

Prestbury

BY-LAWS

(Amended January 2003)

ARTICLE I OFFICES

The principal office of the ASSOCIATION in the State of Illinois shall be located within the boundaries of Prestbury, Sugar Grove Township, in the County of Kane, State of Illinois.

ARTICLE II PURPOSES AND OBJECTIVES

Section 1 - Purposes

The purposes and objectives of the ASSOCIATION are as set forth in the Articles of Incorporation, as filed with the Secretary of State of the State of Illinois.

Section 2 - Definitions

- (a) "ASSOCIATION" shall mean and refer to the Prestbury Citizens Association, an Illinois not-for-profit corporation, created for the purposes of the administration, operation and maintenance of Prestbury, Kane County, Illinois.
- (b) "COMMON AREA" means all of the real property which has been conveyed to the ASSOCIATION for the use of MEMBERS of the ASSOCIATION and their guests. It includes all real property designated as common property or COMMON AREA in the plats and amendments thereto and all real property acquired by the ASSOCIATION for such use, whether from the developer or otherwise, together with improvements which may at any time be constructed thereon, including, but not limited to, recreational and community facilities, lakes, parks and streets.
- (c) "LOT" means and refers to any plot of land shown upon any recorded subdivision map, with a lot number, of Prestbury, excluding COMMON AREA.
- (d) "OWNER" shall mean a record owner, whether one or more persons or entities, of a fee simple title to any LOT, townhome, condominium, single family home, or the ownership of the beneficial interest of any land trust holding the fee simple title to any LOT, including contract purchasers, but excluding any person or entity having such interest merely as security for the performance of an obligation.
- (e) "MEMBER(S)" shall mean and refer to those persons entitled to membership in the ASSOCIATION as provided in these By-Laws.
- (f) "BOARD" shall mean and refer to the Board of Directors of the ASSOCIATION.
- (g) "UNIT" shall mean and refer to a condominium, townhome, single family home, commercial development, R & D or industrial facility, or LOT.

ARTICLE III MEMBERSHIP

Section 1 - Membership

Each OWNER shall, by reason of ownership of a LOT, become a MEMBER of the ASSOCIATION and shall have such rights and responsibilities as shall be delineated herein for the class of MEMBER applicable to his/her membership.

Section 2 - Class of Members

The ASSOCIATION shall have the following classes of MEMBERS:

- (a) Every OWNER of a single family residential LOT in Prestbury shall be a MEMBER of the ASSOCIATION, and shall be in a class known as the "Single Family Homeowners' Class."
- (b) Every OWNER of a condominium or townhome in Prestbury shall be a MEMBER of the ASSOCIATION and shall

be in a class known as the "Condominium-Townhome Class."

- (c) Each OWNER of land in Prestbury designated as Research and Development shall be a MEMBER of the ASSOCIATION and shall be in a class known as the "R & D Industrial Class."
- (d) Every OWNER of a golf course or commercial establishment within Prestbury shall be a MEMBER of the ASSOCIATION and shall be in a class known as the "Commercial Owners' Class."

Section 3 - Voting Rights

Except for limitations appearing elsewhere, the voting rights of MEMBERS shall be as follows:

- (a) Each beneficial OWNER/MEMBER in good standing shall be entitled to vote within the class of the type of membership which they hold. Each MEMBER in the Single Family Homeowners' Class shall be entitled to four votes in the ASSOCIATION; each MEMBER of the Condominium-Townhome Owners' Class shall be entitled to three votes; each MEMBER in the R & D Industrial Class shall be entitled to one vote for each acre (or fraction thereof) of land owned; and, each MEMBER in the Commercial Owners' Class shall be entitled to one vote for each 1,000 square feet (or fraction thereof) of floor area within a fully enclosed building.
- (b) A MEMBER who owns more than one UNIT shall be entitled to the number of memberships equal to the number of such UNITS, shall pay the dues of each of such membership, and shall be accorded the right to vote each UNIT as provided above.
- (c) At membership meetings all votes shall be cast in person, by mail, or by proxy registered with the Secretary of the ASSOCIATION or his designate.
- (d) The BOARD is authorized to establish regulations providing for voting.

