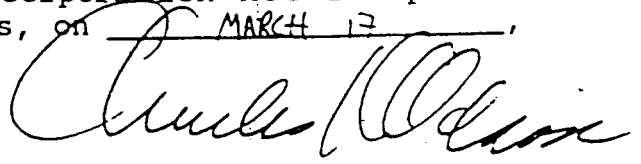
The Association shall have a seal in circular form having within its circumference the words: The Burr Hill Club Homeowners' Association, Inc., not for profit, 1992.

XVIII. AMENDMENTS.

These Bylaws may be altered, amended or rescinded by majority vote of the Directors present at a duly constituted meeting of the Board except that no amendment affecting the Declarant shall be effective without the Declarant's written consent. Amendments shall be effective on the date of passage by the Board and approval of the Declarant. No amendment need be recorded in the public records of Kane County, Illinois.

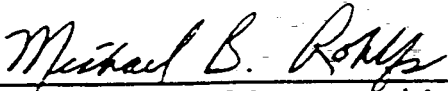
CERTIFICATE

The foregoing were adopted as the Bylaws of The Burr Hill Club Homeowners' Association, Inc. a corporation not for profit under the laws of the State of Illinois, on MARCH 12, 1992.



Charles K. Olson, Secretary

APPROVED BY:



Michael B. Rohlfs, President