

BYLAWS OF
TARTAN LAKES HOMEOWNERS' ASSOCIATION,
a not-for-profit Association of the State of Illinois

ARTICLE I

OFFICES

SECTION 1.1. Illinois Registered Office. The Association shall continuously maintain in the State of Illinois a registered office and registered agent.

SECTION 1.2. Other Offices. The Association may have other offices within or without the state.

ARTICLE II

OWNERS AND MEMBERS

SECTION 2.1. Annual Meeting. An annual meeting of the Owners (as defined in the Association's Declaration Establishing Conditions, Covenants, Restrictions, Reservations, Grants and Easements ("Declaration")) shall be held on the first Tuesday in February (or on such other date as the Board of Directors determines) for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

SECTION 2.2. Special Meetings. Special meetings of the Owners may be called either by the president, the Board of Directors, or by not less than one-fifth of all Owners for the purpose or purposes stated in the call of the meeting.

SECTION 2.3. Place of Meeting. The Board of Directors may designate the place of meeting in DuPage County for any annual meeting or for any special meeting called by the Board of Directors.

SECTION 2.4. Notice of Meetings. Written notice stating the place, date 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 five nor more than thirty days before the date of the meeting

either personally or by mail, by or at the direction of the president, or the secretary/treasurer, or the officer or persons calling the meeting, to each Owner of the Association entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited with the United States Postal Service, addressed to the Owner of the Association at his address as it appears on the records of the Association, 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 2.5. Meeting of all Owners. If all of the Owners shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any Association action may be taken.

SECTION 2.6. Fixing of Voting Date. For the purpose of determining the Voting Members (as defined in the Declaration) entitled to notice of or to vote at any meeting of Owners, the Board of Directors of the Association may fix in advance a date as the record date for any such determination of Voting Members, such date in any case to be not more than thirty days, nor less than five days, before the date of such meeting. If no date is fixed for the determination of Voting Members entitled to notice of or to vote at a meeting, the date on which notice of the meeting is mailed shall be the date for such determination of Voting Members. A determination of Voting Members shall apply to any adjournment of the meeting.

SECTION 2.7. Quorum. A majority of the Voting Members of the Association, present in person or represented by proxy, shall constitute a quorum at any meeting of Owners; provided that if less than a majority of the Voting Members are at said meeting, a majority of Voting Members may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of the majority of the Voting Members shall be the act of the Members, unless the vote of a greater number is required by Not-For-Profit Corporation Act or the Declaration. 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 Voting Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 2.8. Voting. Unless otherwise provided in the Declaration and subject to the provisions of Section 2.9 of this Article II, each Voting Member shall be entitled

to one vote upon each matter submitted to vote at a meeting of Owners.

SECTION 2.9. Proxies. Each Voting Member entitled to vote at a meeting of Owners or to express consent or dissent to Association action in writing without a meeting may authorize another person or persons to act for him by proxy.

SECTION 2.10. Voting by Ballot. Voting on any question or in any election may be by voice unless the presiding officer shall order or any Voting Member shall demand that voting be by ballot.

SECTION 2.11. Informal Action by Owners. Any action required to be taken at a meeting of the Owners, or any other action which may be taken at a meeting of the Owners, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed

(a) if five days prior notice of the proposed action is given in writing, then to all of the Owners entitled to vote with respect to the subject matter thereof, by the Voting Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Owners entitled to vote thereon were present and voting, or

(b) by all of the Owners entitled to vote with respect to the subject matter thereof.

ARTICLE III

DIRECTORS

SECTION 3.1. General Powers. The business of the Association shall be managed by, or under the direction of, its Board of Directors.

SECTION 3.2. Number, Tenure and Qualifications. The number of directors of the Association shall be at least three. Each director shall hold office until the next annual meeting of Owners or, thereafter, until his successor shall have been elected. The number of directors may be increased or decreased (but not below three directors) from time to time by the amendment of this section, but no decrease shall have the effect of shortening the term of any incumbent director. A director may resign at any time by giving written notice to the Board of Directors, or to the president or secretary of the Association. A resignation is

effective when the notice is given unless the notice specifies a future date. Vacancies shall be filled as provided in the Declaration.

SECTION 3.3. Meetings. A regular meeting of the Board of Directors shall be held without other notice than by this bylaw, immediately after the annual meeting of Members. Additional meetings of the Board of Directors may be called as provided in the Declaration.

SECTION 3.4. Quorum. A majority of the number of directors fixed by these bylaws shall constitute a quorum for transaction of business at any meeting of the Board of Directors, provided that if fewer than a majority of such number of directors is present at said meeting, a majority of the directors present may adjourn the meeting at any time without further notice.

SECTION 3.5. Manner of Acting. 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 of Directors unless the act of the greater number is required by statute, these bylaws, or the Declaration.

SECTION 3.6. Informal Action by Director. Unless specifically prohibited by the Declaration or these bylaws, any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a 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 the members of such committee, as the case may be. Any such consent signed by all the directors or all the members of the committee shall have the same effect as a unanimous vote and may be stated as such in any document filed with the Secretary of State or elsewhere.

SECTION 3.7. Vacancies. Except as otherwise provided in the Declaration, any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of Owners called for that purpose.

SECTION 3.8. Removal of Directors. One or more of the directors may be removed, with or without cause, at a meeting of Owners by the affirmative vote of the holders of a majority of the Owners entitled to vote at an election of directors, except no director shall be removed at a meeting of Owners unless the notice of such meeting shall state that

a purpose of the meeting is to vote upon the removal of one or more directors named in the notice. Only the named director or directors may be removed at such meeting.

SECTION 3.9. Committees.

(a) A majority of the directors may create one or more committees and appoint members of the board to serve on the committee or committees. Each committee shall have two or more members, who shall serve at the pleasure of the board.

