

EXHIBIT B

**BY-LAWS OF THE
HUNT CLUB WOODS HOMEOWNERS' ASSOCIATION**

**ARTICLE I
NAME OF CORPORATION**

The name of this corporation is the HUNT CLUB WOODS HOMEOWNERS' ASSOCIATION.

**ARTICLE II
PURPOSE AND POWERS**

2.01 Purposes. The purposes of this Association are to perform all the obligations of the Association as set forth in the Declaration, including without limitation, owning, maintaining and administering the Common Area and the facilities and improvements thereon and those portions of the Units as designated therein; to promote the health, safety and welfare, and the common use and enjoyment thereof by its Members; and to exercise all the rights and powers granted the Association in the Declaration, all on a not-for-profit basis, subject to and in accordance with the terms and provisions of the Declaration.

2.02 Powers. The Association shall have and exercise all powers as are now or may hereafter be granted by the Illinois General Not-For-Profit Corporation Act of 1986 (the "Act"), the Declaration and these By-Laws.

2.03 Declaration. All terms used herein shall have the meanings set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for the Hunt Club Woods Subdivision ("Declaration").

2.04 Personal Application. All present or future Owners and Occupants and their invitees, licensees, agents and employees, and any other Person that might use the Real Estate, in any manner, shall be subject to the provisions of the Declaration and these By-Laws. The mere acquisition or rental of a home or the mere act of occupancy of a home will signify that the Declaration and these By-Laws are accepted, ratified and will be complied with.

**ARTICLE III
OFFICES**

3.01 Registered Office. The Association shall have and continuously maintain in this state 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 may from time to time determine.

3.02 Principal Office. The Association's principal office shall be maintained on the Real Estate or at the office of a managing agent engaged by the Association or at such other place as the Board may determine.

ARTICLE IV **MEMBERS**

4.01 Membership. There shall be one class of membership in the Association, which shall consist of Owners. Members shall not be Voting Members entitled to vote until the first meeting of Members at or following the Turnover Date. Thereafter, Members shall have one vote for each home they own. When more than one Person owns any home, all such persons shall constitute one member. The vote for such home shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one home.

4.02 Voting. There shall be one voting Member per home. Such Voting Member shall be the Owner or one of the group composed of all the Owners of a home, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board. Voting by the Member shall be on a one vote per home basis. The Developer shall exercise the voting rights with respect to any home owned by the Declarant or the Developer.

4.03 Initial meeting/annual meeting. The initial meeting of the members of the Association shall be held upon not more than twenty-one (21) days after the Turnover Date, as defined in the Declaration. Thereafter, there shall be an annual meeting of the Members on the first Monday of December following such initial meeting, and on the first Monday of December of each succeeding year thereafter, at 7:30 p.m., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice from the Board delivered to the Voting Members.

4.04 Regular Meetings. Meetings of the Members shall be held at the Real Estate or at such other place, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of Voting Members of the Association having one-fourth (25%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of Voting Members having a majority of the total votes present at such meeting in person or by proxy. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

4.05 Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of the Voting Members or for any other reasonable purpose. Said meeting shall be called by

written notice, and authorized by either the President, a majority of the members of the Board, or by at least 25% of the Voting Members of the Association. Quorum and voting requirements shall be the same as for Regular Meetings, unless otherwise provided herein.

4.06 Notices. Written notice of all annual and special meetings of the Members shall be delivered not less than ten (10) days prior to the date of any such meeting. All notices shall include the time, place and purpose of such meeting. However any Member may waive notice by signing written consent to the convening of a meeting of the Members without the notice required hereunder.

ARTICLE V

BOARD OF DIRECTORS

5.01 Board. The Board of Directors is referred to in the Declaration and in these By-laws as the "Board". The direction and administration of the Association shall be vested in the Board. Prior to the election of the First Board, the Board shall be comprised of three (3) persons who shall be appointed by the Developer, who shall serve such terms as are determined by the Developer until the Election of the First Board. After the Election of the First Board, the Board shall consist of three (3) persons who shall be elected by the Members; provided, anything to the contrary notwithstanding, at anytime after the Election of the First Board that the Developer or Declarant (or their successor and/or assigns) is an Owner, the Developer shall have the right to appoint one of the three (3) members of the Board. After the Election of the First Board, each elected member of the Board shall be one of the Owners; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then a designee of any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. Members of the Board shall receive no compensation for their services, but shall be entitled to reimbursement for receipted costs expended or advanced on behalf of the Association.

