

BY-LAWS OF THE
ARBOR CREEK HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I: Name of Corporation

The name of this corporation is the ARBOR CREEK HOMEOWNERS' ASSOCIATION, INC. ("Association"). The Declaration of Protective Covenants, Conditions and Restrictions recorded as Documents numbers 2009K080559 against the Arbor Creek Subdivision is hereinafter referred to as the "Declaration" of the Association.

ARTICLE II: Purposes and Powers

Section 1: This Association has been organized to accept and hold title to the Common Properties which may be conveyed from time to time in accordance with the Declaration; to maintain and administer the Common Properties as provided by the Declaration; to administer and enforce the covenants and restrictions as set forth in the Declaration; and to collect and disburse the assessments and charges as provided in the Declaration.

Section 2: Subject to the provisions of the Declaration, and to the extent provided by law, the Association may participate in mergers and consolidations with other not-for-profit corporations organized for the same or similar purposes,

Section 3: 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 Declaration, and these By-laws.

Section 4: This Association shall be a corporation which administers a common interest community as defined in Subsection (c) of Section 9-102 of the Illinois Code of Civil Procedure and this Association shall perform acts and refrain from any act so as to qualify for tax-exempt status pursuant to Section 501 (c) (3) of the Federal Internal Revenue Code.

Section 5: All present and future Owners, their agents and employees, shall be subject to the provisions of the Declaration and these bylaws. The acquisition of a Lot or Dwelling will signify acceptance and ratification of and intention of compliance with, the Declarations and these By-laws.

ARTICLE III: Membership and Voting

Section 1: Every record Owner of a fee simple interest in the Arbor Creek Subdivision ("Subdivision") shall become and be a Member of the Association. Said Members shall hereinafter be referred to as "Member" or "Members". Each such Member in good standing who is fully paid up on dues, late fees, penalties and other past due charges is considered a "Voting Member", and shall be entitled to vote on any matters submitted to a vote of Members. Each lot in the Subdivision shall be entitled one (1) vote.

Where title to a lot is in the name of more than one person, such Co-Owners must designate one spokesperson who shall hereinafter be referred to as "Voting Member" and shall be entitled to a single vote which vote shall be binding on the other record Owners of said lot. Members who are NOT in good standing shall forfeit their ability to vote on any Association matters. Upon the sale or transfer of ownership in a lot, membership in the Association is terminated and transferred to the new Owners.

Section 2: The Voting Member may vote in person or by Proxy executed in writing by the voting member or his duly authorized attorney-in-fact and filed with the Secretary prior to the start time of the annual meeting or special meeting. Unless otherwise provided in the Proxy, the Proxy shall be invalid after eleven (11) months from the date of its execution. Every Proxy must bear the date of execution.

ARTICLE IV: Board of Directors

Section 1: The affairs of the Association shall be managed by a Board of Directors ("Board"). A Member's status as an Association Director shall not affect that person's right to vote on Association matters and said Member Director shall be entitled to Vote if he or she meets the requirements set forth in Section 1 of Article III herein.

Section 2: The Board of Directors shall be a minimum of 7 and a maximum of 9 members serving a term of one year.

Section 3: A Director may resign at any time by written notice delivered to the Board of Directors or to the President or Secretary of the Board. A resignation is effective when the notice is delivered unless the notice specifies a future date. Vacancies in the Board shall be filled by the vote of a majority of the remaining Directors at any regular meeting or at any special meeting called for such purpose. Any such Interim-Director shall hold office until his or her successor is selected by the Voting Members at the next annual meeting at which time the interim Director's predecessor's term would have expired or a special meeting called for that specific purpose.

ARTICLE V: Election of Directors

Section 1: Election to the Board shall be by written ballot as hereinafter provided. At such election, the Voting Members or their proxies may cast, in respect to each vacancy, vote as they are entitled to under the provisions of the Declaration and as stated in Article III and Article V. The candidates receiving the largest number of votes shall be declared elected.

Section 2: Nominations for elections to the Board shall be made by a Nominating Committee which shall be one of the standing Committees of the Association or by the Secretary in absence of a Nominating Committee.

