

PLUM GROVE HILLS OWNERS ASSOCIATION

BY-LAWS

ARTICLE I

Name and Purpose

SECTION ONE: Name. The name of this Association shall be the Plum Grove Hills Owners Association, Inc., an Illinois not for profit corporation.

SECTION TWO: Incorporation. The Association shall be incorporated under the laws of the State of Illinois as a General Not for Profit Corporation; and, shall have such powers as are now or as may hereafter be granted by the General Not for Profit Corporation Act of the State of Illinois.

SECTION THREE: Purpose. The purposes of the Association are as stated in the Certificate of Incorporation; and, as are intended by the Association towards civic betterments in and about the area commonly known as Plum Grove Hills, in the Village of Palatine, Cook County, Illinois, including, without limitation:

- (a) To foster the mutual interests of the members of the Association, by providing a collective voice to speak out on matters concerning the community welfare;
- (b) To promote community awareness on matters of local government concern which affect the geographical area of the Association;
- (c) To promote and to encourage friendly relations and social activities among and for Association members;
- (d) To maintain and to enforce, to the extent lawful and not against public policy, the easements, restrictions and covenants established and reserved under a certain "Declaration of Conditions, Covenants, Easements and Restrictions", relating to the "Plum Grove Hills Owners Association" dated August 1, 1976, and recorded July 21, 1977, in the Office of the Recorder of Deeds of Cook County, Illinois, as Document Number 23948764, and as heretofore or as hereafter amended; or, of any plat of subdivision, deed of conveyance or other instrument affecting lands in Plum Grove Hills.

SECTION FOUR: Restrictions. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting, to influence legislation; and the Association shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign

on behalf of any candidate for public office. This paragraph shall not be construed in such manner as to prohibit political action, other than on behalf of any candidate for public office, for the lawful purposes of the Association, including, without limitation, the taking of positions on matters affecting the Association.

SECTION FIVE: Dissolution. Upon dissolution of the Association, the assets of the Association, remaining after payment of its liabilities shall have been made or provided for, shall be distributed in accordance with a plan of distribution approved and adopted by the Association members, pursuant to the provisions of the Illinois General Not for Profit Corporation Act. If a plan of distribution is not adopted and approved by the Association members within three (3) months after the members adopt a resolution approving the dissolution of the Association, the assets of the Association, remaining after payment of its liabilities shall have been made or provided for, shall be distributed exclusively to the Village of Palatine, for public purposes.

ARTICLE II

Offices

The Association shall have and shall continuously maintain in this State, a registered office and registered agent whose office is identical with such registered office.

ARTICLE III

Membership

SECTION ONE: Eligibility. Each Plum Grove Hills Subdivision Lot Owner shall be eligible for membership in the Association during the period he/she owns a Lot in Plum Grove Hills, provided that where title to a Lot is in more than one person, such co-owners, together, shall be considered as a single member.

SECTION TWO: Standing. An Association membership shall be issued in the name of an eligible Lot Owner provided that said Lot Owner has paid the current annual Association assessments.

For all purposes, herein, each Association member shall be entitled to one (1) vote.

SECTION THREE: By-Laws. Each Association member shall be entitled to one (1) copy of the By-Laws of the Association; and, to all amendments to the By-Laws adopted by the Association during the period for which the Lot Owner remains eligible for Association membership.

ARTICLE IV

Board of Directors

SECTION ONE: General Powers. The affairs of the Association shall be managed by its Board of Directors. In addition to all of the powers and duties conferred upon it by law, the Board of Directors shall be vested with all of the powers and duties conferred upon it by the Declaration and these By-Laws.

SECTION TWO: Number, Tenure and Qualifications. The number of directors shall be five (5). Each director shall hold office for one (1) year from the time of election and until his successor shall have been elected and qualified. No director may be elected unless he is a Member of the Association and a resident of Plum Grove Hills. In addition, no more than one (1) Lot Owner from the same household shall be eligible to serve as a director at any one time.

SECTION THREE: Regular Meetings. A regular meeting of the Board of Directors shall be held within thirty (30) days after the Annual Meeting of Members. The Board of Directors may provide by resolution the time and place within the geographic limits of the Village of Palatine for the holding of additional regular meetings of the Board without other notice than such resolution.

In addition, the Board of Directors shall meet at least once each calendar quarter during the year commencing in December of any given year.

SECTION FOUR: Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or of any two (2) sitting directors. The person or persons authorized to call special meetings of the Board may fix any place, within the geographic limits of the Village of Palatine, as the place for holding any special meeting of the Board called by them. Members of the Board shall be notified of the time, place and specific purpose of such special meeting.