Section 4 - General

- (a) Membership shall include an undertaking by the applicant to comply with and be bound by the Declaration of Covenants, Conditions, Restrictions and Easements, the Articles of Incorporation, these By-Laws and amendments thereto, and the policies, rules and regulations at any time adopted by the BOARD in accordance with these By-Laws, including payment of dues and assessments.
- (b) Membership in this ASSOCIATION shall terminate upon a MEMBER's ceasing to be an OWNER.
- (c) The voting rights provided herein shall not be increased in the event an ownership is held by more than one person, but in all events, shall be cast as a single unit.
- (d) MEMBERS shall have a license to use the common properties subject to the provisions of the Declaration and subject to such other rules and regulations as may be established by the BOARD.

ARTICLE IV FEES, DUES AND ASSESSMENTS

Section 1 - Operating Budget and Annual Dues

- (a) Prior to the annual meeting of the ASSOCIATION in each year, the BOARD shall adopt an operating budget to be presented for approval by the MEMBERS at such annual meeting. The budget shall be adopted only after MEMBERS of the ASSOCIATION have had a reasonable opportunity to review the same and to comment thereon, either at hearings held thereon or through such other means as the BOARD may direct. Each OWNER shall be provided with a copy of the proposed annual budget not less than ten (10) nor more than forty (40) days prior to adoption thereof. Upon approval, the BOARD shall, taking into consideration other sources of income that the ASSOCIATION may have, levy an annual assessment for each UNIT for the following year. Upon the adoption and approval of the budget, the BOARD shall be bound by same, and shall not vary therefrom by more than twenty-five (25) percent of the total amount thereof without having called a special meeting of the ASSOCIATION to approve such variations. The BOARD may, by resolution, fix the time for payment of annual assessments. Payments shall be remitted monthly, but MEMBERS shall have the option of paying quarterly, semi-annually, or annually in advance.
- (b) Annual dues for each class of member shall be as follows:
 - (1) Single Family Homeowners' Class will be used as the base rate which all other classes will be prorated against.
 - (2) Condominium-Townhome Owners' Class will be assessed at 75% of the base rate.
 - (3) R & D Industrial Class - 50% of the base rate for each acre owned (or fraction thereof.) This class shall have no rights to the COMMON AREAS owned by the ASSOCIATION.

(4) Commercial Owners' Class - 50% of the base rate for each 1,000 square feet (or fraction thereof) of floor area within a fully enclosed building. This class shall have no rights to the COMMON AREAS owned by the ASSOCIATION.

ARTICLE V MEETINGS OF MEMBERS

Section 1 - Annual Meetings

An annual meeting of the MEMBERS shall be held at such place as designated by the BOARD on the second Tuesday of January of each year for the purpose of (1) hearing reports from the BOARD and all committees, (2) approval of the annual budget, and (3) the election of Directors. The BOARD shall make available to all OWNERS an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with a tabulation of the amounts collected pursuant to the budget, and showing the net excess or deficit of income over expenditures plus reserves.

Section 2 - Special Meetings

Special meetings of the ASSOCIATION may be called by the BOARD at any time in the manner herein provided. A special meeting may also be called upon the written petition of 20% of the MEMBERS of the ASSOCIATION who have the right to vote at such meetings. Such petition shall set forth the purpose of the special meeting. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 3 - Notice of Meetings of the ASSOCIATION

Written notice of the date, place and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally or by mail. Such notice shall be deemed to be 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; or such notice may be published in any publication printed under the auspices of the ASSOCIATION and distributed generally among MEMBERS of the ASSOCIATION.

Section 4 - Quorum

The MEMBERS, in person or by proxy, representing twenty (20) percent of the votes entitled to be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of MEMBERS, a majority of the MEMBERS present may adjourn the meeting from time to time without further notice until a quorum is present. A majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the MEMBERS, unless a greater proportion is required by law, or a provision of these By-Laws.

Section 5 - Parliamentary Authority

The current edition of *ROBERTS RULES OF ORDER NEWLY REVISED* shall be the parliamentary authority where applicable and where there is no conflict between said Rules and the By-Laws of this ASSOCIATION. A copy of Roberts Rules of Order shall be maintained at the ASSOCIATION offices.

