

BY-LAWS
OF
GINGER CREEK COMMUNITY ASSOCIATION

ARTICLE I

Purposes

Ginger Creek Community Association ("the Association") is organized pursuant to the provisions of a DECLARATION OF CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND EASEMENTS FOR GINGER CREEK COMMUNITY ASSOCIATION (hereinafter "the Declaration"), recorded in the Office of the Recorder of Deeds, DuPage County, Illinois on December 30, 1960, as Document 992058, and as amended as of December 31, 1985 and recorded as Document R85-114219, and further amended and restated on December 5, 1994.

The purposes of the Association, as stated in its articles of incorporation, are civic and include the ownership of property ancillary to residential use on a cooperative basis, the maintenance and care of said property or other facilities owned by the Association, and the maintenance and promotion of the desired character of the property for the benefit of the owners.

ARTICLE II

Definitions

Terms used herein shall have the meaning ascribed to them under the Declaration.

ARTICLE III

Offices

The Association shall continuously maintain in the State of Illinois a registered office and a registered agent, whose office is identical with such registered office, and may have other offices within the State of Illinois as the Board of Governors may from time to time determine.

ARTICLE IV

Members

SECTION 1. MEMBERSHIP. The Members of the Association from time to time shall be as determined under the Declaration.

SECTION 2. VOTING RIGHTS. The voting rights of the Members are as defined in the Declaration.

SECTION 3. LOSS OF VOTING RIGHTS. As set forth in the Declaration, any Member who is in arrears to the Association for any annual or special assessments shall lose voting rights until all such past due assessments and any accrued penalties to the Association have been paid in full.

SECTION 4. MEMBERS' RIGHTS. The rights of the Members of the Association shall be as set forth in the Declaration.

ARTICLE V

Meetings of Members

SECTION 1. ANNUAL MEETINGS. An annual meeting of the Association Members shall be held during the first week in November, or at such other time as the Board of Governors shall determine for the purpose of electing members of the Board of Governors and for transacting such other business as may come before the meeting.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members may be called either by the President, the Board of Governors, or by Voting Members (as defined in the Declaration) having in the aggregate not less than twenty (20%) percent of the votes entitled to be cast at a meeting of Members.

SECTION 3. PLACE OF MEETING. The Board of Governors or Members calling the meeting as provided in Section 2 shall designate any place within the County of DuPage, State of Illinois, as the place of meeting for any annual or special meeting.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the place, day and hour of any annual meeting of Members shall be delivered either personally or by mail to each Member not less than five (5) or more than sixty (60) days before the day of such meeting, by or at the direction of the President or persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed delivered when deposited in the U.S. mail addressed to the Member at his address as it appears on the records of the Association with postage prepaid thereon.

SECTION 5. 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 Governors of the Association 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 forty (40) days and, for a meeting of Members, not less than five (5) 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 6. QUORUM. A quorum shall consist of thirty-four percent (34%) of the Members entitled to vote at any meeting except for those actions which require greater than a majority vote as defined in the Declaration or required by law. If a quorum is not present at any meeting of Members, a majority of the votes of the Members present who are entitled to vote may adjourn the meeting from time to time without further notice.

SECTION 7. PROXIES. At any meeting of Members, a Member entitled to vote may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE VI

Board of Governors

SECTION 1. GENERAL POWERS. The affairs of the Association shall be managed by its Board of Governors who shall have the powers and duties set forth in the Declaration.

SECTION 2. NUMBER. The Board of Governors shall consist of nine (9) Governors. As stated in the Declaration, the number of Governors may be increased or decreased by amendment by the action of two-thirds (2/3) of the Members entitled to vote, but in no event shall there be at any time fewer than three (3) Governors. No decrease in the number of Governors shall have the effect of shortening the term of an incumbent Governor.

SECTION 3. TERM OF OFFICE. Each Governor shall hold office for a term of three (3) years or until his successor is duly elected and has qualified. The term of office shall coincide with the fiscal year of the Association.

SECTION 4. NOMINATIONS AND BALLOTS. Nominees for election to the Board of Governors shall be chosen and ballots for the election prepared by the Board of Governors or a Nominating Committee appointed thereby.

SECTION 5. ELECTIONS. Upon the expiration of a Governor's full term, a new Governor shall be elected at the annual meeting of Members, but if any such annual meeting is not held, or if the Governors are not elected thereat, the Governors may be elected at any special meeting of Members held for that purpose. All Governors shall be Association Members with voting rights in good standing with the Association. For purposes of these By-Laws, a Member is in good standing with the Association only if the Member is not in default under any of the terms of the Declaration. It shall be sufficient evidence and notice that a Member is not in good standing that the attorneys for the Association have notified the defaulting Member of the default in writing and have asked that the default be cured.

