

**BY-LAWS
OF
WILLOW CREEK SUBDIVISIONS, PHASES 4, PHASE 5 AND THE ESTATES.**

ARTICLE I – DEFINITIONS

The following words and terms, as used in the By-laws of Willow Creek Subdivisions, Phases 4, Phase 5 and the Estates., an Illinois not-for-profit Association, shall unless the context shall otherwise require, mean be defined as:

- a) “Association”:** Willow Creek Subdivisions, Phases 4, Phase 5 and the Estates., an Illinois not-for-profit Association
- b) “Member”:** Any person or corporation who has an interest as an owner in real estate situated in the Willow Creek Development, Woodford County, Illinois.
- c) “Directors”:** The duly constituted members of the Board of Directors of the Association.
- d) “Registered Office”:** That office maintained by the Association in this State and the address of which is on file with the Secretary of State of the State of Illinois.

ARTICLE II – REGISTERED OFFICE & AGENT

The Registered Office of the Association and its Registered Agent may be changed by the Board of Directors.

ARTICLE III – MEETINGS

Section 1. Annual Meeting: The Annual Meeting of the Association shall be held on the first Saturday or Sunday of November in each year. Said meeting shall be held at 2:00 P.M., at a location designated by the President. Special meetings may be called by the Board of Directors of said Association at any time in the manner hereinafter provided. A special meeting may also be called upon written petition of twenty percent (20%) of the members of the Association. Petitions shall also set forth the purpose for which the special meeting is to be called. Special meetings shall not consider any other business than that specified in the notice of the meeting.

Section 2. Notice of Members’ Meetings: Written or printed notice stating the place, date and hour of the meeting, and in case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) days, nor more than forty (40) days before the date of the meeting, either personally or by mail, at the direction of the Board of Directors, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid; or, such notice may be published by or under

the auspices of the Association and distributed generally among the members of the Association.

Section 3. Board of Directors: Meetings of the members of the Association shall be held at the location designated by the Board of Directors. The notice of a meeting of the Association shall contain the date, time and address of the place where the meeting is to be held.

Section 4. Quorum: A quorum at any annual or special meeting of regular members shall consist of regular members representing twenty percent (20%) of the number of such members entitled to vote, personally present or by proxy in writing filed with the Secretary of the Association. At least 20% of any quorum shall consist of members personally present. If there be no quorum present, the meeting may be adjourned by those present. If a notice of such adjourned meeting is sent to all regular members entitled to vote thereat, contains the time and place of holding such adjourned meeting, a statement of the purpose of the meeting, and the previous meeting failed for lack of quorum, and that under the provisions of this section it is proposed to hold the adjourned meeting with a quorum of those present, then, at such adjourned meeting, any number of regular members entitled to vote thereat shall be sufficient to transact business.

Section 5. Voting Privileges. Any person who is a member in good standing of the Association, as that term is defined herein, shall have the right to vote at any meeting, or on any question submitted at such meeting.

ARTICLE IV – THE DIRECTORS

Section 1. Powers. The Board of Directors shall:

- a) Manage and control the affairs of the Association, unless otherwise provided herein.
- b) Designate a banking institution or institutions as depository of the Association's funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.
- c) As it may be deemed necessary by the Board of Directors, the Board of Directors may perform other powers or acts, which authority to perform has been granted herein, or by law.

Section 2. Number. The number of the Directors shall be Seven (7).

Section 3. Election and Term.

Section 3.01: The Seven Directors elected to the Board of Directors shall serve terms as drawn by lot at their first regular meeting. Three Directors shall serve a term of two years and four directors shall serve a term of one year. Each regular term thereafter shall be for a two year period.