ARTICLE VI MEMBERS' RESPONSIBILITIES

Section 1 - Property Ownership

Title to all roadways except as hereafter provided, open spaces, parks, lakes, clubhouse, pool and attendant properties will be vested in the ASSOCIATION for the mutual benefit of all MEMBERS of said ASSOCIATION, with the exception of open spaces and recreational facilities within multi-family areas.

Section 2 - Roads

All streets in Prestbury, with the exception of dedicated or platted public roads, and private drive areas in multi-family areas, shall be owned and maintained by the ASSOCIATION. The ASSOCIATION may provide rules and regulations for the use of the private roads. Notwithstanding the foregoing, in the event Prestbury shall become part of a municipality, either by annexation or incorporation of a new entity, or the BOARD determines that it is in the best interests of the ASSOCIATION to relinquish control or ownership of any such roadways (including storm sewers, sidewalks, trees and street lighting) to a municipal, township, county or state government, the BOARD shall have the authority to relinquish control or ownership of such roadways under terms and conditions it deems appropriate.

Section 3 - Sidewalks

Concrete sidewalks will be maintained and replaced as necessary by the individual LOT owner to the extent that the sidewalk borders their LOT.

Section 4 - Trees

With the exception of the multi-family areas, plantings in open spaces and parkways, as well as parkway grass must be maintained by the individual LOT owner.

Section 5 - Recreational Facilities

The swimming pool, tennis courts, clubhouse, parks and lakes in Prestbury shall be available to both single family and multi-family residents, and may be used by all, provided, however, that the BOARD may establish an extra fee or additional regulations for the use of said facilities. Said facilities are restricted to the MEMBERS and their guests. Any MEMBER may delegate their rights of enjoyment to the recreational facilities, with the exception of the "Cheshire Club," to tenants or contract purchasers who reside on their LOT, provided, however, that if any MEMBER delegates such right of enjoyment to tenants or contract purchasers, neither the OWNER nor his family shall be entitled to use such facilities during the period of delegation.

Section 6 - Street Lighting

Street lighting on public thoroughfares will be installed by the developers. Maintenance and energy charges will be the responsibility of the ASSOCIATION.

Section 7 - Lots

Owners of undeveloped or vacant LOTS shall maintain said LOTS, keeping them free of weeds and rubbish, and keeping grass cut to a reasonable length. In the event of violation of this provision, the ASSOCIATION, at the option of the BOARD, may elect to provide such maintenance at an additional charge to the OWNER.

ARTICLE VII BOARD OF DIRECTORS

Section 1 - General Powers

The BOARD shall:

- (a) Manage and control the affairs of the ASSOCIATION in compliance with the legal requirements of the laws of the State of Illinois, these By-Laws and the Declaration of Covenants, Conditions, Restrictions, and Easements.
- (b) Adopt a corporate seal as the seal of the ASSOCIATION.
- (c) Designate a banking institution or institutions as depository for the ASSOCIATION'S funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the ASSOCIATION.
- (d) Perform other acts the authority for which has been granted herein or by law, including the borrowing of money for ASSOCIATION purposes. A resolution by the BOARD that the interests of the ASSOCIATION require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. However, such borrowing of money shall not exceed twenty-five (25) percent of the annual budget of the ASSOCIATION then in effect. Borrowing must be approved by a three-fourths (3/4) majority of the entire BOARD. Borrowing of funds exceeding twenty-five (25) percent of the budget must be voted upon at a special meeting of the MEMBERS of the ASSOCIATION. The BOARD may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any ASSOCIATION property as security for such borrowings, and they may pledge or assign future revenues of the ASSOCIATION as security therefore.