Section 3: The Nominating Committee shall consist of a chairperson who shall be a Director and two (2) or more Voting Members of the Association. The Nominating

Committee shall be appointed by the Board prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting.

Section 4: The Nominating Committee shall make as many nominations for election to the Board as its discretion determines, but not less than the number of vacancies that are to be filled. Only Voting Members can be nominated for election to the Board. Any Voting Member of the Association can be nominated by making a written request to the Nominating Committee prior to the date set by the Committee for finalizing the written ballot. Nominations shall be placed on a written ballot as provided in Section 5 below, and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to Members.

Section 5: All elections to the Board shall be made on written ballots which shall:

- (A) Set forth the names of those nominated by the Nominating Committee;
- (B) Contain a space for write-in vote by the Voting Members; and
- (C) Contain a space for the lot number, address, and signature of the Voting Member.

Such ballots shall be prepared and mailed by the designated board member, who has been selected by the majority vote of the board, to the Voting Members at least thirty (30), and not more than sixty (60) days in advance of the date set forth therein for return of ballots. Ballots which are not brought in person to the annual or special meeting called for election must be returned to the designated board member prior to the time set for the meeting.

Section 6: Each Voting Member shall receive one (1) ballot plus one (1) ballot for each Proxy he holds. Notwithstanding that a Voting Member may be entitled to several votes, he shall exercise on any one (1) ballot only one (1) vote for each vacancy shown thereon. The completed ballots shall be returned to the designated board member at the address stated in the ballot transmittal.

Section 7: Upon receipt of each completed official ballot, the designated board member shall immediately place it in a safe place or other locked place until the day set for the annual or other special meeting at which the elections are to be held. The procedure for counting the ballots shall be as follows:

- (A) Establish that the number of completed official ballots corresponds to the number of votes allowed to the Member or His Proxy;
- (B) Verify that the ballot is signed by the Member
- (C) If the Vote is by Proxy, verify that a Proxy has been filed with the Secretary as provided herein and that such Proxy is valid.

Such procedures shall be taken in such manner that the vote of any Member or his Proxy shall not be disclosed to anyone with the exception of those charged with counting the ballots.

The counting of the votes on the day of the annual or special meeting will take place upon conclusion of the meeting. If any completed official ballot does not conform to the requirements or rules set forth in Article V, such ballot(s) shall be disqualified and not be counted. The ballots shall be counted, the names of those elected made public to those still present at the meeting as well as by being posted on the ACHA web site. The ballots shall be retained by the Secretary until the next election at which time they will be shredded.

ARTICLE VI: Powers and Duties of the Board

The Board shall have all of the powers and duties granted to it or imposed, upon it by the Declaration, these Bylaws and the Illinois General Not-For-Profit Corporation Act of 1986, including, without limitation, the following powers and duties:

- (A) To procure insurance as provided in the Declaration;
- (B) To engage the services of a manager or managing agent to assist the Association in performing and providing such services as the Association is required to provide its Members under the Declaration;
- (C) To estimate and provide each Voting Member (upon request) with an annual budget showing estimated Common Expenses, reserves and receipts provided for in the Declaration;
- (D) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;
- (E) To set, give notice of, and collect assessments from the Members as provided in the Declaration;
- (F) To pay all maintenance, repairs and replacements in or to the common property and the cost and expense thereof shall be charged uniformly to the lots, except to the extent that the same are necessitated by the negligence, misuse or neglect of Members in which case such cost shall be borne by such Member;
- (G) To delegate the exercise of its power to Committees pursuant to Article VIII of these By-laws whenever practical and appropriate;
- (H) To provide any Member a written statement of all unpaid charges due from the lot in which he holds an interest providing such request is in writing and signed by said member;
- (I) To exercise for the Association all powers, duties and authority

vested in or delegated to this Association, except those, if any, reserved to the Members in the declaration or in the Corporation's Articles of Incorporation;