SECTION 6. VACANCIES. A vacancy in the Board of Governors because of death, resignation, removal, disqualification, or otherwise, shall be filled by the vote of the majority of the remaining members of the Board of Governors and such person shall serve until the next annual meeting of Members.

SECTION 7. PLACE OF MEETINGS. All meetings of the Board of Governors shall be held within the County of DuPage, State of Illinois.

SECTION 8. REGULAR MEETINGS. Regular meetings of the Board of Governors shall be held a reasonable time after the annual meeting of Members. The Board of Governors may provide by resolution the time and place for the holding of additional meetings of the Board. All Board meetings are open for attendance by Association Members.

SECTION 9. SPECIAL MEETINGS. Special meetings of the Board of Governors for any purpose may be called as provided in the Declaration.

SECTION 10. NOTIFICATION. Written notice of the time and place of any meeting shall be delivered personally to the Governors at least twenty-four (24) hours prior to the meeting or sent to each Governor by letter, postage or charges prepaid, addressed to the address as it is shown upon the records of the Association. In such case when notice is mailed, it shall be deposited in the United States mail at least seventy-two (72) hours prior to the time of the holding of the meeting.

SECTION 11. WAIVER OF NOTICE. The transaction of any business at any meeting of the Board of Governors, however called and noticed, or wherever held, shall be as valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Governors not present signs a written waiver of notice or a consent to holding such a meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting. Any Member of the Board may waive notice of any meeting. The attendance of a Member of the Board at any meeting shall constitute a waiver of notice of such meeting, except where a Member of the Board 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 By-Laws.

SECTION 12. QUORUM. A majority of the number of Governors then acting as provided under Section 2 of this Article shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided.

SECTION 13. ADJOURNMENT. A quorum of the Governors may adjourn any Governors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Governors present at any Governors' meeting, either regular or special, may adjourn from time to time until the time of the next regular or special meeting of the Board.

SECTION 14. CONSENT OF BOARD OBVIATING NECESSITY OF MEETINGS. Notwithstanding anything to the contrary contained in these By-Laws, any action required or permitted to be taken by the Board of Governors may be taken without a meeting if all Members of the Board of Governors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Governors.

SECTION 15. MANNER OF ACTION. The Board of Governors shall act either by majority vote of the Members of the Board present at a meeting at which a quorum is present or by written consent, setting forth the action taken, signed by all the Members of the Board of Governors entitled to vote with respect to the subject matter thereof. No member of the Board of Governors may act by proxy.

SECTION 16. FEES AND COMPENSATION. No Governor or officer shall receive any salary for his services as such officer or Governor but by resolution of the Board of Governors, any Governor may be reimbursed for his actual expenses in carrying out his duties, provided that nothing herein contained shall be construed to preclude any Governor from serving the Association in any other capacity and receiving compensation therefor.

SECTION 17. PRESIDING OFFICER. The President of the Board of Governors shall preside at all meetings and the Secretary shall record the minutes of all meetings of the Board of Governors and of the Members.

SECTION 18. REMOVAL. Any officer or agent elected or appointed by the Board of Governors may be removed by the Board of Governors whenever, in its judgment, the best interests of the Association would be served thereby. In addition, any Board Member who loses his voting rights as a Member of the Association shall be removed from office. A successor Governor shall be chosen as prescribed in Section 6 of this Article.

ARTICLE VII

Election of Governors

SECTION 1. BALLOTS. The election of Governors shall be by written ballot cast as set forth in this Article by a Member entitled to vote. One vote may be cast for each Lot owned by a Member. If a Lot is owned by two or more persons, only one Owner may cast the ballot for that Lot and if a Lot is owned by a land trust, only one beneficiary may cast the ballot for that Lot.

SECTION 2. NOMINATING COMMITTEE. The Board of Governors may appoint a Nominating Committee which shall have no fewer than three (3) members. Nominations for election to the Board of Governors shall be made by the Nominating Committee during the nominating period prescribed by such committee.

ARTICLE VIII

Officers

SECTION 1. OFFICERS. The officers of the Association shall be a President, one or more Vice Presidents, a Treasurer, and a Secretary. The Board may elect or appoint such other officers, as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board of Governors. Any two or more offices may be held by the same person except the offices of President and Secretary or President and Treasurer.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected from the members of the Board of Governors every year by the Board of Governors at the first regular Board meeting following the election of the Board at the Annual Meeting. Each officer shall hold office until a successor shall have been duly elected and shall have qualified.