(b) Unless the appointment by the Board of Directors requires a greater number, a majority of any committee shall constitute a quorum, and a majority of a quorum is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to the provisions of the bylaws or actions by the Board of Directors, the committee by majority vote of its members shall determine the time and place of meetings and the notice required therefor.

(c) To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors to the extent permitted by law.

SECTION 3.10. Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his 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 mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV

OFFICERS

SECTION 4.1. Number. The officers of the Association shall be a president and a secretary/treasurer, and if allowed under the Declaration and if desired, any number of vice presidents, or other officers as may be elected by the Board of Directors. Any two or more offices may be held by the same person.

SECTION 4.2. Election and Term of Office. The officers of the Association shall be elected or appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of Members. 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 Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 4.3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 4.4. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

SECTION 4.5. President. The president shall be the principal executive officer of the Association. Subject to the direction and control of the Board of Directors, he shall be in charge of the business of the Association; he shall see that the resolutions and directions of the Board of Directors are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the Board of Directors; and, in general, he shall discharge all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time. He shall preside at all meetings of the Owners and of the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Owners or a different mode of execution is expressly prescribed by the Board of Directors or these bylaws, he may execute for the Owners any contracts, or other instruments which the Board of Directors has authorized to be executed.

SECTION 4.6. The Vice-Presidents. If appointed, the vice-president (or in the event there be more than one vice-president, the vice-presidents) shall assist the president in the discharge of his duties as the president may direct and shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.

SECTION 4.7. The Secretary/Treasurer. The secretary/treasurer shall be the principal financial officer and recorder of the Association. He shall:

(a) have charge of and be responsible for the maintenance of adequate books;

(b) have charge and custody of all funds of the Association, and be responsible therefor and for the receipt and disbursement thereof;

(c) perform all the duties incident to the office of secretary/treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors;

(d) if required by the Board of Directors, give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may determine;

(e) record the minutes of the Owners' and of the Board of Directors' meetings in one or more books provided for that purpose;

(f) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law;

(g) be custodian of the records of the Association;

(h) keep a register of the post-office address of each Owner and Voting Member;

(i) otherwise certify the bylaws, resolutions of the Owners and Board of Directors and committees thereof, and other documents as true and correct copies thereof;

(j) 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 Directors.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 5.1. Contracts. The Board of Directors

may authorize any officer or officers, agent or agents, 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 5.2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 5.3. 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 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 Directors.

SECTION 5.4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

FISCAL YEAR

SECTION 6.1. Fixed by Board of Directors. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE VII

WAIVER OF NOTICE

SECTION 7.1. Waiver in Lieu of Notice. Whenever any notice is required to be given under the provision of these bylaws or under the provisions of the Declaration or under the provisions of Not-For-Profit Business Corporation Act of the State of Illinois, 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. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Except as may otherwise be provided in the Declaration, the following provisions shall apply:

SECTION 8.1. Power to Hold Harmless. The Association shall have power to indemnify any person who was or is a party or is threatened to be made party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that he or she is or was a director or officer 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 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 Association, 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 or 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 or she reasonably believed to be in or not opposed to the best interest of the Association 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 8.2. Power to Indemnify Litigant. The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Association, 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 Association, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such persons shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and

reasonably entitled to indemnity for such expenses as the court shall deem proper.

SECTION 8.3. Reimbursement Authorized. To the extent that a director or officer of the Association has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to above, 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 him or her in connection therewith.

SECTION 8.4. Determination if Reimbursement is Proper. Any indemnification provided above (unless ordered by court) shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth above. Such determination shall be made:

(a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or

(b) by the Voting Members.

SECTION 8.5. Advance of Expenses. 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 Directors in the specific case, upon receipt of an undertaking by or on behalf of the director or officer, 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 Article.

SECTION 8.6. Non-Exclusivity. The indemnifications provided by this article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Declaration, any contract, agreement, vote of Owners, 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 director or officer, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 8.7. Right to Acquire Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director

or officer, of the Association.

SECTION 8.8. Notice to Owners. If the Association has paid indemnity or has advanced expenses to a director or officer, the Association shall report the indemnification or advance in writing to the Owners with or before the notice of the next Owners' meeting.

ARTICLE IX

AMENDMENTS

SECTION 9.1. Determined by Directors. Unless reserved to the Owners by the Declaration, the bylaws of the Association may be made, altered, amended or repealed by the Voting Members or the Board of Directors, but no bylaw adopted by the Owners may be altered, amended or repealed by the Board of Directors if the bylaws so provide. The bylaws may contain any provisions for the regulation and management of the affairs of the Association not inconsistent with law or the Declaration.

To: *Tartan Lakes Board*
From: Dennis M. Brugh
Subject: By-Laws
Date: September 4, 1996

MEMORANDUM

Enclosed please find by-laws that I picked up at Wally O'Brien's office today. There is some questions as to whether these were ever adopted. Please review and we can discuss and adopt at our next meeting.

Further, there is no mention of handling of reserve funds in this document.

Best regards,

DENNIS

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December 22, 1992

Mr. James McNaughton
James McNaughton Builders, Inc.
123 East Ogden Avenue
Hinsdale, Illinois 60521

Re: Deepwood Community Association and Tartan Lakes
Homeowners' Association

Dear Jim:

At long last, we have prepared the Bylaws for the use by the above-referenced associations. These Bylaws should be reviewed by you and, if they meet with your approval, placed in the association's record book for turnover to the Board of Directors at the appropriate time.

Wishing you and yours a Merry Christmas and a prosperous new year, I am,

Very truly yours,

O'BRIEN & ASSOCIATES, P.C.

By:

Walter J. O'Brien II

WJO'B/pjg

Enclosures

*Adopted by the Board
April 1, 1997
OJB*