- (J) To cause to be kept a complete record of the Association's acts and corporate affairs and to present a statement thereof to the Members at the annual meeting or, at any special meeting, when requested by the Members;
- (K) To issue, or to cause an appropriate officer to issue, upon written demand by any Member a certificate setting forth whether that Member's assessments are current and fully paid. Such certificate shall be conclusive evidence of the matters therein certified;
- (L) To elect and remove the Officers of the Association as provided hereinafter;
- (M) To administer the affairs of the Association and the Common Property if any;
- (N) To formulate policies for the administration, management and operation of the Common Property if any;
- (O) To adopt rules and regulations governing the administration, management, operation and use of the Common Property, and to amend such rules and regulations from time to time;
- (P) To pay the real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the Association;
- (Q) To seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as Common Expenses, but only upon authorization by the affirmative vote of a majority of the Board at a meeting duly called for such purposes;
- (R) To impose charges, by a majority vote of the Board, for late payments of a Member's proportionate share of the Common Expenses, membership dues, or any other expenses lawfully agreed to be levied upon the Association or its Members, and after notice and an opportunity to be heard, reasonable fines for violation of the Declaration, By-laws, and rules and regulations of the Association; Terms for payment of all such charges and any adjustment to those terms shall also require a majority vote of the Board.
- (S) To record the declaration of a portion of the Common Property to a

public body for use as, or in connection with, a street or utility, where authorized by the Voting Members;

- (T) To establish from time to time user charges to defray the expense of services, facilities or benefits which may not be used equally or proportionately by all Members;
- (U) To pay for any other materials, supplies, furniture, labor, services, maintenance, repairs, alterations, social events or assessments which the Board is required to secure or pay for pursuant to the terms of the Declarations or By-laws which, in its opinion, shall be necessary or proper for the maintenance and operation of Arbor Creek Subdivision Homeowner's Association as a first class planned unit development or for the enforcement of the Board's rules and regulations
- (V) To authorize, by a majority vote of the Board, a lien against a Member for non-payment of an assessment, dues or any charge levied by the Association. Prior to recording a lien, a Member will be given thirty (30) days written notice of the Board's intention to assess a lien against their property. Members whose dues or any other assessments are two (2) months or more in arrears will be subject to the recording of liens. After payment of outstanding assessments, in the absence of an Officer, any Board Member has the authority to execute legitimate releases of liens recorded against a member's property.
- (W) To promulgate any definitions for any Declaration or By-Law terms that the Board or its Committees deem necessary.
- (X) To ensure that the secretary keeps a voting record of the Board by vote totals only in the minutes of the Board of Directors meetings.

ARTICLE VII: Officers and their Duties

Section 1: The Officers of the Association shall be a President, Vice-President, Secretary and Treasurer.

Section 2: The election of Officers shall be by a majority of the Board of Directors and shall take place at the first meeting of the new Board following each annual meeting of the Members.

Section 3: The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified from service.

Section 4: A vacancy in any office may be filled by appointment by the Board. The Interim Officer appointed to such vacancy shall serve for the term remaining of the Officer he replaces.

Section 5: The PRESIDENT shall (A) preside at all meetings of the Board of Directors and the general membership of this Association, (B) set an agenda for distribution no less than forty-eight (48) hours prior to a meeting, (C) shall be a signatory of this Association, (D) may execute contracts, agreements, deeds, leases, and other instruments including without limitation, all amendments to the Declaration and these By-laws, as provided for in said documents; (E) conduct or delegate to an appropriate board member the correspondence of the Association and (F) perform such other duties as may be assigned by the Voting Members of the Association or the Board.

Section 6: The VICE-PRESIDENT shall (A) preside in the absence of the President, (B) shall be the aide to the President, (C) shall be a signatory of this Association, (D) may execute contracts, agreements, deeds, leases, and other instruments including without limitation, all amendments to the Declaration and these By-laws, as provided for in said documents, (E) be a primary contact for issues related to questions and violations of the Declaration.

Section 7: The SECRETARY (A) shall keep the minutes of business conducted at all meetings of the Board of Directors and general membership (B) may conduct the correspondence of the Association (C) shall post or delegate the posting of the agenda for the Board of Director's meetings on the ACHA web site no less than twenty-four (24) hours prior to the meeting to the general membership, (D) shall be a signatory of this Association, (E) shall locate and reserve all necessary meeting space for ACHA meetings and (F) in the absence of volunteers for the Nominating Committee shall assume those responsibilities.