5.02 Election/Term of Office. At the initial meeting at or following the Turnover Date, the members of the Association shall elect a First Board. Members of the First Board elected at the initial meeting of Members shall serve until the next annual meeting of the Members, and at each successive annual meeting thereafter, a new Board shall be elected. Any member of the Board may be elected to succeed himself or herself. In all elections for members of the Board, each Voting Member shall be entitled to vote on a cumulative voting basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The Voting Members of the Association having at least two-thirds (2/3) of the total votes in the Association may from time to time increase the number of persons serving on the Board. In addition, any member of the Board may be removed from office by affirmative vote of not less than two-thirds (2/3) of the Voting Members. Vacancies on the Board, including vacancies due to any increases in the number of persons on the Board or removal of a Board member, shall be filled by election by the Voting Members present at the next annual meeting or a special meeting of the Voting Members called for such purpose.

5.03 Officers. The Board shall annually elect from among its members a **PRESIDENT** who shall preside over both its meetings and those of the Members and who shall be the chief executive officer of the Association and who shall execute all amendments to the Declaration, and these By-laws as provided in such instruments; a **SECRETARY** who shall keep the minutes of all meetings of the Board and of the Members and who shall, in general, perform all the duties incident to the office of Secretary including the mailing and receiving of all notices permitted or required under the Declaration and these By-laws, which are executed by the President as provided above; and a **TREASURER** who shall keep the financial records and books of account; and such additional officers as the Board shall see fit to elect. Any vacancy in any office may be filled by the Board at any regular or special meeting of the Board. Any officer elected may be removed from office by affirmative vote of not less than two-thirds (2/3) of the Board. Thereafter, a successor may be elected by the Board at the same meeting or any subsequent meeting of the Board called for that purpose. The officers shall serve without compensation, but shall be entitled to reimbursement for costs expended or advanced on behalf of the Association.

5.04 Meetings. After the initial meeting of the First Board, regular meetings of the Board shall be held not less than semi-annually, one of which shall be within ten (10) days following the annual meeting of the members of the Association. Special meetings of the Board shall be held upon a call either by (I) the President or (ii) a majority of the members of the Board. Notice of each regular and special meeting of the Board, setting forth the date, time, place and purpose of the meeting, shall be mailed or delivered to each member of the Board at least forty-eight (48) hours prior to such meeting, unless a waiver of written notice is signed by the person or persons entitled to such notice before the meeting is convened. In addition, each Voting Member of the Association shall be given notice, in the same manner as that provided in Paragraph 4.06 hereof for the semi-annual meetings of the Board, of any meeting of the Board concerning the adoption of the Annual Budget (as hereinafter defined) or any increase or establishment of assessments for Common Expenses. After the Turnover Date, and not before, all meetings of the Board shall be open to any Member except the Board may, at its discretion, close meetings to the extent they involve discussion of threatened or pending litigation involving an Owner and the Board deems that the opening of such meeting would not be in the best interests of the Association. A majority of the total number of members of the Board shall constitute a quorum at any meeting of the Board. Except as otherwise provided in the Declaration or these By-laws, the Board shall act by majority vote of those present at a meeting at which quorum exists.

5.05 Removal. After the Turnover Date, any Board member may be removed from office by affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes in the Association, at any special meeting called for that purpose. A successor to fill the unexpired term of a Board member so removed may be elected by the members of the Association at the same meeting or any subsequent meeting of the members of the Association called for that purpose.

5.06 Signatures. All agreements, contracts, authorizations for payment of expenditures, deeds, easements, grants and other instruments shall be approved and signed by such officer or officers, agent or agents of the Board and in such manner as from time to time

shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be approved and signed by the President and attested or countersigned by the Secretary of the Association.