SECTION FIVE: Notice. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto by written notice delivered personally or sent by mail to each director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, in a sealed envelope, so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

SECTION SIX: Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; provided, that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION SEVEN: Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these By-

Laws, and shall be binding upon all members of the Board of Directors.

SECTION EIGHT: Removal. Any director may be removed from the Board, with just cause shown, by a majority vote of the members of the Association convened, with a quorum, for that purpose. In the event of death, resignation or removal of a director, the vacancy shall be filled in accordance with the provisions of SECTION NINE below.

SECTION NINE: Vacancies. Any vacancy occurring in the Board of Directors, shall be filled by an election of the voting members of the Association either at the next Annual Meeting of the Association, or at a Special Meeting of the Association convened for that purpose.

In the event of the lack of a quorum for the election of a vacant directorship at either the Annual Meeting or at the Special Meeting convened for the purpose of vacancy selection, the Board of Directors, by majority vote, shall make the necessary director selection. Absent a majority vote, the directorship shall remain vacant until the convening of either the next Annual Meeting or of a Special Meeting called for the specific purpose of vacancy selection.

Any successor director shall serve the remaining term of the director for whose directorship the successor has been chosen.

SECTION TEN: Compensation. No director shall receive compensation for any service he may render to or on behalf of the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties, provided that the expenses are reasonable both in terms of amount and purpose; and, that the Board of Directors shall have approved reimbursement.

ARTICLE V

Nomination and Election of Directors

SECTION ONE: Election Committee. Nominations for election to the Board of Directors shall be made by an Election Committee. The Election Committee shall be appointed by the President, with the consent of the Board of Directors, at least sixty (60) days prior to any meeting of the Members of the Association at which an election of directors is to be held. The Election Committee shall consist of at least three (3) members of the Association, and shall include one (1) director whose term has not expired.

SECTION TWO: At least forty-five (45) days prior to the scheduled election meeting, the Election Committee shall notify all members of the Association, by mail, of the election date and of the Committees' intention to solicit candidates for election. Those individuals who desire to become candidates shall have fifteen (15) days after such notification is received in order to make known, in writing and by registered mail, to the Election Committee, their intention to become a candidate; and, to submit to the Election Committee a brief statement describing

their reason(s) for becoming a candidate and the platform upon which they intend to run for election.

SECTION THREE: Slating. At least thirty (30) days prior to the scheduled election meeting, the Election Committee shall mail, to all eligible members of the Association, the following: a reproduction of the candidates platform and reason(s) for becoming a candidate; a ballot providing the names of all candidates notified to the Election Committee; and, appropriate instruction regarding voting and proxy voting procedures.

SECTION FOUR: Additional nominations may be made from the floor by a voting member, at the annual meeting, provided the member nominated is present and willing to serve if subsequently elected.

SECTION FIVE: Election. Election to the Board of Directors shall be by secret, written ballot. The persons receiving the highest number of votes shall be elected. In case of a tie for the last board position, the Election Committee shall determine the winner by lottery.

In the event of the lack of a quorum, the incumbent Board of Directors shall remain in office until the next Annual Meeting, or until a Special Meeting is called for the purpose of electing a Board of Directors.

ARTICLE VI

Board of Directors: Powers & Duties

SECTION ONE: Powers & Duties. In addition to the provisions of Article IV, SECTION ONE, herein, the Board of Directors shall have the following powers and duties:

- a) Maintain, manage and administer the affairs of the Association, in accordance with the Declarations and Articles of Incorporation.
- b) Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Owners and their guests thereon, and to establish penalties for violations.
- c) Obtain, for the benefit of the Common Areas, all appropriate water, gas and electric service, refuse collection, and similar services.
- d) Implement improvements to the Common Areas, only after all relative expenditures are presented and approved by the majority of the General Membership, at the next annual or special meeting called for such purpose.
- e) Enter into one (1) year contracts, providing it does not commit the succeeding Board(s) to renewal.

SECTION TWO: It shall be the duty of the Board of Directors to:

- a) Keep a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting.
- b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- c) Issue, upon request to any owner, a certificate stating whether or not their assessment has been paid.
- d) Maintain such policy or policies of insurance, at all times, as the Board deems necessary or desirable, in furthering the purposes of and protecting the interests of the Association, its members and directors.
- e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- f) Pay for all necessary expenses, in connection with the management of the park property, including all utility services and general taxes assessed against the common areas.
- g) Estimate the amount of the annual budget.
- h) Comply with the instructions of a majority of the Owners, as expressed in a resolution adopted at any annual or special meeting of the Owners.