- (e) Adopt such rules and regulations relating to the use of ASSOCIATION property, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the ASSOCIATION and its MEMBERS. The BOARD may also establish and levy reasonable fines for the violation of such rules and regulations, or take other actions as deemed necessary.
- (f) Appoint the members of an Architectural Standards Committee, which shall have the authority to enforce compliance with the Declaration of Conditions, Covenants, Restrictions and Easements, and with the rules and regulations established by the ASSOCIATION.
- (g) Cause the ASSOCIATION to employ sufficient personnel to adequately perform the responsibilities of the ASSOCIATION.
- (h) Adopt reasonable rules of order for the conduct of the meetings of the ASSOCIATION, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the chairman of the meeting shall be final.
- (i) Elect officers of the ASSOCIATION as provided in Article VIII, Section 2. The BOARD may establish committees of the ASSOCIATION and appoint the members thereof. It may assign committees such responsibilities and duties not inconsistent with the provisions of these By-Laws or with the law as it may deem appropriate.
- (j) The BOARD shall adopt an operating budget as provided for in Article IV, Section 1.
- (k) In addition to the annual assessment, the BOARD may at any time or from time to time levy special assessments by resolution of a majority thereof. Special assessments shall be levied for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement, or for other non-recurring common expenses, or any common expense not set forth in the budget as adopted. Except for special assessments which shall not exceed in any one year the sum of five hundred dollars (\$500.00) per assessed UNIT any such special assessment shall be first approved at a meeting of the MEMBERS by the affirmative vote of two-thirds (2/3) of the votes cast at an annual or special meeting called and held in accordance with the provisions contained herein. Such special assessments shall be payable by MEMBERS according to the proration set forth in Article IV, Section 1.
- (l) Notwithstanding the foregoing, the BOARD may enter into contracts for it to maintain and replace roads, storm sewers, sidewalks, trees and street lighting for those areas that are under the control of a municipal, township, county or state government.

Section 2 - Suspension of Rights and Privileges

The BOARD shall have the power to impose reasonable monetary fines for the infraction of its rules and to suspend the voting rights and the rights of a MEMBER to the use of the COMMON AREAS and facilities during any period in which such MEMBER shall be in default in payment of any assessment levied by the ASSOCIATION. Any rules, regulations or resolutions passed by the BOARD shall have the same force and effect as these By-Laws, and may be enforced in the same manner or as otherwise provided by law. Any suspension of rights, or fines imposed may be for the duration of the infraction or for any additional period thereafter, not to exceed ninety (90) days. The BOARD may not, however, impose a fine or suspend a MEMBER's rights or privileges unless and until the following procedure is followed:

- (a) a written demand to cease and desist from an alleged violation shall be served upon the MEMBER, said demand stating the alleged violation and the action required to abate the violation;
- (b) the BOARD must serve the MEMBER with written notice of a hearing to be held by the BOARD in executive session, specifying the alleged violation, and giving the time and place of the hearing, which shall not be less than ten (10) days from the giving of notice, and the proposed sanction to be imposed. The MEMBER shall be invited to attend the hearing and to produce any statement or evidence on his behalf.

Section 3 - Number, Tenure and Qualification

There shall be nine (9) Directors. Each Director shall be a voting MEMBER of the ASSOCIATION, and shall hold office for a term of three (3) years and until his successor shall have been seated (elected and qualified.) No Director may serve more than two (2) consecutive full terms.

Section 4 - Nomination

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the BOARD, and two (2) or more members of the ASSOCIATION, and shall be appointed by the BOARD. The Nominating Committee shall make as many nominations for election to the BOARD as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from

among the MEMBERS.

Section 5 - Regular Meeting

A regular annual meeting of the BOARD shall be held without other notice than this By-Law immediately prior and/or after, and at the same place as the annual meeting of MEMBERS. The BOARD may provide by resolution for the time and place for the holding of additional regular meetings of the BOARD without other notice than such resolution.

Section 6 - Special Meetings

Special meetings of the BOARD 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 such time and place as the place for holding any special meeting of the BOARD called by them. Notice of any special meeting of the BOARD shall be given at least five (5) days prior thereto by written notice delivered personally or sent by mail, facsimile or telegram to each director at his address as 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.

Section 7 - Quorum

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

Section 8 - Manner of Action

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the BOARD, except where otherwise provided by law or by these By-Laws.

Section 9 - Informal Action Without a Meeting

Any action required to be taken at a meeting of the BOARD, or of any committee thereof, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof, or by all members of such committee, as the case may be. Any such consent signed by all of the Directors or all of the members of the committee shall have the same effect as a unanimous vote, and shall be incorporated in the minutes of the next BOARD meeting.