5.07 Powers and Duties. The Board shall have the following powers and duties in addition to those provided in the Declaration or elsewhere in these By-laws:

- a) to formulate policies for the administration, management, and operation of the Real Estate;
- b) to adopt administrative Rules and Regulations, with written notice thereof to all Owners, governing the administration, management, maintenance, operation, use, conservation and beautification of the Real Estate and for the health, comfort, safety and general welfare of the Owners, and to amend such Rules and Regulations from time to time, with written notice thereof to all Owners;
- c) to provide for any construction, alteration, installation, maintenance, repair, painting and replacement for or upon the Real Estate for which the Board is permitted or responsible to address under the Declaration and By-laws and, for such purposes, authorize entry into any home and/or Common Area;
- d) to provide for the designation, hiring and removal of employees and other personnel, including attorneys and accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Real Estate and to delegate any such powers to a Management Agent (and any such employees or other personnel as may be employees of any Management Agent);
- e) to estimate the amount of the Annual Budget and to provide the manner of levying assessments and collecting from the Owners their respective shares of such estimated expenses;
- f) to pay out of the funds of the Association the following:
 - (i) Water, waste removal, snow removal, electricity and telephone and other necessary utility services for the Common Area and (if not separately metered or charged) for the homes;
 - (ii) The services of a Management Agent or any other person or firm employed by the Board;
 - (iii) Payment for the operation, maintenance, repair and replacement of the Common Area that the Declaration requires or permits the Association to maintain or repair; and
 - (iv) Common Expenses, as defined in the Declaration.

- g) to bid for and purchase any home at a sale pursuant to a judgment of foreclosure of the lien for assessments, or at a sale pursuant to any order or direction of a court, or other involuntary sale, upon the consent or approval of at least two-thirds (2/3) of the Voting Members;
- h) to the extent not inconsistent with the Declaration or these By-laws to comply with the instructions of a Majority of the Voting Members, as expressed in any resolution duly adopted at any annual or special meeting of the members of the Association; and
- i) to acquire real estate contiguous to Lot 305 and to annex such real estate to the Common Area under this Declaration;
- j) To levy reasonable fines against Units and Owners for violations of the covenants contained herein.
- k) to exercise all other powers and duties of the Board as referred to in the Declaration or these By-laws or as conferred by Act.

ARTICLE VI
ASSESSMENTS

6.01 Initial Budget. When the First Board elected hereunder takes office, it shall prepare a budget for the period commencing thirty (30) days after said election and ending on December 31 of the year in which said election occurs. Monthly assessment shall be levied against all homes subject to assessment during said period as provided in this Article.

6.02 Annual Budget. Or before December 1 of each year following the election of the First Board, the Board shall prepare an annual budget ("Annual Budget") for the Association for the ensuing calendar year which shall include estimated Common Expenses and reasonable amounts as a reserve for repairs to and replacement of the improvements on the Common Area for which the Association is responsible, and for such other contingencies as the Board may deem proper, and shall, on or before December 15, notify each Owner in writing of the amount of such estimate, with reasonable itemization thereof. The budget shall also take into account the estimated net available cash income for the year, if any, that may be received by the Association. On or before January 1 of the ensuing year, each Owner, jointly and severally, shall be personally liable for and obligated to pay the Board or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this Section for that Owner's home. On or before December 15 of each year following the initial meeting, the Board shall supply to all Owners an itemized accounting (for the preceding calendar year and for the then current year to date) of actual expenses actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves.

6.03 Shortfalls. If said annual assessments prove inadequate for any reason, including non-payment of any Owner's assessment, the Board may, subject to the limitations on the use of capital reserves, charge the deficiency against existing reserves, or may levy a special assessment which shall be assessed uniformly against all homes subject to assessment. The Board shall serve notice of such special assessment on all Owners by a statement in writing showing the amount due and reasons therefor, and such special assessment shall become effective with the first monthly installment which is due more than fifteen (15) days after delivery or mailing of such notice of special assessment. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly assessment.

6.04 Capital Reserves. To the extent the Annual Budget includes an amount specifically designated as a capital reserve, each Owner shall, as to each installment of the annual assessment paid by him, be deemed to have made a non-refundable capital contribution to the Association. Such capital contribution paid to the Association shall be segregated and maintained by it in a special capital reserve account to be used solely for making major repairs and replacements to the Common Areas and the improvements thereon which the Association is obligated or permitted to repair and replace in accordance with the provisions of the Declaration and the By-laws, and for the purchase of equipment to be used by the Association in connection with its duties hereunder.

6.05 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of constructing or purchasing a specified capital improvement upon or to the Common Area, and for the necessary fixtures and personal property related thereto, provided that, unless otherwise provided in the By-laws, any such assessments which in one year exceed \$5,000.00 (in the aggregate for all Owners) shall first be approved by a majority of the Board and thereafter by a majority of the votes cast by Voting Members at a regular or special meeting of Voting Members duly called for that purpose or, in lieu of such member's meeting, by an instrument signed by a majority of the Voting Members. Special assessments levied hereunder shall be due and payable at such time or times and in such manner as shall be fixed by the Board, or, where applicable, as approved by the Members and shall be used only for the specific purpose for which such assessment was levied.

