

BY-LAWS
OF
HOBSON WEST COMMUNITY ASSOCIATION
OF NAPERVILLE, ILLINOIS

ARTICLE I

Organization

SECTION 1. The corporation is incorporated under the laws of Illinois as a not for profit corporation. Its objective is the maintenance of grounds, entranceways, common area, tennis court, and other sport activities.

SECTION 2. The recorded certain agreement entitled Conditions, Restrictions and Reservations affecting the property of MIDAM, INC., executed by MIDAM, INC., and recorded with the Recorder of Deeds as Document No. R77-37543 by reference is incorporated in said By-Laws and any provision contained herein, in conflict with the same, be and is hereby amended or deleted. This document shall be referred to hereafter as, "Conditions, Restrictions and Reservations."

ARTICLE II

Membership

SECTION 1. Membership shall be determined in accordance with Article III, Sections 2 and 3 of the Conditions, Restrictions and Reservations.

SECTION 2. The voting rights of the members of the Association shall be in accordance with Article III, Section 4 of the Conditions, Restrictions and Reservations.

SECTION 3. Certificates of membership shall be contained in a book and be issued therefrom, under the corporate seal of the Corporation, in consecutive order, and shall be numbered, registered and signed by the President and Secretary in the order in which they are issued. All certificates returned to the Corporation shall be cancelled by the Secretary and such cancelled certificates replaced in their original place in said book.

SECTION 4. Memberships shall not be issued to any resident outside of Hobson West.

SECTION 5. The spouse and children living at the residence of a member shall enjoy all the privileges affordable by the Corporation subject to these By-Laws and such rules and regulations as the Board of Directors may from time to time prescribe.

SECTION 6. Any member who ceases to be in residence in Hobson West must tender his certificate of membership to the Secretary of the Corporation for cancellation. Upon receipt of such certificate, the Board of Directors shall cancel such membership.

SECTION 7. Any member who is not indebted to the Corporation may resign his membership by turning in to the Secretary of the Corporation his certificate of membership for cancellation. Such resignation shall be tendered within a period beginning Thirty (30) days prior to and ending Thirty (30) days after the member relieves himself of title to property which obligated him to membership in the Association.

SECTION 8. Any person who, for any cause shall cease to be a member, shall forfeit all his rights, interest and equity in the Corporation.

SECTION 9. Upon the death of a member designated under Article III, Section 3 of the Conditions, Restrictions and Reservations, the surviving party, if being but one person, holding title to a dwelling unit shall automatically become the designated member as discussed in Article III, Section 3 of the Conditions, Restrictions and Reservations. If more than one person holds a surviving interest in title to a dwelling unit, then said survivors shall designate the individual who shall enjoy the membership rights the membership rights or, upon failure to so designate, the Association, the Association may designate an individual all in compliance with Article III, Section 3 of the Conditions, Restrictions and Reservations.

SECTION 10. The annual dues of members, payable as determined by the Board of Directors, shall not exceed \$10.00 for each fiscal year; but the Board of Directors may change the amount of the annual dues or levy special assessments against members from time to time as in their sole discretion the exigencies of the Corporation may require; provided, however, that no special assessment shall be valid until the same shall have been ratified and approved by a majority of the members present in person or by written proxy at a regular meeting or a special meeting called for the purpose of considering the same. New members accepted to membership during June, July and August shall pay dues from the effective date of their membership as fixed by the Board of Directors. These dues will be prorated, but in no case less than 50% of annual dues.

Section 10.1. The Board of Directors shall on the first day of March of each year formulate an estimate of the probable costs of operation of the Corporation for the next ensuing fiscal year and shall publish due notice of the same.

SECTION 11. All dues and all assessments levied by the Corporation and the house account of each member shall be a first lien upon his certificate of membership.

SECTION 12. The Board of Directors shall fix by vote the terms and conditions upon which quests of members may use the facility of the Corporation. The Board shall be guided by poll of the membership by establishing the policy of guest privilege as liberal as may be compatible with best use of facilities by the membership.

ARTICLE III

Management

SECTION 1. The control and management of the Corporation and its general affairs and property shall be only entrusted to a Board of seven Directors. All Directors elected must be voting resident members serving during any operating year. The Directors shall elect a Chairman who will preside at all meetings of the Board of Directors.

SECTION 2. The annual meeting and election of Directors of the Corporation shall be held on the fourth Tuesday in November of each year, at such time and place as the Board of Directors shall direct, notice of which time and place shall be given by mail to the members of the Corporation at least ten days before such meeting; but such meeting may be adjourned from time to time as shall be found necessary or convenient. The Directors elected at such meeting shall take office immediately.