Between the first and fifteenth day of August of each year, any member in good standing may file as a candidate for the Board of Directors with the Secretary of the Association. The candidates' names shall appear on said ballots in the order in which they filed their statements of candidacy and petitions with the Secretary of the Association. Within thirty (30) days thereafter, the Secretary of the Association shall cause to be mailed to each member in good standing of the Association the ballots herein described. Within thirty (30) days thereafter, and in any event on the day designated within said period for such purpose by the Board of Directors in each election year, the polls shall be closed. The Election Committee shall be composed of the Secretary of the Association, the then existing Board of Directors of the Association, and a representative of each candidate for the office of Director. Said committee shall count the ballots and certify the results thereof, to the annual meeting of the Association. All ballots and statements of candidacy shall be retained by the Secretary of the Association for a period of one (1) year. Except as may be provided in this Article of the By-laws, the forms of ballots and other documents relating to election shall be as specified by resolution of the Board of Directors.

Section 3.02: The Election Procedures:

Section 3.03: The election to the Board of Directors shall be by written ballot as is hereinafter provided. At such elections the members may cast in respect to each vacancy as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation, and of these By-laws. The persons receiving the largest number of votes to fill the vacancies shall be elected.

When the petitioners for Directors do not exceed the number of vacancies as outlined in Article IV, Section 3.01, there need not be an election. The petitioners are automatically elected Directors and assume office at the end of the Annual Meeting.

Section 3.04: All elections to the Board of Directors shall be by written ballot, which shall:

- a) Describe the vacancy to be filled;
- b) Set forth the names of those persons who have become candidates for the office of Director, in the manner hereinafter set forth; and
- c) Brief biographical statements of each candidate shall accompany such ballots or shall be published by or under the auspices of the Association and distributed generally among the members of the Association.

Each ballot shall be placed in a sealed envelope, marked "ballot" but not marked in any other way. Each "ballot" envelope shall contain only one (1) ballot, and the members shall be advised that because of the verification procedures hereinafter set for the, the inclusion of more than one (1) ballot in any one "ballot" envelope shall disqualify the

return. Such “ballot” envelope or envelopes (if a member is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the member, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented and the ballot or ballots contained therein. The ballots shall be returned to the Secretary of the Association, at such address as the Board of Directors may from time to time determine shall be appropriate.

Section 3.05: Upon receipt of each return, the Secretary shall immediately place said return in a safe or other locked place until the day set for the counting of such ballots. On that day, the external envelopes containing the “ballot” envelopes shall be turned over unopened to the Election Committee shall then adopt a procedure, which shall establish:

a) That the number of envelopes made “ballot” corresponds to the number of votes allowed to the member, identified on the outside envelope containing them:

b) That the signature of the member on the outside envelope is genuine; and,

c) That such member is a member in good standing and entitled, therefore, to vote in said election. Such procedure shall be taken in such manner that the vote of any member shall not be disclosed to anyone, even the Election Committee. The outside envelope shall thereupon be place in a safe or other locked place and the Election Committee shall proceed to the opening of the “ballot” envelopes and the counting of the votes. If any “ballot” envelope is found to contain more than one (1) ballot, all such ballots shall be disqualified and shall not be counted.

Section 3.06: The Secretary shall then certify to the Board of Directors the name of the persons who have been elected as Directors of the Association. The terms of office of such Directors shall commence immediately following the Annual Meeting of the members of the Association in the year in which they are elected.

Section 4. Qualifications:

a) Directors shall be twenty-one years of age or older and shall be members of the Association.

b) A Director may be an officer of the Association at the same time, but shall not be an employee of the Association.

c) Where more than one person has a legal ownership interest in a lot, only one of such persons having an ownership interest may serve on the Board of Directors at any time.

Section 5. Meetings: The Board of Directors shall meet at least once each year. Special meetings of the Board of Directors may be called by a majority of the Directors and shall be held at the location designated by the President. Notice of a special meeting may be given in writing or orally at least twenty four (24) hours prior to the date of the said

special meeting, or notice thereof may be waived by the Directors in writing. The Board of Directors may by resolution determine that they should meet regularly on a periodic basis. Upon the adoption such a resolution setting forth the times of such regular meetings, the requirement of this section calling for notice of such meetings shall be waived, except insofar as it may apply to special meetings of the Board of Directors.

