

BYLAWS
OF
RIVER BEND OWNERS ASSOCIATION

ARTICLE I

Offices

The corporation shall continuously maintain in the State of Illinois a registered office and a registered agent whose business office is identical with such registered office and may have other offices within or without the state.

ARTICLE II

Members

SECTION 1. CLASSES OF MEMBERS. The corporation shall have one (1) class of members consisting of all of the Owners of Lots as provided in Section 2 of Article III of the Declaration of Covenants, Restrictions and Easements for River Bend Subdivision recorded on March 2, 1995 as document number R95-013594 in Will County, Illinois ("Declaration")

SECTION 2. COMMENCEMENT AND TERMINATION OF MEMBERSHIP. The commencement and termination of membership in the corporation shall be as provided in the Declaration.

SECTION 3. VOTING RIGHTS. The voting rights of the members shall be as provided in the Declaration, subject to specific voting provisions as contained in these bylaws. Those members of the corporation duly identified as a voting member pursuant to the provisions of Section 5 of Article III of the Declaration are sometimes referred to herein individually as a "voting member" and collectively as the "voting members".

SECTION 4. TRANSFER OF MEMBERSHIP. Membership in the corporation shall automatically transfer to successor owners of fee title to Lots, as defined in the Declaration, in accordance with the provisions of the Declaration.

SECTION 5. NO MEMBERSHIP CERTIFICATES. No membership certificates of the corporation shall be required.

ARTICLE III

Meeting of Members

SECTION 1. ANNUAL MEETING. An annual meeting of the voting members shall be held in accordance with the provisions of Section 6(b) of Article III of the Declaration. Non-voting members of the corporation shall be entitled to attend all annual meetings.

SECTION 2. SPECIAL MEETING. Special meetings of the voting members may be called in accordance with the provisions of Section 6(c) of Article III of the Declaration. Non-voting members shall be entitled to attend all special meetings.

SECTION 3. LOCATION OF MEETING. The board of managers may designate any location in Will County, Illinois as the place of meeting for any annual meeting or for any special meeting called by the board of managers. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Illinois, or a reasonably convenient alternative location in Will County, Illinois.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, date, and hour of any meeting of members shall be delivered to each member entitled to vote at such meeting in accordance with the applicable provisions of the Declaration. In the case of a special meeting called for the purpose of the removal of one or more directors, a merger, consolidation, dissolution or sale, lease or exchange of assets, written notice shall be given not less than twenty (20) nor more than sixty (60) days before the date of the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 5. INFORMAL ACTION BY MEMBERS PROHIBITED. Informal action by the voting members of the corporation without a meeting called by proper notice shall be prohibited. All action to be taken by the voting members shall be authorized only at an annual or special meeting of the voting members held in compliance with the provisions of these bylaws and the Declaration.

SECTION 6. FIXING OF RECORD DATE. For the purpose of determining the members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the board of managers of the corporation may fix in advance a date as the record date for any such determination of members, such date in any case to be no more than sixty (60) days and, for a meeting of members, not less than five (5) days, or in the case of a merger, consolidation, dissolution or sale, lease or exchange of assets, not less than twenty (20) days before the date of such meeting. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members,

the date on which notice of the meeting is delivered shall be the record date for such determination of members. When determination of members entitled to vote at any meeting of members has been made, such determination shall apply to any adjournment of the meeting.

SECTION 7. QUORUM. Unless otherwise expressly provided in the Declaration, the holders of twenty-five percent (25%) of the votes which may be cast at a meeting of the corporation, represented in person or by proxy, shall constitute a quorum for consideration of such matter at any meeting of members; provided that, if less than twenty-five percent (25%) of the outstanding votes are represented at said meeting, a majority of the votes so represented may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting shall be the act of the members, unless the vote of a greater number or voting by classes is required by the General Not For Profit Corporation Act, the articles of incorporation or these bylaws. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting. In the event a meeting of the corporation fails for lack of a quorum, and provided such meeting is adjourned to a date certain of not less than forty-eight (48) hours following the original meeting date, the quorum requirement for such adjourned meeting, and only such adjourned meeting, shall be reduced to the holders of ten percent (10%) of the votes entitled to be cast at a meeting of the corporation, except for quorums required by Section 5 of Article IV of the Declaration relating to assessments.