Section 8: The TREASURER shall (A) receive and deposit in appropriate bank accounts all monies of the Association (B) keep proper books of account (C) prepare an annual budget which has been adopted by the Board of Directors and a statement of income and expenditure to be presented to the general membership at its regular annual meeting and make available a copy of each to the Members at least twenty-four (24) hours prior to said meeting and, (D) in conjunction with the President and the Vice President may, execute all contracts, agreements, deeds, leases, and other instruments including without limitation, all amendments to the Declaration and these By-laws, as provided for in said documents (E) shall be a signatory to checks or drafts of this Association.

ARTICLE VIII: Committees

Section 1: The Standing Committees of the Association shall be the Nominating Committee, the Architectural and Landscape Review Committee (a.k.a. Design Review Committee - Article III CCR's), the Budget and Finance Committee, the Government Liaison Committee, the Social Activities Committee, and the Communications Committee.

Section 2: The NOMINATING COMMITTEE shall have the duties and functions described in Article V hereof.

Section 3: The ARCHITECTURAL AND LANDSCAPE REVIEW COMMITTEE ("ALRC") shall have the duties and functions established for said Committee and expressed in the Declaration or as may be determined by the Board from time to time. All proposed plans for architectural and or landscape modifications must be presented to the ALRC for approval prior to the commencement of any work. The ALRC Committee shall preferably consist of five (5) Members although this number is not mandatory. Members shall contact the Chairman of the ALRC in order to present their plans. Presentation of plans to a Committee Member shall not be deemed to be submission of plans to the Committee itself. Members are encouraged to submit preliminary sketches for "informal comment" prior to submittal of final architectural drawings and specifications. Submission of final plans for the purpose of beginning the thirty (30) day approval/disapproval timetable as stated in the Declaration occurs upon receipt of a complete set of final plans by the ALRC Chairperson. A complete set of final plans consists of a plat of survey, appropriate architectural plans including a site layout, landscaping plans, specifications, and materials lists. The ALRC is empowered to approve or disapprove all plans. The Committee's decision shall be communicated to the Member applicant in writing. If a plan is rejected, an appeal may be requested (in writing) within 30 days to the ACHA Board for a final decision. No work shall commence until the appeal process is completed. The Chairperson of the Committee or his designate shall be available to give a monthly update to the Board of Directors at one of its regularly scheduled meetings or to provide a written report via e-mail or regular mail to the President or Secretary in advance of the monthly meeting. The Vice President shall be a standing member of this committee.

Section 4: The BUDGET AND FINANCE COMMITTEE shall prepare in conjunction with the Treasurer and present to the Board the Association's budget for approval or modification and make recommendations to the Board for the proper investment of any funds held by the Association. The Treasurer shall be an adviser Member of said Committee.

Section 5: The GOVERNMENT LIAISON COMMITTEE shall send a Member to attend any meetings or hearings presented by any government body or agency and review any legislation, resolution or other action that may impact Arbor Creek Subdivision whether directly or indirectly, and make recommendations to the Board or the Members at large regarding same.

Section 6: The SOCIAL ACTIVITIES COMMITTEE shall be responsible for making and submitting plans and annual budgets to the Board for community activities; including an annual block party, neighborhood garage sale, Easter Egg Hunt, Fourth of July Parade or any other such activities.

Section 7: The COMMUNICATIONS COMMITTEE shall maintain a directory of all Members of the Association including e-mail addresses, maintain the Association web site, periodically publish an informational newsletter, disseminate Neighborhood Watch alerts and welcome new Owners to the Association.

Section 8: In addition to the above standing committees, the Board, by resolution adopted by a majority of the Directors in office may designate additional committees

which, to the extent consistent with law and as provided in such resolution, shall have and exercise the authority of the Board in the management of the Association. The designation of such Committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon the Board or the individual by law.