Section 6. Quorum. A majority of the Directors shall constitute a quorum to transact business for the Association, and the act of the majority of the Directors present at any meeting shall be deemed to be the act to the Board of Directors.

Section 7. Vacancies:

a) In the event that there shall be vacancies on the Board of Directors caused through the resignation, death or other incapacity of a Director, such vacancies shall be filled by election of the remaining directors.

b) Any director who shall absent himself from three (3) successive meetings, regular or special, without justifiable excuse, shall cease to be a director. It shall be the duty of the director seeking to be excused to submit his reason for non-attendance to the President or Secretary. The Board is vested with the power to determine whether the excuse is justified.

Section 8. Election of Officers. The Board of Directors shall elect the officers of the Association, fix their duties, and may allow reasonable reimbursement for expenses incurred by them in and about the performance of their duties as such officers, all as is hereinafter set forth in these By-laws.

Section 9. Adoption of Rules and Regulations. The Board of Directors henceforth do not have authority to change, add, or vary from these existing Rules & Regulations without a unanimous and consensus vote of all (7) directors. A simple quorum or a split vote, for this purpose, will be insufficient to effect any change of the Rules or Regulations. They may also, in order to better effectuate said rules and regulations, adopt reasonable sanctions for noncompliance therewith. Further, the Board of Directors may adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no ruling has been adopted, the ruling of the Chairman of the meeting shall be final.

Section 10. Appointment of Committees. The Board of Directors may, if in their opinion it shall be reasonably necessary and advisable, create various committees and appoint members thereto from the membership of the Association. Such committees may be standing committees or temporary committees. The Board of Directors may assign to such committees various duties and responsibilities as may from time to time be appropriate. Such committees may be designated or created, shall be advisory in nature.

Section 11. Financial Responsibilities of the Directors. Prior to the annual meeting in each year, the Board of Directors shall adopt an operating budget to be presented to the

membership at the annual meeting. Upon adoption thereof, the Board of Directors shall, based upon said operating budget, and taking into consideration all sources of revenue that the Association may have, levy the annual dues assessment for each member of the Association for the following year such that the sum of the budgeted expenses does not exceed the sum of the annual dues assessment and all other sources of revenue.

The Association shall collect and maintain replacement reserve for capital improvement funds in such amounts as are established by the Board of Directors for the replacement and improvement of the common elements and properties owned by the Association, and for such other purposes as may be directed by the Board of Directors.

All funds shall be deposited as per Article IV. Section 1, Item c) of the bylaws.

Section 12. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 13. Conflict of Interest. A current Board of Director shall not receive any personal financial benefit, including payments, kickbacks and/or special treatment from any decisions of the current Board of Directors or Management with regard to any expenditures or investment of Association funds. This shall not preclude any authorized expenses incurred while conducting Association business, provided that adequate receipts are maintained.

ARTICLE V – MEMBERSHIP IN THE ASSOCIATION

Section 1. Members in Good Standing. A member in good standing shall be a member who has paid all dues and assessments levied by the Association from time to time; and, in addition thereto, shall be a person who has not been otherwise declared by the Board of Directors to not be a member in good standing.

Section 2. Privileges of Members in Good Standing. Members in good standing shall be entitled to the use of all property owned or controlled by the Association, subject to the rules and regulations adopted by the Board of Directors relating to the use thereof, and shall be entitled to attend and vote at all meetings of the membership of the Association.

Section 3. Sanctions. The Board of Directors may impose reasonable sanctions upon members who are not members in good standing, as defined above. Such sanctions may include, but shall not be restricted to, the suspension of such member's privileges to the facilities owned by this Association.