SECTION 3. The Directors shall hold office for two years and until their successors are duly elected and qualified, provided however, that four of the seven Directors elected for initial, said four to be determined by lot, shall hold office for one year only. Election of directors shall be in accordance with Article III, Sections 7, 8 and 9 of the Conditions, Restrictions and Reservations.

SECTION 4. Election of members of the Board of Directors shall be annually by the Members. At least Thirty (30) days before the annual meeting, the Board of Directors shall appoint a nominating committee consisting of six members of the Corporation, two of whom shall be continuing Board Directors. Such nominating committee shall nominate at least seven candidates for the Board of Directors for the succeeding fiscal year. At least 15 days before the annual meeting, the Secretary shall mail to each voting member of the Corporation the nominations so made. Twenty-five or more members of the Corporation may nominate other Corporation members as candidates for the Board of Directors by filing with the Secretary a written nomination at least ten days prior to the annual meeting. The Secretary will promptly mail notice of any additional nominations to all the voting members.

SECTION 5. The Board of Directors shall have the power to fill any vacancy that may occur in their own number in any office of the Corporation. The Directors or Officers so elected shall serve until the next annual election. Four members of the Board of Directors shall constitute a quorum for the transaction of business and the action of a majority of such quorum shall be the action of the Board of Directors, but a less number may adjourn time to time. Officers and Directors shall serve without compensation, provided however, that they shall be entitled to out-of-pocket expenses necessarily incurred by them in performance of their duties.

SECTION 5.1. If any Director fails to attend four meetings of the Board in any fiscal year, the Board may in its sole discretion declare his office vacant.

SECTION 6. The regular meetings of the Board of Directors shall be held on the third Tuesday of each month or on such other day of each month as the Directors shall decide, and at the time and place as they shall determine. Special meetings may be called on the order of the President or on the motion in writing of Four Directors. At least two days notice of each special meeting, specifying its objective, shall be given by mail or telephone to each Director.

SECTION 7. The Officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. They shall be elected by the Directors at the first regular or special meeting of the Board of Directors subsequent to the annual election of Directors and shall hold their respective offices for one year, and/or until their successors are elected and qualified. The Officers shall be subject to the control of the Board of Directors and may be removed by a majority of the Directors at any regular meeting or at any special meeting called for that purpose. The immediate Past-President shall be a non-voting member of the Board of Directors unless otherwise an elected member of the Board of Directors.

SECTION 8. The President, who must also be a Director, shall preside at all meetings of the members and shall be the general executive officer of the Corporation, subject to the direction and control of the Board of Directors. He and the Secretary shall sign, on behalf of the Corporation, all instruments in writing, contracts, deeds, notes, mortgages, and other legal documents which it may become necessary for the Corporation to execute after authorization from the Directors.

SECTION 9. The Vice-President shall perform the duties of the President in the event of his death, absence, or inability to act.

SECTION 10. The Secretary shall attend the meetings of the members and of the Board of Directors, and he shall keep a book or books of the Corporation provided for that purpose, true and correct records of all the meetings; he shall be given all the notices herein provided for or required by law, or that may from time to time be necessary or expedient; he shall have custody of the corporate seal, charter, constitution and by-laws and records; he shall conduct its correspondence, except such as belongs to the office of the Treasurer; and he shall perform such other duties as are usual to the office or as may be required by the Board of Directors. He shall at all times be subject to the direction and control of the Board of Directors.

SECTION 11. The Treasurer shall keep all accounts of the Corporation in books belonging to the Corporation, which shall at all times be open to the inspection of the Board of Directors. He shall collect and disburse the funds of the Corporation under the direction of the Board of Directors. He shall, if requested by the Board of Directors, render a statement in writing at each regular meeting of the Board of Directors, showing the receipts, disbursements, and expenses during the preceding months, the amounts due from members, and the cash balance on hand, and as far as practicable, the outstanding complete balance sheet showing the financial condition of the Corporation and full report in detail of the receipts, disbursements and expenses of the fiscal year just closed, which

balance sheet and report shall have been previously printed and distributed to the members at least three days prior to the annual meeting. The fiscal year shall end on October 31st each year. The Treasurer shall keep the funds of the Corporation on deposit in the name of the Corporation in a bank to be designated by the Board of directors and he shall furnish such bond as the Board of Directors may require; such bond to be deposited with and kept by the President. The Board of Directors shall require that all checks, drafts, and other instruments for payment of funds of the Corporation shall require two signatures, one of which shall be the Treasurer, the other of which shall be a director(s) as authorized by the Board of Directors at their first meeting following annual election. He shall also perform such other duties as are usual to the office or may be required by the Board of Directors, and he shall be at all times subject to the direction and control of the Board of Directors.