SECTION 8. PROXIES. Each member entitled to vote at a meeting of members may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after eleven months from its date, unless the proxy provides for a longer period.

SECTION 9. VOTING. The voting rights of the members shall be as provided under Section 5 of Article III of the Declaration.

SECTION 10. INSPECTORS. At any meeting of members, the chairman of the meeting may, or upon the request of any member, shall appoint one or more persons as inspectors for such meeting.

Such inspectors shall ascertain and report the number of votes represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the members.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of votes represented at the meeting and the results of the voting shall be prima facie evidence thereof.

SECTION 11. VOTING BY BALLOT. Voting on any question or in any election may be by voice unless the chairman of the meeting shall order or any voting member shall demand that voting be by ballot.

ARTICLE IV Board of Managers

SECTION 1. GENERAL POWERS. The affairs of the corporation shall be managed by or under the direction of its board of managers. The board of managers and all officers of the corporation shall serve without compensation. The terms "board of managers" and "manager" as utilized under these bylaws and the Declaration shall be interchangeable with the terms "board of directors" and "directors" as utilized in the corporation's articles of incorporation.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of managers shall be five (5). Each manager shall hold office until the next annual meeting of voting members and until his or her successor shall have been elected and qualified. Managers shall be members of the corporation, or in the case of members which are corporations, trusts or partnerships, the designated voting member as provided under Section 5 of Article III of the Declaration. The number of managers may be decreased to three (3) or increased to any odd number from time to time by amendment of this Section, unless the articles of incorporation provide that a change in the number of managers shall be made only by amendment of the articles of incorporation. No decrease in the number of managers shall have the effect of shortening the term of an incumbent manager. The provisions of this Section 2 shall not be applicable to the initial board of managers appointed by the Incorporators of the corporation for purposes of incorporating the corporation¹ which initial board shall consist of five (5) persons who need not be members of the corporation. Upon the resignation of said initial board of managers the provisions of this Section 2 shall apply to all boards and managers thereafter elected. The provisions of Article XIV to the contrary notwithstanding, the provisions of this Section 2 of Article IV may only be amended upon the approval of not less than two-thirds (2/3) of the voting members.

SECTION 3. ELECTION. The board of managers shall be elected by the voting members of the corporation. The voting members shall establish a slate of candidates to fill those managerships up for election. Any member may submit his or her name for inclusion on the slate of candidates. The slate of candidates shall be submitted to voting members no later than the annual meeting of the voting members, and the voting members shall elect the managers from the slate of candidates. Each voting member shall be entitled to cast a total number of votes equal to the number of managerships to be elected. Those candidates receiving the highest numbers of votes cast Group shall be elected to the managerships to be filled. The provisions of Article XV of these By-Laws to the contrary notwithstanding, the provisions of this Section 3 of Article IV of these By-Laws may only be amended upon the approval of not less than two-thirds (2/3) of the voting Members.

SECTION 4. REGULAR MEETINGS. A regular annual meeting of the board of managers shall be held without other notice than these bylaws, immediately after, and at the same

place as, the annual meeting of members. The board of managers may provide, by resolution, the time and place for the holding of additional regular meetings of the board without other notice than such resolution.

SECTION 5. SPECIAL MEETINGS. Special meetings of the board of managers may be called by or at the request of the president or any two managers. The person or persons authorized to call special meetings of the board may fix any place reasonably located within Will County, Illinois as the place for holding any special meeting of the board called by them.