Section 9: Except as otherwise provided in such resolution, Members of each such Committee shall be Voting Members of the committees and the Board shall annually appoint the Members thereto. Any Member thereof may be removed by a majority vote of the Board, whenever in their judgment the best interest of the Association shall be served by such removal.

Section 10: In addition to the duties described above it shall be the duty of each Committee as established (or hereinafter created by resolution of the Board) to receive complaints from Members of any matter involving that Committee's functions, duties, activities and enforcement of the Declaration, these By-laws, and any other rules or regulations within its field of responsibility. The Committees shall dispose of such complaints as they deem appropriate or refer them to such other Committee, Director or Officer of the Association as is further concerned with resolution or enforcement of the matter presented. However, notwithstanding the above, it shall be the sole function and responsibility of the Board to authorize by a majority vote of the quorum the institution of any legal action to resolve the matter presented.

Section 11: Each Member of a Committee must be a voting member and shall continue as such until the next annual meeting of the Board called for this purpose or until his successor is appointed unless at an earlier date the Committee shall be terminated, or unless such Member shall be removed from such Committee, or unless such Member shall cease to qualify as a Member thereof, or unless such member shall resign from such committee.

Section 12: One Member of each Committee shall be appointed chairperson by majority vote of the Committee.

Section 13: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 14: Unless otherwise provided in the resolution of the Board designating a Committee, a majority of the whole Committee shall constitute a quorum and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Committee.

Section 15: Each Committee may adopt rules for its own governance not inconsistent with the Declaration, these Bylaws or rules, regulations, policies or procedures adopted by the Board.

Section 16: Chairpersons of the Committees shall include in their Committee's procedure files, a statement of purpose, budgets, reports of receipts and expenditures,

recommendations to their successors and evaluation of the undertakings of their tenure. The Chairperson or Committee Secretary will be responsible for notifying fellow Committee Members of the time and place of meetings a least seventy-two (72) hours prior to the meeting of the Committee. Chairperson of the Committee or his designate shall be available to give a monthly update to the Board of Directors at one of its regularly scheduled meetings or to provide a written report via e-mail or regular mail to the President or Secretary in advance of the monthly meeting.

ARTICLE IX: Meetings

Section 1: Meeting of Members:

- (A) The first annual meeting of the Members shall be held in January and each subsequent regular annual meeting of the Members shall be held on the third Sunday of January of each year, thereafter, at the hour of 4:00 p m. If the day of the annual meeting is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. The annual meeting shall be held at such place as shall be fixed by the Board of Directors.
- (B) Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon the written request of twenty-five percent (25%) of the Voting Members of the Association.
- (C) Official notice of each Annual Meeting of the Members of the Association shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing, or personally delivering a copy of such notice to all Members, not less than thirty (30) nor more than sixty (60) days prior to such meeting as required where adoption of an annual budget is to be obtained. Notice for Special Meetings of the Members can be given by either mailing, e-mailing, posting on the Association web site or personally delivering a copy of such notice to all Members not less than five (5) nor more than sixty (60) days prior to such meeting, or, in the case of removal of one or more Directors, a merger, consolidation, dissolution or sale, lease or change of assets, not less than twenty (20) nor more than sixty (60) days before the date of the meeting. Such notice shall specify the place, day and hour of the meeting, and in the case of a Special Meeting, the purpose of such meeting. A waiver of a notice 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.

- (D) The presence at the meeting of twenty percent (20%) of the Voting Members shall constitute a quorum for any matters to be considered at the meeting, except as otherwise may be required by the Declaration. If a quorum is present, the affirmative vote of a majority of the votes present and voted, either in person or by Proxy, shall be the act of the Members unless a different quorum is specifically set forth in the By-laws or the Declaration. If a quorum is not present or represented at any meeting, the Voting Members shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.
- (E) Members eligible to vote at the annual meeting must be in good standing with all dues, late fees, penalties and other past due charges fully paid up. Dues, late fees, penalties and other past due charges can be paid by cash or certified check up to twenty-four (24) hours prior to the annual meeting to be eligible to vote.