ARTICLE VII

Officers

SECTION ONE: Officers. The Officers of the Association shall be a President, an Executive Vice-President, Vice-President, Secretary and Treasurer, who shall all be members of the Board of Directors.

In addition, the Board of Directors may elect or appoint such other officers as it shall deem desirable, such officers to have the authority and to perform the duties prescribed by the Board.

With the exception of the President and the Secretary, any two offices may be held by the same person.

SECTION TWO: The designation of officers shall take place at the first meeting of the Board of Directors, following each annual meeting of the members.

The term of each Officer duly elected by the Board of Directors shall be one (1) year; however, each Officer shall hold office until his successor shall have been duly elected and shall have qualified.

Any Officer may hold the same Office for successive terms.

SECTION THREE: Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgement, the best interests of the Association would be thereby served. This Officer will remain on the Board of Directors, and may be assigned another office.

SECTION FOUR: Vacancies. A vacancy in any Office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION FIVE: Resignations. Any Officer may resign, at any time, by giving written notice of resignation to the Chairman of the Board of Directors. Unless otherwise specified, such resignation shall take effect on the date of the receipt, by the Chairman of such notice.

The acceptance by the Board of Directors of any resignation shall not be necessary in order to make such resignation effective.

SECTION SIX: Transition. At the first Board meeting, the outgoing Board shall meet with the incoming Board, for the purpose of transferring all books, records and files, and all Officers must agree to pledge cooperation.

SECTION SEVEN: Duties. The duties of the Officers of the Association shall be as follows:

a) President

- 1) The President shall be the principal officer of the Association, and shall supervise and control the business and financial affairs of the Association;
- 2) Shall preside at all meetings of the Members of the Association and of the Board of Directors;
- 3) Shall sign, with the Association Secretary, all contracts; shall counter-sign all Association checks; and, shall sign any and all such other instruments as may be directed by the Board of Directors;
- 4) Shall see that all orders and resolutions of the Board of Directors are carried out;

- 5) And, in general, shall perform all duties incident to the office of President; and, such other duties as may be prescribed by the Board of Directors, from time to time.

b) Executive Vice-President

- 1) Shall oversee, at the authorization of the Board of Directors, maintenance of the Association Common Areas;
- 2) Shall exercise and discharge such other duties as may, from time to time, be prescribed by the Board of Directors.

c) Vice-President

- 1) Shall assist the President; and, in the absence of the President, or in the event of the President's inability or refusal to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President;
- 2) Shall exercise and discharge such other duties as, from time to time, may be assigned to him by either the President or the Board of Directors;
- 3) Shall act as the Association's liaison with, and representative for, dealings with the Village of Palatine.

d) Secretary

- 1) Shall record all votes and shall keep accurate minutes of all meetings of the Association and of the Board of Directors, in books appropriate for that purpose;
- 2) Shall see that all notices are duly given in accordance with the provisions of these By-Laws, or as may be required by law;
- 3) Shall be custodian of the Association's records, Corporate Book, and of the seal of the Association, and shall see that the seal of the Association is affixed to all documents, the execution of which, on behalf of the Association, under its seal is duly authorized in accordance with the provisions of these By-Laws;

- 4) Shall, with the Treasurer, maintain a current list of the names and post office addresses of all Members of the Association, including Directors, Officers and Committee members;
- 5) Shall see that every Member of the Association receives a copy of these By-Laws and of any amendments or revisions thereto;
- 6) And, shall carry on the correspondence of the Association, and exercise and discharge such other duties as, from time to time, may be assigned to him by either the President or the Board of Directors.

e) Treasurer

- 1) Shall have charge of and custody of and be responsible for all funds and securities of the Association, receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws;
- 2) Shall make disbursements only as authorized by the Board of Directors;
- 3) Shall provide accurate and detailed accounting records and shall report current balance sheet and income statement reports to the Board at each of its regular meetings.
- 4) Shall be required to prepare each year a tentative Association budget for the ensuing year. The budget so prepared shall be presented to the Board on or before December 1st.
- 5) Shall, where practical, maintain all monies of the Association in interest-bearing accounts;
- 6) Shall co-sign all checks along with the President; and
- 7) Shall issue the certificates requested pursuant to the provisions of Article VI, SECTION TWO (c), herein.