SECTION 6. NOTICE. Notice of any special meeting of the board of managers shall be given at least four (4) days previous thereto by written notice to each manager at his or her address as shown by the records of the corporation except that no special meeting of managers may remove a manager unless written notice of the proposed removal is delivered to all managers at least twenty (20) days prior to such meeting. 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. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Notice of any special meeting of the board of managers may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a manager at any meeting shall constitute a waiver of notice of such meeting, except where a manager attends a meeting for the express purpose of objecting 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 or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

SECTION 7. QUORUM. A majority of the board of managers shall constitute a quorum for the transaction of business at any meeting of the board of managers, provided that if less than a majority of the managers are present at said meeting, a majority of the managers present may adjourn the meeting to another time without further notice. In the event a meeting of the board of managers fails for lack of a quorum, and provided such meeting is adjourned to a date certain of not less than four (4) days following the original meeting date, the quorum requirement for such adjourned meeting, and only such adjourned meeting, shall be reduced to thirty-three and one-third percent (33.33%) of the board of managers.

SECTION 8. MANNER OF ACTING. The act of a majority of the managers present at a meeting at which a quorum is present shall be the act of the board of managers, unless the act of a greater number is required by statute, these bylaws, the Declaration, or the articles of incorporation. No manager may act by proxy on any matter.

SECTION 9. VACANCIES. Any vacancy occurring in the board of managers shall be filled by the vote of the voting members taken at a special meeting of the members, unless the articles of incorporation, a statute, the Declaration, or these bylaws provide that a vacancy shall be filled in some other manner, in which case such provision shall control. The provisions of Sections 2 and 3 of this Article IV shall in any event be complied with. A manager elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

SECTION 10. RESIGNATION AND REMOVAL OF MANAGERS. A manager may resign at any time upon written notice to the board of managers. A manager may be removed with or without cause, as provided in the Declaration or as specified by statute.

SECTION 11. INFORMAL ACTION BY MANAGERS. The authority of the board of managers may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the managers entitled to vote.

SECTION 12. COMPENSATION. The board of managers shall serve without compensation.

SECTION 13. PRESUMPTION OF ASSENT. A manager of the corporation who is present at a meeting of the board of managers at which action on any corporation matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a manager who voted in favor of such action.

ARTICLE V

Officers

SECTION 1. OFFICERS. The officers of the corporation shall be a president, a treasurer, a secretary, and such other officers as may be elected or appointed by the board of managers. Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the board of managers. Any two or more offices may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of managers at the regular meeting of the board of managers. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of managers. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. REMOVAL. Any officer elected or appointed by the board of managers may be removed by the board of managers whenever in its judgment the best interests of the corporation would be served thereby.

SECTION 4. PRESIDENT. The president shall be selected from the managers of the corporation. The president shall be the principal executive officer of the corporation. Subject to the direction and control of the board of managers, he or she shall be in charge of the business and affairs of the corporation; he or she shall see that the resolutions and directives of the board of managers are carried into effect except in those instances in which that responsibility is assigned to some other person by the board of managers; and, in general, he or she shall discharge all duties incident to the office of president and such other duties as may be prescribed by the board of managers. He or she shall preside at all meetings of the members and of the board of managers. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of managers or these bylaws, he or she may execute for the corporation any contracts, deeds, mortgages, bonds, or other instruments which the board of managers has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of managers, according to the requirements of the form of the instrument. He or she may vote all securities which the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of managers.

SECTION 5. VICE-PRESIDENT. The vice-president, if one is elected or appointed by the board, shall assist the president in the discharge of his or her duties as the president may direct and shall perform such other duties as from time to time may be assigned to him or her by the president or the board of managers. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president shall perform the duties of the president and, when so acting, shall have all the powers of a different mode of execution is expressly prescribed by the board of managers or these bylaws, the vice-president may execute for the corporation any contracts, deeds, mortgages, bonds or other instruments which the board of managers has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of managers, according to the requirements of the form of the instrument.

