

BY-LAWS

OF

LUXOR LANDING HOMEOWNERS' ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is Luxor Landing Homeowners' Association (the "Association"). The initial principal office of the corporation shall be located at 1716 Corporate Crossing, P.O. Box 787, O'Fallon, IL 62269.

ARTICLE II
DEFINITIONS

Section 1. The terms "Association", "Common Properties", "Declarant", "Lot", "Owner" and "Properties" as used in these By-Laws shall have the meanings set forth in the Declaration of Covenants and Restrictions for Luxor Landing Subdivision, Johnson and Williamson Counties, Illinois, as amended, modified or changed from time to time as therein provided (the "Declaration").

Section 2. "Member" means those persons or entities entitled to membership in the Association as provided in the Articles of Incorporation of the Association and the Declaration.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Members shall be held on the first Saturday of June of each year, at a time and place within or without the State of Illinois as is selected by the Board of Directors of the Association. No annual meeting of the Association shall be held until such time as there are no Declarant-appointed Directors (which shall include the original Directors named in the Articles of Incorporation and their appointed successors).

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote fifty-one percent (51%) of all of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of a Director(s) or such person who is authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than ten (10) days before the meeting, to each Member, addressed to the address shown on the real estate tax assessment records for each Owner. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members or proxies representing at least fifty-one percent (51%) of the votes of the Members eligible to vote at the time of the meeting, either in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Association may (i) give another notice of the meeting indicating the proposed business or purpose and if such meeting is held within thirty (30) days of the date of the first meeting at which there was no quorum, then there shall not be a quorum requirement to transact the proposed business at such second meeting; or (ii) take a vote of the Association on any proposed business by written ballot of the Members in lieu of a meeting.

Section 5. Voting. At any annual or special meeting, each Lot shall be entitled to one (1) vote and any action or proposal to be approved shall require approval by a majority of votes cast at such meeting at which a quorum is present. Any Member who has failed to pay any assessments due and payable shall not be entitled to vote at any annual meeting or special meeting. In the election of directors, the principle of cumulative voting shall not apply. The person(s) receiving the highest number of votes cast shall be deemed elected as a Director.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in a form approved by the Board of Directors and shall be filed with the Directors at least forty-eight (48) hours before any meeting at which such proxy will vote. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 7. Action without a meeting. Any action that may be taken at a meeting of the Members may be taken without a meeting if consents in writing, setting forth the action so taken are signed by Members holding at least eighty percent (80%) of the Lot votes. Such written consents shall be filed by the Secretary with the minutes of the proceedings of the Members and shall have the same force and effect as a vote at a meeting duly held. Written notice of such Member approval shall be given to all Members who have not signed a written consent. If written notice is required because consents have not been received from all of the Members, such Member approval shall be effective ten (10) days after such written notice is given.

ARTICLE IV

BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) members.

Section 2. Term of Office. The terms of office of the Directors named in the Articles of Incorporation ("Initial Directors") shall commence on the date that the Articles of Incorporation are filed with the Illinois Secretary of State and shall end at such time as Declarant has sold and conveyed all of the Lots (regardless of whether such Lots are constructed and/or sold in phases), which may be subject to the Declaration to persons or entities other than a successor builder or developer as more fully set forth in the Declaration. In the event an Initial Director, or his/her

appointed successor, should die, resign, cease to hold office, decline to act or become incompetent or unable for any reason to discharge his duties or avail himself or herself of the rights and powers granted or bestowed then as Directors, the Declarant shall have the exclusive right to designate a successor Initial Director to fill the unexpired term of such Initial Director.

In addition:

(a) After Declarant has sold and conveyed one hundred percent (100%) of the Lots which may be subjected to this Declaration to persons other than a successor builder or developer, Robert G. Wolfe and Eleanor Sue Wolfe, or their appointed successor shall resign and their successors shall be elected by the Members of the Association at a special meeting of the Members to be called thereafter, such successor being the nominee receiving the highest number of votes cast. Such Director shall serve as Director until all Directors are elected by Members of the Association under the provisions of Section (c) following. Notwithstanding the foregoing, either or both of Robert G. Wolfe or Eleanor Sue Wolfe may voluntarily resign prior to the time Declarant has sold one hundred percent (100%) of the Lots, and may appoint a successor or successors to serve in their place.

(b) Declarant, at its sole option, may (but shall not be required to) appoint a second and/or third Director from the membership of the Association prior to the time designated for election of a second and/or third Director as set out in paragraph (a) above. In anticipation of Declarant exercising this option, the Association may call a special election in accordance with the provisions of the Declaration to elect a Member or Members to be the nominee(s) for Director(s) to be appointed by Declarant under the provisions of this paragraph (b). In the event Declarant does appoint the nominee(s) elected by the Members as the second and/or third Director(s) prior to the time set forth in paragraph (a) above, then such nominee(s) shall become a Director(s) with full powers and shall not be subject to removal by Declarant, just as if such nominee(s) were elected pursuant to the provisions of (a), and no Director(s) shall be elected by the Members under the provisions of (a) and the appointed nominee(s) shall serve as Director(s) until all Directors are to be elected by the Members under the provisions of paragraph (c). Declarant shall exercise its option to appoint the Association nominee(s) by recording a written instrument evidencing the exercise of such option in the Johnson County and Williamson County, Illinois land records.