6.06 Notice and Quorum. Notice, quorum and voting requirements shall be as provided in Article IV of these By-laws.

6.07 No Waiver. The failure or delay of the Board to prepare or serve the Annual Budget or adjusted estimate on any Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the assessments and reserves. In the absence of any Annual Budget or adjusted estimate, the Owner shall continue to pay his monthly installment at the then existing rate established for the previous period until the new annual or adjusted estimate shall have been mailed or delivered.

6.08 No Exception of Liability. Except as otherwise provided herein, no Owner shall be excepted from liability for assessments provided for herein by any act or omission including,

without limitation, non-use of the services provided by the Association, the Common Area or abandonment of his home.

6.09 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the Common Expenses incurred. Such records and vouchers authorizing the payment shall be available for the reasonable inspection by any member of the Association, any representative of a member of the Association, or any Mortgagee. Upon ten (10) days notice to the Management Agent or the Board, any member of the Association shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such member.

6.10 Lien of Assessments: Enforcement. Unpaid assessments shall be a lien on the home to which they relate, as provided in the Declaration, and the Board shall have such other remedies to enforce the payment of unpaid assessments as are provided in the Declaration, as amended from time to time.

ARTICLE VII
RESERVED

ARTICLE VIII
AMENDMENTS

8.02 Turnover Date. Prior to the Turnover Date, these Bylaws may be amended from time to time by action or approval solely by a majority vote of the members of the Board. After the Turnover Date, these By-Laws may be amended or modified from time to time by action or approval of at least two-thirds (2/3) of the Voting Members present at a meeting of members duly called for that purpose; provided at anytime while the Declarant and/or Developer is an Owner of a home, such Amendment shall require the Declarant and/or Owner's express written consent in order to be effective. An amendment to the Bylaws may, but need not be recorded in the office of the Will County Recorder of Deeds.

ARTICLE IX
INDEMNIFICATION

9.01 General.

A. 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 Board Member, an officer of the Association or a member of any committee appointed pursuant to these By-Laws, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually

and reasonably incurred by or imposed on him in connection with such action, suit or proceeding provided said person 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 that 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.

B. 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 by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Board Member, an officer of the Association or a member of any committee appointed pursuant to these By-Laws, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit provided said person 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 to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence, willful misconduct or fraud in the performance of his duty to the Association.

9.02 Success on Merits. To the extent that a Board Member, an officer of the Association or a member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

9.03 Determination of Right to Indemnify. Any indemnification under this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Board Member 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 this Article. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so direct, by independent legal counsel in a written opinion, or (iii) by a majority of the Owners.

9.04 Advance Payment. Expenses incurred in defending an 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 in the specific case upon receipt of an undertaking by or on behalf of the Board Member, the officer of the member of such committee to be indemnified 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.

9.05 Non-Exclusivity. The indemnification provided in this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested Board Members or otherwise, both as to action in its 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 Board Member, officer or member of such committee, and shall inure to the benefit of the heirs and legal representatives of any such persons.

9.06 Assessment. Cost of Indemnification shall be deemed a Common Expense.

ARTICLE X
CONFLICT BETWEEN DECLARATION AND BY-LAWS

10.01 In the event of any conflict between provisions of these By-Laws and a provision of the Declaration, the provision of the Declaration shall control. Any provision required by the Act to be contained in the Articles of Incorporation or Bylaws of the Association and which is instead actually contained in the Declaration shall be deemed incorporated in these Bylaws for purposes of the Act.

ARTICLE XI
CORPORATE SEAL

11.01 The Association may have a seal in circular form having within its circumference the words: Corporate Seal/Illinois.

ARTICLE XII
FISCAL YEAR

12.01 Unless the Board adopts a resolution to the contrary, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

LEGAL DESCRIPTION

LOTS 201 THROUGH 216, INCLUSIVE, IN HUGUELET'S BOULDER RIDGE UNIT 1 BEING A SUBDIVISION IN SECTION 12, TOWNSHIP 35 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 8, 2004 AS DOCUMENT R2004060503, IN WILL COUNTY, ILLINOIS.

PIN: 08-12-200-001, 08-12-400-010 & 08-12-300-017