Section 10 - Vacancies

Any vacancy occurring in the BOARD shall be filled by the remaining Directors even though those remaining Directors might be less than a quorum. A Director appointed to fill a vacancy shall serve until the next annual meeting, at which time the vacancy for the remaining term shall be filled by election by the MEMBERS.

Section 11 - Compensation

Directors as such shall not receive any salaries for their services. Nothing herein, however, shall be construed to preclude any Director from being reimbursed for his actual expenses in the performance of his duties on behalf of the ASSOCIATION.

Section 12 - Special Service Contracts

The BOARD shall have the power to enter into special services contracts with other associations within the boundaries of Prestbury and to create special charges and fees to cover said contracts.

Section 13 - Removal from Office

Any Director may be removed from the BOARD, with or without cause, by a majority vote of the MEMBERS of the ASSOCIATION.

Section 14 - Minutes of Meetings

The BOARD shall publish to the community the minutes of all regular and special meetings in a timely fashion.

ARTICLE VIII OFFICERS

Section 1 - Officers

The officers of the ASSOCIATION shall be a President, a Vice President, a Secretary and a Treasurer.

Section 2 - Qualifications and Method of Election

The officers shall be voting MEMBERS of the ASSOCIATION, shall be elected by the BOARD, and shall serve for a

term of one year. All officers shall be members of the BOARD.

Section 3 - President

The President shall preside at all meetings of the ASSOCIATION and the BOARD at which he is present, shall exercise general supervision of the affairs and activities of the ASSOCIATION, and shall serve as an active member of the Long Range Planning Committee. The President is a member ex-officio of all other standing and ad hoc committees.

Section 4 - Vice President

The Vice President shall assume the duties of the President during his temporary absence.

Section 5 - Secretary

The Secretary shall keep the minutes of all the meetings of the ASSOCIATION and of the BOARD, which shall be an accurate and official record of all business transacted. The Secretary shall be custodian of all ASSOCIATION records, and copies of all such records shall be maintained at the registered office of the ASSOCIATION.

Section 6 - Treasurer

The Treasurer shall receive all corporate funds, keep them in depositories approved by the BOARD, and pay out funds only on checks signed by any two officers. The Treasurer shall be Chairman of the Finance Committee.

Section 7 - Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the BOARD for the unexpired portion of the term.

ARTICLE IX COMMITTEES

Section 1 - Standing Committees

The standing Committees of the ASSOCIATION shall be Finance (Operations, Budget and Planning); Pool; Clubhouse and Office Building; Tennis; Youth; Maintenance; Public Safety; Long Range Planning; and Architectural Standards.

Section 2 - Subcommittees and/or Ad Hoc Committees

In addition to the standing committees, subcommittees and/or ad hoc committees may be formed by the BOARD.

Section 3 - Qualifications and method of Appointment

- (a) The Chairpersons of all standing committees shall be MEMBERS of the BOARD and shall be appointed by the President with the advice and consent of the BOARD to serve for a term of one year. Each subcommittee or ad hoc committee shall include at least one member of the BOARD.
- (b) All members of standing committees shall be voting MEMBERS of the ASSOCIATION; shall be appointed by the standing committee chairperson with the advice and consent of the BOARD, and should attempt to reflect membership from the various classes of membership.
- (c) If and when the BOARD deems it necessary to activate sub and/or ad hoc committee(s), the chairperson of such committee(s) shall be appointed by the President with the advice and consent of the BOARD. All members of such committee(s) shall be voting MEMBERS of the ASSOCIATION appointed by the committee chairperson with the advice and consent of the BOARD.
- (d) The terms of membership or life of all committees other than standing committees shall be as determined from time to time by the BOARD.

Section 4 - Duties and Responsibilities

The duties and responsibilities of committees shall be as prescribed by the BOARD.

Section 5 - Staff

The staff of the ASSOCIATION shall consist of such personnel, including management personnel, as selected, appointed or retained by the BOARD and such other MEMBERS as the BOARD may from time to time authorize.