(c) After Declarant has sold and conveyed all of the Lots which may be subjected to this Declaration other than to a successor builder or developer, the following procedure shall be followed:

- (i) All of the then acting Directors shall resign; and
- (ii) At a special meeting of the Members, three (3) Directors shall be elected, one for a term of three (3) years, one for a term of two (2) years and the third for a term of one (1) year.
- (iii) After the expiration of the term of office of the Directors elected as provided in paragraph (e) (ii), each successor Director must be a Member elected by the Members, and each such successor Director shall serve for a term of three (3) years so that the terms shall be continuously staggered, one (1) Director being elected at each annual meeting of the Members.

No removal power

Section 3. Qualifications. All Directors, except the Initial Directors (and their Declarant-appointed successors) shall be Members. If any Member is a corporation, partnership or trust, then any partner, officer, director, employee or agent of each corporation or partnership or trustee of such trust may be a Director.

Section 4. Removal. Any Director, other than an Initial Director (and any Declarant appointed successor), may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these By-Laws, of a Director, his successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No Director who is a Member or an Initial Director (or any Declarant appointed successor to an Initial Director) shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V ELECTION OF DIRECTORS

Nomination of Directors for election to the Board of Directors shall be made at the annual meeting of the Members. Election to the Board of Directors shall be by written ballot. At the election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board of Directors, without the necessity of further notice. At each annual meeting, the Directors shall designate one (1) of its members to serve as Chairman, who shall also be the President of the Association.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than forty-eight (48) hours notice to each Director.

Section 3. Quorum; Participation by Telephone. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. Members of the Board of Directors may participate in a meeting of the Board of Directors, whether regular or special, by means of conference telephone or similar

communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 4. Vacancies. Vacancies on the Board of Directors resulting from resignation, death, removal of a Director not an Initial Director or their appointed successor or an increase in the number of Directors may be filled by a majority of the Directors then in office, although less than a quorum. The successor to an elected Director whose term has expired shall be elected at a special meeting called for that purpose.

Section 5. Action Without a Meeting. Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all of the members of the Board of Directors. Such written consents shall be filed by the Secretary with the minutes of the proceedings of the Board of Directors and shall have the same force and effect as a unanimous vote at a meeting duly held.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) exercise for the Association all rights, powers, privileges and authority vested in or delegated to the Association by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and
- (b) exercise any and all rights, powers, duties and obligations within the full scope of their authority as directors and agents of the Association.

Section 2. Duties. The Board of Directors shall carry out all of the obligations and duties set forth in the Declaration, the Articles of Incorporation and these By-laws, including without limitation:

- (a) prepare proposed budgets, present the proposed budgets to the Members and fix the amount of the annual assessments against each Lot;
- (b) send written notice of each annual, supplemental and special assessment to every Lot Owner subject to the assessment; and
- (c) foreclose the lien against a Lot if the owner of the Lot has not paid the assessment on the Lot within such time as the Board of Directors may determine as provided in the Declaration, or bring an action at law against the Lot Owner personally obligated to pay the same;
- (d) procure and maintain adequate liability and hazard insurance on property owned by the Association;

- (e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (f) file the tax returns of the Association.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The officers shall be selected from among the members of the Board of Directors or members of the Association and shall at all times during the term of their office be members of the Board of Directors or members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his successor is elected, whichever shall be the longer period, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he replaces and until his successor shall have been elected and qualified.

Section 7. Multiple Offices. Not more than two of these offices may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board of Directors are carried out. The President shall have authority to sign all leases, mortgages, deeds, amendments to the Declaration

and other written instruments after the necessary approval requirements have been met as provided in the Declaration, Articles and these By-Laws.

(b) Vice-President. To the extent there is a Vice-President, in the absence of the President, or in the case of his inability or refusal to act, and upon a written delegation of authority from the Board of Directors, the Vice-President shall perform all the duties and possess all the powers of the President.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting same.

ARTICLE IX COMMITTEES AND ADVISORY BOARD

The Board of Directors shall appoint such committees, with such powers and duties, as deemed appropriate to carrying out the purposes of the Association.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Board of Directors, upon the affirmative vote of at least two-thirds (2/3rds) of all of the Directors of the Association. Notwithstanding the preceding sentence, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of these By-Laws all as from time to time amended or supplemented so long as the Declarant (or a successor builder or developer) owns any Lot on the Properties.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and the Articles or these By-Laws, the Declaration shall control.

ARTICLE XII INDEMNIFICATION

Section 1. The Association shall hold harmless and indemnify all officers and Directors of the Association to the fullest extent authorized or permitted under Illinois law now existing or hereafter adopted.

Section 2. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would be required to indemnify him or her against such liability under the provisions of this Article XII.

Section 3. This Article XII is intended to provide for indemnification to the fullest extent permitted by law, as in effect on the date hereof or as hereinafter adopted or amended. The indemnification provided by this Article XII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any other Bylaw, agreement, vote of the Members or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in any other 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 4. All agreements and obligations of the Association contained herein shall continue during the period such officer or Director is an officer or Director of the Association and shall continue thereafter so long as such officer or Director shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether, civil, criminal or investigative, by reason of the fact that such officer or Director was an officer or Director of the Association.

ARTICLE XIII MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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 and end on December 31st of that year.