SECTION 3. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Governors from among its members for the unexpired portion of the term.

SECTION 4. PRESIDENT. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall:

preside at all meetings of the Members and the Board of Governors and shall do all things and perform all acts incident to the office of President of the Association;

appoint all members of all standing committees; however, such appointments shall be subject to the confirmation of the Board of Governors, and each appointee shall be subject to dismissal at any time by the act of the majority of the Board of Governors;

appoint all members of all special committees, each appointee to be subject to dismissal at any time by the act of the majority of the Board of Governors;

have the power to remove any member of any standing committee; however, such removals shall be subject to confirmation by the Board of Governors;

serve as an ex-officio member of all committees;

sign with the Secretary or any other proper officer of the Association authorized by the Board of Governors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Governors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Governors or by these By-Laws or by statute to some other officer or agent of the Association.

SECTION 5. VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, a Vice President shall:

perform duties of the President as specifically authorized by the Board of Governors, and when so acting, shall be subject to all the restrictions upon the President;

perform such other duties as may from time to time be assigned to him by the President or by the Board of Governors.

SECTION 6. TREASURER. The Treasurer shall:

have charge and custody of and be responsible for all funds and securities of the Association;

receive and give receipts for monies due and payable to the Association from any source whatsoever;

deposit all monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article X of these By-Laws;

in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Governors.

SECTION 7. SECRETARY. The Secretary shall:

keep the minutes of the meetings of the Members and of the Board of Governors in one or more books provided for that purpose;

see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;

be custodian of the corporate records of the Association;

keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and

in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Governors.

ARTICLE IX

Committees

SECTION 1. STANDING COMMITTEES. The Board of Governors may appoint such of the following or other committees (which shall have the following responsibilities) as it deems desirable: Architectural Review Committee, Covenants and By-Laws Committee, Lakes and Common Grounds Committee and Nominating Committee.

SECTION 2. MAKE-UP OF COMMITTEES. Each committee shall have a minimum of three (3) members and may have such subcommittees as are appointed by the Board of Governors. Each committee shall have at least two members of the Board of Governors and a majority of its members shall be members of the Board of Governors.

SECTION 3. TERM OF APPOINTMENT. Any member of any committee or subcommittee may be removed at any time and for any reason or for no stated reason by the act of a majority of the Board of Governors. Each member of a committee not removed as provided in the preceding sentence shall serve until the next annual meeting of the Board of Governors following his appointment or until his successor shall have been appointed and qualified and shall be eligible for successive reappointments, provided that his committee membership shall automatically terminate upon the termination of his regular Membership unless otherwise provided by resolution of the Board of Governors.

SECTION 4. ARCHITECTURAL REVIEW COMMITTEE. This committee shall have the powers and duties prescribed in the Declaration. The Architectural Review Committee shall also be charged with the duty to receive complaints about violations of the Association's architectural standards as set by the Architectural Review Committee and of the Declaration and to give notice of such complaints to the allegedly offending Member.

SECTION 5. COVENANTS AND BY-LAWS COMMITTEE. This committee shall concern itself with the periodic review of the Declaration and of these By-Laws, at its own initiative and upon the request of any Member, for the purpose of insuring that those documents continue to meet the needs of the Association and its Members and the requirements of the law.

SECTION 6. LAKES AND COMMUNITY GROUNDS COMMITTEE. This committee shall concern itself with the planning, development, maintenance, and operation of the Lakes and Community Grounds within the Ginger Creek subdivision and shall have such duties as may be assigned to it by the Board of Governors.

SECTION 7. NOMINATING COMMITTEE. This committee shall concern itself with the solicitation of nominations for open positions on the Board of Governors, the preparation of ballots and proxies, and the preparation and distribution of all correspondence and notices relating to the election procedure. The Nominating Committee shall have such further powers and duties as are set forth in these By-Laws.

SECTION 8. QUORUM. Unless otherwise provided in the resolution of the Board of Governors establishing a committee, a majority of the whole committee but no fewer than two members, shall constitute a quorum, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. If the members of a committee are deadlocked over a matter before them, the matter shall be submitted for decision by the Board of Governors.

SECTION 9. RULES. Each committee shall elect a chairman and Secretary at its first meeting following appointment after the annual meeting. The chairman shall preside over the meetings and the Secretary shall keep minutes of all meetings.