ARTICLE VIII

Committees

SECTION ONE: Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may

designate one or more committees, but the designation of such committees, and the delegation thereto of authority, shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

SECTION TWO: Number of Committee Members. Each committee must consist of a minimum of three (3) Association Members, one of whom must serve as the Chairman.

No Lot Owner shall have more than one (1) member on a Committee.

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

SECTION FOUR: Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a Committee, a majority of the whole committee shall constitute a quorum; and, the act of a majority of the committee members present at a meeting, at which a quorum is present, shall be the act of the committee.

SECTION FIVE: Rules. Each committee may adopt rules for its own government, provided that said rules are not inconsistent with these By-Laws or with the rules adopted by the Board of Directors.

ARTICLE IX

Association Meetings

SECTION ONE: Place. All Association Meetings, whether Annual or Special, shall be held within the geographical limits of the Village of Palatine.

SECTION TWO: Annual Meeting. The Annual Meeting for, among other business, the election of the Board of Directors of the Association, shall be held during the month of October in any given year. The actual date, time and place of such Annual Meeting shall be as determined by the Board of Directors.

SECTION THREE: Special Meetings. Special Meetings of the Association may be called upon written request presented to the Board by at least twenty percent (20%) of the membership of the Association; or, at the specific call of the Board of Directors.

SECTION FOUR: Notice. Advance notice of all meetings of the general membership shall be given to each member, by the Board, at least ten (10) days prior to the meeting. Each notice will specify the matters to be discussed.

SECTION FIVE: Order. Order of business, at meetings, shall be as follows:

- a) Call to Order
- b) Approval of Minutes
- c) Report of Officers
- d) Report of Committees
- e) Unfinished Business
- f) New Business
- g) Adjournment

SECTION SIX: Quorum. The presence in person, or by proxy, at any meeting of the voting members having a majority of the total votes shall constitute a quorum. The act of a majority of the homeowners, constituting a quorum, present at any meeting, shall be deemed the act of the entire membership. Unless otherwise expressly provided, any action may be taken at any meeting of the voting members, at which a quorum is present, upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

ARTICLE X

Amendments and Parliamentary Authority

SECTION ONE: Amendments. These By-Laws may be altered, amended or repealed at any regular meeting, or at any special meeting by three-fourths (3/4) majority of the Association Membership; provided, however, that written notice, in accordance with the provisions of Article IX, SECTION FOUR thereof, is given of intention to alter, amend or repeal these By-Laws at such meeting. These By-Laws are subservient to the Declaration and any amendment to the By-Laws which is inconsistent with the Declaration shall be void. Additionally, any amendment to the Declaration shall have the effect of amending these By-Laws to the extent necessary to bring the By-Laws into conformity with the Declaration.

SECTION TWO: Conflicts with Articles of Incorporation. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the event of any conflict between the Declaration and these By-Laws, the Declaration shall control.

SECTION THREE: Parliamentary Authority. Roberts' Rules of Order, Revised, shall govern all procedures not provided for in the By-Laws, the Declaration, or in the Constitution and statutes of the State of Illinois.

ARTICLE XI

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property, against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate as tolerated under Illinois Statutory law, and the Association may bring legal action against the Owner personally obligated to pay the same, or foreclose the lien against the property. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive, or otherwise escape, liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his residential lot.

ARTICLE XII

Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, the Board of Directors and Committees having any authority of the Board of Directors; and shall keep at the registered or principal office of the Association a record giving the names and post office addresses of the Members entitled to vote.

All books and records of the Association may be inspected by any Member, or his agent or attorney for any proper purpose and at any reasonable time.

ARTICLE XIII

Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIV

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle, and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois".

ARTICLE XV

Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of the General Not for Profit Corporation Act of the State of Illinois or under the provisions of the Articles of Incorporation of the Association or by the By-Laws of the Association, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of the giving of such notice.

ARTICLE XVI

Property Rights and Rights of
Enjoyment of Common Property

Each member of the Association shall be entitled to the use and enjoyment of the common properties and facilities as set forth in, and subject to the limitations of, the Declaration, or the By-Laws, or of duly authorized resolutions of the Association membership.

ARTICLE XVII

Indemnification of Officers and Directors

SECTION ONE: The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director,

officer, employee or agent of the corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment or settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

SECTION TWO: The corporation shall have power to indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

SECTION THREE: To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in SECTIONS ONE & TWO, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

SECTION FOUR: Any indemnification under SECTIONS ONE & TWO, (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in SECTIONS ONE & TWO. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the shareholders.

SECTION FIVE: The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any contract, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION SIX: The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.