Section 2: Meetings of the Board of Directors:

- (A) The Board shall hold a meeting within thirty (30) days following the Annual Meeting of the Members of the Association at such place as shall be determined.
- (B) Regular meetings of the Board of Directors shall be held at such time and place as shall be determined at its February meeting, but no less than quarterly, or from time to time, as determined by a majority of the Directors.
- (C) Special meetings of the Board may be called by the President, or by at least one third (1/3) of the Directors then serving or by Voting Members representing twenty five percent (25%) of the Votes.
- (D) A majority of the Directors then in office shall constitute a quorum for the election of Officers and for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, except as may be otherwise expressly provided herein or in the Declaration.
- (E) Directors may participate in and act at any meeting of the Board through the use of conference telephone or other audible communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

- (F) Any action required by law or these By-laws to be or which may be taken at a meeting of the Directors, may be taken without a meeting if a unanimous consent in writing, setting forth the action so taken, shall be signed by all Directors entitled to vote with respect to the subject matter.
- (G) To the extent required by law, each meeting of the Board shall be open to any Member. The Board may adopt reasonable rules governing the conduct of Members who attend meetings and Members who do not comply with such rule may be removed from the meeting.
- (H) Board Members may vote on time-sensitive Association business by e-mail provided that all board Members are copied on each member's vote with ratification to follow at the next regularly scheduled Board of Director's meeting.
- (I) Meetings of the Board of Directors shall be open to all Members except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed or is pending in a court or administrative tribunal, or when the Board of Directors finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association. In consideration of any voting Members in attendance at Board of Directors meetings, all Closed Sessions will be conducted at the conclusion of the open portion of a meeting whenever possible. A separate set of minutes will be recorded for portions of meetings conducted in Closed Session. These minutes will be considered strictly "Confidential;" will be available to Board Members only; shall not be discussed with anyone other than Members of the Board of Directors and will *not* be posted on the ACHA web site.
- (J) The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors and committees having any of the authority of the Board of Directors, and a record giving the names and addresses of its Members entitled to vote. These records will be kept at a location(s) as decided by the majority vote of the board from time to time, which may include various board member's homes or offices or electronically. Any voting member shall have the right to examine, in person or by agent, at any reasonable time or times, the corporation's books and records of account and minutes, and to make extracts there from, but only for a proper purpose. In order to exercise this right, a Voting Member must make written demand upon the Association via regular mail 7 days prior to a regularly scheduled Board meeting, stating with

particularity the records sought to be examined and the purpose therefore. Depending upon the scope of the records to be reviewed, the examination could take place one half hour prior to a Board meeting or immediately upon conclusion of a Board meeting. If the scope of the examination is more extensive, a time and location mutually agreeable to all parties should be selected. Two board Members must be present during the entirety of any records examination. If a Voting Member seeks to examine books or records of account the burden of proof is upon the Voting Member to establish proper purpose. If the purpose is to examine minutes, the burden of proof is upon the Association to establish that the Voting Member does not have proper purpose.

ARTICLE X: Removal or Resignation

Section 1: Any Director may be removed from office with or without cause by an affirmative vote of two-thirds (2/3) of the Voting Members present at any annual meeting or any special meeting called for such purpose. Any Director whose removal has been proposed by the Voting Members shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by submitting his or her written resignation to the Board. If the Director ceases to be an Owner or a Voting Member, he shall be deemed to have resigned as of the date of such cessation. No Director shall be removed at a meeting of Members entitled to vote unless the written notice of such meeting is delivered to all Members entitled to vote on the removal of Directors.

Section 2: Any Officer may be removed from office, with or without cause, by a two-thirds (2/3) vote of the Directors at a meeting of the Board. Any Officer may resign at any time giving written notice to the Board.

ARTICLE XI: Vacancies

Section 1: A successor to fill the expired term or unexpired term of a Director who resigns or is removed may be appointed by a majority of the remaining Directors at any regular or special meeting of the Board of Directors, and any Director so appointed shall hold office for the balance of his predecessor's term.