SECTION 10. USE OF EXPERTS. Upon written approval by the Board of Governors, any committee may seek the advice of experts, including attorneys, accountants, architects and engineers for the purpose of effectively carrying out its responsibilities as hereinabove set forth, and upon approval of the Board of Governors, any such expert may be given a vote on the Committee by which he has been consulted. Upon approval of the Board of Governors any such expert shall be paid for services rendered to the Association from the Association's budget. Any such expert shall be discharged upon the direction of the majority of the Board of Governors.

ARTICLE X

Property, Contracts, Checks, Deposits and Gifts

SECTION 1. PROPERTY. Title to all property shall be held in the name of the Association, and membership in the Association shall not give any Member any interest in the property of the Association. Conveyance of property shall be made in the name of the Association by the President and attested by the Secretary, or in the absence of these officers, by those designated to perform their duties as elsewhere provided in these By-Laws.

SECTION 2. CONTRACTS. The Board of Governors may authorize an 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 deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall

from time to time be determined by resolution of the Board of Governors. In the absence of such determination by the Board of Governors, such instruments shall be signed by the Treasurer or Assistant Treasurer and countersigned by the President or a Vice President of the Association.

SECTION 4. DEPOSITS. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories or shall be invested in such United States Government obligations as the Board of Governors may select.

SECTION 5. GIFTS. The Board of Governors 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 XI

Books and Records

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

ARTICLE XII

Fiscal Year

The fiscal year of the Association shall begin on November 1 and end on October 31.

ARTICLE XIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Indemnification by Association

SECTION 1. The Association shall 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 Association) by reason of the fact that he is or was a member of the Board of Governors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, 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 proceeding 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.

SECTION 2. The Association shall 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 produce a judgment in its favor by reason of the fact that he is or was a member of the Board of Governors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorney's 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 adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

SECTION 3. To the extent that a member of the Board of Governors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws or the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

SECTION 4. Any indemnification under Sections 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Governors or the officer or the member of such committee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2. Such determination shall be made:

- (1) by the Board of Governors by a majority vote of a quorum consisting of those members who were not parties to such action, suit or proceeding, or

- (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested members so directs, by independent legal counsel in a written opinion, or
- (3) by the Members of the Association.

SECTION 5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Governors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Governors or the officer or the member of such committee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XIV.

SECTION 6. The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Members of the Association or disinterested members of the Board of Governors 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 member of the Board of Governors or an officer or a member of such committee and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XV

Amendments to By-Laws

SECTION 1. POWERS OF MEMBERS. To the extent not inconsistent with the Declaration, the By-Laws of this Association may be amended or repealed by the majority vote of the Members of the Board of Governors.

SECTION 2. RECORD OF AMENDMENTS. Whenever an amendment or new By-Law is adopted, it shall be placed in the By-Laws in a book of such changes kept by the Secretary of the Association. If a By-Law is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed shall be also stated in said book.

SECTION 3. CONFLICTS. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

RULES AND REGULATIONS OF THE GINGER CREEK COMMUNITY ASSOCIATION

Lake and Community Grounds.

Section 4.17 of the Second Amended Declaration of Ginger Creek specifically provides that the Board of Governors may from time to time adopt rules and regulations restricting or governing the use of the Lake and Community Grounds. In accordance with such power, the Board of Governors adopts the following:

1. The use of snowmobiles on or around the Lake and Community Grounds shall be prohibited.
2. Use of motorized or mechanically propelled boats in or around the Lake and Community Grounds shall be prohibited.
3. Fishing shall [~~shall not~~] be permitted on or around the Lake and Community Grounds.
4. All-terrain vehicles, three-wheel and four-wheel vehicles, and all other mechanically propelled vehicles are prohibited on the Lake and Community Grounds.
5. Swimming shall be strictly prohibited in the Lakes/Creek.
6. Owners and their guests may use Community Grounds for picnics and other gatherings so long as such activities end prior to ~~9:00 p.m.~~
SUNSET
7. Owners may not landscape any area on the Lake and Community Grounds without the written approval of the Board of Governors.
8. Owners who use the Community Grounds shall be responsible for maintaining the areas, and shall leave such area in a clean and debris-free way. Such Owners shall be responsible for the cost of any necessary clean up.
9. The cost of leaf pick-up on the Lake and Community Grounds shall be born equally among the Owners.

Additional Rules and Regulations

Section 4.23 of the Second Amended Declaration provides that the Board of Governors may adopt additional Rules and Regulations governing the operation, maintenance, beautification and use of Lots. In accordance with such power, the Board of Governors adopts the following Rules and Regulations:

1. Owners shall use best efforts to keep cars in closed garages and limit parking in roadways.