Section 6 - Representative of Management

A representative of management shall be expected to attend all BOARD and Architectural Standards Committee meetings in an advisory role, but shall have no right to vote. Said representative may attend other committee meetings

as directed.

ARTICLE X DUTIES OF MEMBERS

Section 1 - Payment of Assessments

The dues, charges or assessments levied by the ASSOCIATION as provided herein shall be paid to the ASSOCIATION on or before the date established by the BOARD. If a UNIT OWNER is in default or delinquent in the payment of dues, charges or assessments for thirty (30) days, the ASSOCIATION may assess a service charge of \$10.00 to be added to the balance owed. If a UNIT OWNER is delinquent for sixty (60) days or more, the amount of such delinquent dues, charges or assessments, plus any charges thereon, including interest at a rate of 1 ½% per month or 18% annually (but not more than the highest rate permitted by law) from the date of delinquency or default and the cost of collection, including attorney's fees, shall constitute and become a lien on the UNIT so assessed. The BOARD shall have the right to record in the Office of the Recorder of Kane County, Illinois a Notice of Lien which notice shall state the amount of such delinquency and such other charges attributable thereto. Such notice shall be signed by an appropriate officer or agent of the ASSOCIATION on behalf of the ASSOCIATION. Upon payment of such delinquency or other satisfaction thereof, and the recording fees, the BOARD shall, within a reasonable time, cause to be recorded a further notice of satisfaction and release of said lien.

Section 2 - Priority of Lien

Conveyance of any UNIT shall not affect any lien for delinquencies provided herein. Such lien shall be prior to all other liens recorded subsequent to said notice of delinquency.

Section 3 - Enforcement

The ASSOCIATION may bring suit for and on behalf of itself and as representative of all UNIT OWNERS and against any UNIT OWNER for the collection of the debt or delinquency as set forth in Section I. The BOARD may from time to time authorize an attorney of its choice to file suit against UNIT OWNERS on whose property a lien has been filed. The BOARD may cause to be published in its minutes, and any newspaper or other publication, the names of any UNIT OWNER against whom judgements have been obtained by the ASSOCIATION and the amounts thereof. The ASSOCIATION may pursue any remedy available by law or equity for collection of money owed by any UNIT OWNER.

Section 4 - Proof of Payment

Upon reasonable notice, the ASSOCIATION shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

Section 5 - Suspension

The ASSOCIATION shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership on account thereof to any OWNER or to any person claiming under them unless or until all dues, assessments and charges to which they are subject have been paid.

ARTICLE XI FISCAL YEAR

The fiscal year for the ASSOCIATION shall be the calendar year.

ARTICLE XII INDEMNIFICATION AND POWER OF HOLD HARMLESS

Section 1 - Indemnification

The ASSOCIATION shall indemnify all officers, directors, employees and agents to the maximum extent permitted by Illinois law.

Section 2

Any indemnification under Section 1, 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 or she has met the applicable standard of conduct set forth in Section 1

above. Such determination shall be made (1) by the BOARD by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the MEMBERS entitled to vote, if any.

Section 3

Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding, as authorized by the BOARD in the specific case, upon receipt of an undertaking by or on behalf of the director, 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 ASSOCIATION as authorized in this Section.

Section 4

The ASSOCIATION shall purchase and maintain insurance on behalf of any person who 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 its representative to another entity, against any liability asserted against such person and incurred by such person in any such capacity.

Section 5

If the ASSOCIATION has paid indemnity or has advanced expenses under this Section to a director, officer, employee or agent, the ASSOCIATION shall report the indemnification or advance to the MEMBERS.

Section 6

These indemnification rights constitute a contract, intended to be retroactive to events occurring prior to its adoption.

ARTICLE XIII

AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended, or repealed and new By-Laws adopted by the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the MEMBERS voting (in person or by proxy) at a regular meeting or at a special meeting of the ASSOCIATION called for the purpose of amending the By-Laws. The power to propose amendments to the By-Laws shall be vested in the BOARD. Amendments may also be proposed, in writing, by 5% of the MEMBERS of the ASSOCIATION. In no event may the By-Laws be amended without written notice of the proposed amendments being provided to all MEMBERS at the time of delivery of the Notice of Meeting at which the amendment(s) will be considered.