Section 4. Payment of Dues. Written notice of the charge so fixed shall be sent to each member and such notice shall be deemed to be 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 thereon prepaid.

Section 5. Duties of Members. Each member of the Association shall keep the property owned by him in the Willow Creek Homeowners' Association in good repair and shall keep the same mowed so as to prevent the same from becoming unsightly.

ARTICLE VI – THE OFFICERS

Section 1. Offices. The officers of the Association shall be the President, one or more Vice-Presidents, Secretary, Treasurer and such other officers and assistant officers as the Board of Directors may from time to time elect. Officers shall serve at the will of the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. President. The President of the Association shall serve as an ex-officio member of the Board of Directors, but shall have no vote in any proceedings of the Board. He shall be the general managerial officer of the Association, except as may be otherwise designated or defined by the action of the Board of Directors, and he shall be vested with the powers and duties generally incident to the office of President of a not-for-profit Association, except where specifically designated to the contrary by action of the Board of Directors, or as may be otherwise set forth in these By-laws.

Section 3. Vice-President. In the absence of the President or in the event of his inability or refusal, to act, the Vice-President is empowered to act, and shall thereupon be vested with the powers and duties of the President of the Association.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Directors. He shall mail, or cause to be mailed, all notices required under the By-laws. He shall have the custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incident to the office of Secretary.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer. At the election of the Directors, the Treasurer may be required to be bonded for such amount and under such conditions as the Directors may see fit to impose.

Section 6. Removal of Officers. Any officer may be removed when, in the judgment of the Directors, the best interest of the association will be served by such removal.

ARTICLE VII. – INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES.

Any person who is involved in any legal action due to the fact that he is or was a director, officer or employee of the Association shall be indemnified by the Association, against all expenses he reasonably incurred in connection with or resulting from such legal action. These expenses shall also include amounts paid by him with the consent of the Association in reasonable settlement of such action except for those matters as to which it shall be determined that he was derelict in the performance of his duty to the Association. This right of indemnification shall apply to matters arising both before and after the time of adoption of this By-Law and shall not exclude any other legal right of indemnification to which he may be entitled.

ARTICLE VIII – AMENDMENT

These By-laws may be amended by affirmative vote of a majority of those entitles to vote on the question.

ARTICLE IX – VOTING BY PROXY OR ABSENTEE BALLOT

Voting by proxy shall be permitted except for the election of Directors. Proxies shall be in writing, signed by the member who has given the same. Proxies shall be in the form, which may from time to time be specified by resolution of the Board of Directors. Voting by mail ballot shall be permitted for any item scheduled on the agenda for the Annual or Special meeting, for which proper notice has been given to the membership, (including memoranda of items scheduled). Voting by mail ballot shall not be permitted for any adjourned meeting that previously failed for a lack of a quorum. The votes of the majority of the ballots cast in person, by proxy or by mail shall be sufficient to sustain the subject matter voted upon. Mail ballots shall be in the form, which may from time to time be specified by resolution of the Board of Directors.

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IN WITNESS WHEREOF, the undersigned swears and attests that Majority of the Lot owners of Estates of Willow Creek, Willow Creek Phase 5 and Willow Creek Phase 4 have voted to approve these FIRST AMENDMENT TO THE DECLARATION OF COVENANTS AND RESTRICTIONS OF WILLOW CREEK PHASES FOUR (4), PHASE (5) AND FOURTH AMENDMENT TO THE DECLARATION OF COVENANTS AND RESTRICTIONS OF ESTATES AT WILLOW CREEK , this _____ day of _____, 2010.

Secretary of Willow Creek Homeowner's Association

STATE OF ILLINOIS }
 } SS
COUNTY OF WOODFORD }

I, the undersigned, a Notary Public in and of said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____ is personally known to me to be the same person whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed, sealed and delivered said instrument as his/her/their free and voluntary act, for the purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal, this ____ day of July, 2010.

Notary Public: _____