Section 2: A vacancy in any office may be filled by appointment by a majority of the Directors at any regular meeting or at any special meeting called for such purpose. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

ARTICLE XII: Contractual Powers

No contract or other transaction between the Association and one or more of its Directors or between this Association and any corporation, firm or association in which one or more of the Directors of this Association are Directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a Committee thereof which authorized or approved the contract

or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (A) The fact of the common directorship or financial interest is disclosed or known to the Board or Committee and noted in the minutes and the Board or Committee authorizes, approves or ratifies that contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such interested Director or Directors and
- (B) The common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a Committee thereof which authorizes, approves, or ratifies a contract or transaction but may not be counted when the Board of Directors takes action on the transaction.

ARTICLE XIII: Amendments

These By-Laws may be amended or modified at any time, or from time to time, by the vote of two-thirds (2/3) of the Board of Directors or two thirds (2/3) of the Voting Members at an annual meeting or a special meeting called for such purpose, provided, however, that no provision of these By-laws may be amended or modified so as to conflict with the provision of the Declaration. Any Voting Member wishing to propose a modification or an amendment to the By-laws shall submit a written request for a vote on such modification or amendment to the Board of Directors.

ARTICLE XIV: Rules of Order

The rules contained in the latest edition of ROBERTS RULES OF ORDER shall govern this Association in all cases to which they are applicable, and in which they are not inconsistent with these By-Laws

ARTICLE XV: Fiscal Management

Section 1: The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board shall deem advisable.

Section 2: Within a reasonable period of time after the close of each fiscal year, the Board shall make available to each Owner a summarized accounting of all expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the annual assessment budget, and showing the net excess or deficit of income over expenditures plus reserves.

Section 3: Annual and special assessments shall be made and collected as provided in Article V of the Declaration, and provisions of said Article V are incorporated herein by reference.

Section 4: The Board may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by the By-laws, to enter into any contract or execute and deliver any instrument (including amendments to the Declaration or these By-laws which must be executed by the Association) in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or Treasurer and attested to by the Secretary or Vice-President of the Association.

Section 5: All checks, drafts, vouchers or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall require two signatures either by Officers of the Board - Treasurer, Vice President, President or Secretary of the Association - and/or an authorized agent or agents of the Association.

Section 6: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks,

Section 7: The Board may accept on behalf of the Association any contribution, gift, bequest or other devise for the general purpose, or for any special purpose of the Association.

Section 8: At least two-thirds (2/3) of the Voting Members of the Association are needed to approve any major financial commitments of the Association, which commitments are in excess of budgeted items or items already approved for by the Board in Article VI. Such major financial commitments shall include but not be limited to acquisition of common property, installation of sidewalks, streetlights, etc.

ARTICLE XVI: Miscellaneous Provisions

Section 1: The Officers and Directors from time to time constituting the Board shall not be liable to the Owners for any mistake in judgment or for any acts or omissions made in good faith by such Officers or Directors.

Section 2: In the performance of their duties, the Officers and Members of the Board are required to exercise the care required of a fiduciary to the Owners.

Section 3: No Officer or Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Voting Members. Upon the presentation of receipts or other appropriate documentation, an Officer or Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as an Officer or Director of the Association.

Section 4: Nothing in these By-laws shall be considered to grant to the Board, to the Association, or to the Officers of the Association any powers or duties which, by law, have been delegated to the Owners.

Section 5: Certain words or terms which are defined in Article II of the Declarations shall have their same meaning in these By-laws and these words and their definitions are incorporated herein by reference.

Section 6: The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of the By-laws.

Section 7: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws or the intent of any provisions hereof.

Section 8: The use of the masculine gender in these By-laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

Section 9: No restriction, condition, obligation or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 10: These By-laws and the rules and regulations promulgated hereunder are intended to comply with the requirement of the State of Illinois General Not-For-Profit Act of 1986 and all other applicable laws. In case of any of these By-laws or any provision of the rules and regulations shall conflict with the provisions of said statute, the provisions of said statute shall control.

Section 11: Upon ratification by the Board, the minutes of any Board meeting will be made available to any Member on the Association web site within a reasonable period of time of said meeting.