SECTION 6. TREASURER. The treasurer shall be the principal accounting and financial officer of the corporation. He or she shall (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president or by the board of managers. If required by the board of managers, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the board of managers shall determine.

SECTION 7. SECRETARY. The secretary shall (a) record the minutes of the meetings of the members and of the board of managers 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 a custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post office address of each member and the name and address of each voting member, which shall be furnished to the secretary by such member; and (e) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of managers.

SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant treasurers and assistant secretaries, if any, shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the board of managers. If required by the board of managers, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of managers shall determine.

SECTION 9. SALARIES. The officers of the corporation shall serve without compensation.

ARTICLE VI

Contracts, Checks, Deposits and Funds

SECTION 1. CONTRACTS. The board of managers may authorize any officer or officers, agent or agents of the corporation, 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 corporation and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of managers. In the absence of such determination by the board of managers, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or the vice-president of the corporation.

SECTION 3. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of managers may select.

SECTION 4. GIFTS. The board of managers may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XII

Indemnification

SECTION 1. INDEMNIFICATION IN ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The corporation 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, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a member, 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 he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nob 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 or she reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

SECTION 2. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation 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 corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation 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 he or she 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 his or her duty to the corporation, 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.

SECTION 3. RIGHT TO PAYMENT OF EXPENSES. To the extent that a director, officer, employee or agent of the corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

SECTION 4. DETERMINATION OF CONDUCT. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the corporation 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 or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made (a) by the board of managers by a majority vote of a quorum consisting of managers who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested managers so directs, by independent legal counsel in a written opinion, or (c) by the members entitled to vote, if any.

SECTION 5. PAYMENT OF EXPENSES IN ADVANCE. expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of managers in the specific case, upon receipt of an undertaking by or on behalf of the manager, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Article.

SECTION 6. INDEMNIFICATION NOT EXCLUSIVE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested managers, or otherwise, both as to action in his or her 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 manager, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. INSURANCE. The corporation may purchase and maintain insurance on behalf of any person who is or was a manager, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation 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 or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

SECTION 8. NOTICE TO MEMBERS. If the corporation has paid indemnity or has advanced expenses under this Article to a manager, officer, employee or agent, the corporation shall report the indemnification or advance in writing to any members entitled to vote with or before the notice of the next meeting of the members entitled to vote.

SECTION 9. REFERENCES TO CORPORATION. For purposes of this Article, references to "the corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, employees or agents, so that any person who was a director, officer, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer, 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 corporation as such person would have with respect to such merging corporation if its separate existence had continued.

ARTICLE XIII

Conflict of Interest

SECTION 1. If a transaction is fair to the corporation at the time it is authorized, approved, or ratified, the fact that a Manager of the corporation is directly or indirectly a party to the transaction is not grounds for invalidating the transaction.

SECTION 2. In a proceeding contesting the validity of a transaction described in subsection (a) of this Article, the person asserting validity has the burden of proving fairness unless the material facts of the transaction and the director's interest or relationship were disclosed or known to the board of managers and the board or committee authorized, approved or ratified the transaction by the affirmative votes of a majority of disinterested managers, even though the disinterested managers be less than a quorum; or

SECTION 3. The presence of a manager, who is directly or indirectly a party to the transaction described in subsection (a) of this Article, or a manager who is otherwise not disinterested, may be counted in determining whether a quorum is present but may not be counted when the board of managers or a committee then takes action on the transaction.

SECTION 4. For purposes of this Article, a manager is "indirectly" a party to a transaction if the other party to the transaction is an entity in which the manager has a material financial interest or of which the manager is an officer, director or general partner.

ARTICLE XIV

Amendments

The power to alter, amend, or repeal these bylaws or adopt new bylaws shall be vested in the board of managers unless otherwise provided in the articles of incorporation or these bylaws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation or the

Declaration. Any amendment to the bylaws effectuated by the board of managers shall require the affirmative vote of not less than two-thirds (2/3) of all managers then holding office.