SECTION 12. It is further understood that each member has reviewed the by-laws and will execute a copy of the same before receiving his certificate of membership and further, by such signature, acknowledges that he has read and understands a certain lease contract executed by the Corporation with MIDAM, INC., and appreciates that his interest in said Corporation is subject to the same.

ARTICLE IV

Committees

SECTION 1. The President, at the first meeting of the Board of Directors following the annual meeting, shall appoint Chairman for the following standing Committees:

Membership Committee
Auditing Committee
Social Committee

Chairman so appointed shall prepare and submit to the President a list of committee members to serve on such committees for the succeeding year. The President may appoint such other Committees, and delegate to them such powers and duties, as he may from time to time deem expedient.

SECTION 2. The Membership Committee shall be charged with the responsibility for all matters pertaining to membership, and shall supervise the election of the Board of Directors.

SECTION 3. The Auditing Committee, consisting of three full members who are not Directors, shall annually audit the books of the Corporation and shall report the results of their audit at the annual meeting. The report of the auditor shall be available to members at all times.

SECTION 4. The Social; Committee shall be responsible for all social functions sponsored by the Corporation.

ARTICLE V

Meetings

SECTION 1. See Article III, Section 2.

SECTION 2. Special meetings of the members may be called at any time by the Board of Directors and shall be called by them on the request in writing of not less than 25 voting members. Members shall be given at least five days notice by mail of any special meeting, which notice shall state the subject of the meeting.

SECTION 2.1. The Directors may call a special meeting of the Corporation at such time and place as set by the Board of Directors, at which meeting they shall report upon the general condition of the Corporation, furnish an estimate of income and expenses for the current year, and request action to be taken upon such matters as they deem advisable for the best interest of the Corporation.

SECTION 3. Any annual or special meeting of the Corporation, twenty-five voting members, present in person or by written proxy, shall constitute a quorum for the transaction of business, but a lesser number shall have power to adjourn any such meeting from time to time.

ARTICLE VI

Miscellaneous

SECTION 1. Nothing in these by-laws shall be construed to permit the Board of Directors to borrow or pledge the credit of the Corporation without the specific approval of a majority of two-thirds of the voting members of the Corporation at a duly held regular or special meeting.

SECTION 2. The Corporation shall keep correct and complete records containing the names, addresses of all members. Such records may be inspected by any voting member for any proper purpose upon reasonable written notice and statement of purpose.

SECTION 3. The Corporation shall file with the Secretary of State an Annual Report between the 15th day of January and the last day of February of each year.

SECTION 4. Each person who has acted or is now acting as a Director, Officer, Registered Agent, attorney, accountant, or employee for or on behalf of the Corporation shall be indemnified by the Corporation against any expenses actually and necessarily incurred by such person in connection with the defense of any action, suit or proceeding in which such person is made a party by reason of his having acted in such capacity. Such indemnification shall not be applicable where such person would be adjudged guilty by a court of law of willful misconduct in the performance of his duties.

SECTION 5. The Board shall promulgate rules and regulations not inconsistent with these by-laws governing the operation and use of the Corporation's facilities and in connection therewith shall take such other action as it deems necessary and proper.

SECTION 6. These by-laws are subordinate to the Articles of Incorporation, but shall control and take precedence over any other rule and regulation of the Corporation, or publication or other matter, whether oral or written.

SECTION 7. All points of order not covered by the By-Laws shall be ruled upon according to Robert's Rules of Order.

ARTICLE VII

Amendments

SECTION 1. This constitution may be amended at any annual or special meeting of the Corporation, by vote of two-thirds of the voting members present in person or by written proxy. Notices of proposed amendments shall be furnished to the Secretary and posted in the Clubhouse at least two weeks before the meeting at which it is proposed to consider them, and the Secretary shall mail a notice of such proposed amendments, with copies of same, to each member at least two weeks before such meeting.

ARTICLE VIII

Offices

SECTION 1. The Post Office address of the principal office of the Corporation shall be that designated by the Board of Directors. The Corporation shall have and continuously maintain in this State a registered office and a registered agent whose office shall be identical with such registered office as from time to time determined by the Board of Directors.

ARTICLE IX

Effective Date

SECTION 1. These by-laws shall become effective on such date as determined by the membership at the time they are adopted and shall supersede any previous by-laws of the Club.