

BY – LAWS

PEPPER VALLEY HOME ASSOCIATION

ARTICLE I

PURPOSES

The Corporation is organized pursuant to the provisions of a Declaration of Protective Covenants recorded in the Office of the Recorder of Deeds of Kane County, Illinois, as Document No. \_\_\_\_\_, affecting Lots \_\_\_\_\_

In Pepper Valley, a subdivision in the \_\_\_\_\_ in Kane County, Illinois.

The purposes of the corporation as stated in its certificate of incorporation are civic, and in the furtherance of said purposes:

To insure high standard of maintenance and operation of all property in Pepper Valley, a subdivision of Geneva, Kane County, Illinois, reserved or dedicated for the common use of all residents and owners of property therein and to insure the provision of services and facilities of common benefit and in general to maintain and promote the desired character of Pepper Valley.

To receive property of every kind, whether real or personal, and to administer and apply such property and the income therefrom exclusively for the foregoing general purposes;

To receive any gift, bequest, or devise of any such property for any purpose specified by the donor or testator within any of the foregoing general purposes; provided, however, that no part of the net earnings of the corporation shall inure to the benefit of any member, member of the Board of Governors, officer of the corporation, of any private individual (except that reasonable compensation may be paid for services rendered to, by or for the corporation affecting one or more of its purposes), and no member, member of the Board of governors, office of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation's assets on dissolution of the corporation, and that no part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office, and that no part of

the net earnings or other assets of the corporation shall be contributed to any organization which does not conform to the requirements set forth in this paragraph.

The corporation also has such powers as are now or may hereafter be granted by the General Not for Profit Corporation Act of the State of Illinois.

## ARTICLE II

### OFFICERS

The corporation shall have and continuously maintain in the State of Illinois a registered office and a registered agent, whose office is identical with such registered office, and may have other offices within the State of Illinois as the Board of Governors may from time to time determine.

## ARTICLE III

### MEMBERS

SECTION 1. CLASSES OF MEMBERS. The corporation shall have two classes of members: Regular Members and Special Members.

SECTION 2. REGULAR MEMBERS. Pepper Valley Development, a partnership, its successors and assigns, and every record owner or beneficiary owner in fee simple of a lot within Pepper Valley except the Oak Park National Bank, as trustee, under trust agreement dated January 8, 1969, know as Trust No. 8787 (the declarant in the above mentioned declaration of protective covenants), shall become and be a Regular Member. Each regular member, including Pepper Valley Development, shall be entitled to one voice for each lot owned by him or it and one vote for each multiple family dwelling unit size owned by him or it (proposed under general development plan there will be 312 single family lot votes and 112 multiple family dwelling unit site votes) on each matter submitted to a vote of members, or in the case of Pepper Valley Development, or its successors and assigns, or each lot beneficially owned by it, provided that each two or more persons are the record owners or beneficial owners in fee simple of a single family lot in Pepper Valley, such co-owners acting jointly shall be entitled to but one vote, on account of said lots, or multiple family dwelling unit.

SECTION 3. SPECIAL MEMBERS. Every person who is a lessee of and who occupies a lot or a multiple family dwelling unit within Pepper Valley owned by a Regular Member, and members of the Board of Governors who do not reside in Pepper Valley, shall be Special Members, and shall be entitled to all privileges of Regular Membership, except that Special Members shall not be entitled to vote.

SECTION 4. MEMBERSHIP PRIVILEGES. All members of the immediate family of Regular or Special Members residing in Pepper Valley in the residence or in multiple family dwelling unit occupied by such Regular or Special Members shall be entitled to the privileges of membership, except that they shall not be entitled to vote. The privileges of membership may be suspended or terminated for cause after hearing before the Board of Governors.

SECTION 5. TERMINATION OF MEMBERSHIP. Membership shall be terminated:

- Whenever a Regular Member ceases to be a record owner or beneficial owner in fee simple of a lot on Pepper Valley;
- Whenever a Special Member, who is a lessee of and who occupies a lot or multiple family dwelling unit within Pepper Valley, ceases to lease and occupy such a lot;
- By the written resignation of a Special Member filed with the Secretary.

Upon termination of membership for any reason, all membership privileges shall cease, but such termination shall not in any manner release the right or lien of the Corporation for assessments against the property of the person whose membership is terminated or any other claims or rights whatsoever which the Corporation may have against such person at the time membership is terminated.

SECTION 6. TRANSFER OF MEMBERSHIP. Except for the successors and assigns of Pepper Valley Development Company, membership in this Corporation is not transferable or assignable.

#### ARTICLE IV

#### MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETINGS. An annual meeting of the members shall be held the second Tuesday in January in each year beginning with the year 1971 at the hour of eight o'clock P.M. for the transaction of such business may come before the meeting. If such day be a legal holiday the meeting shall be held at the same hour on the next succeeding business day. If in any year any of the members of the Board of Governors are to be elected by the members under these By-Laws the election of Governors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Governors shall cause the election to be held at a specific meeting of the members called as soon thereafter as conveniently may be.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called either by the President, the Board of Governors, or by members having in

the aggregate not less than one-tenth of the votes entitled to be cast at a meeting of the members.

SECTION 3. PLACE OF MEETING. The Board of Governors may designate any place within the State of Illinois, as the place of meeting for any annual meeting or for any special meeting called by the Board of Governors.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail to each member not less than five or more than 40 days before the day of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In case of a special meeting or when required by Statute or by these By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed delivered when deposited in the U.S. Mail addressed to the member at his address as it appears on the records of the Corporation with postage thereon prepaid.

SECTION 5. QUORUM. The members having a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the votes of the members present who are entitled to vote may adjourn the meeting from time to time without further notice.

SECTION 6. PROXIES. At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

## ARTICLE V

### BOARD OF GOVERNORS

SECTION 1. GENERAL POWERS. The affairs of the Corporation shall be managed by its Board of Governors who shall have the power and duties set forth in Paragraphs 1 through 5 of Article V of the Declaration of Protective Covenants referred to in Article I hereof.

SECTION 2. NUMBER. After the first annual meeting the affairs of this Association shall be managed by a Board of seven (7) Governors who need not be members of the Association.

SECTION 3. ELECTION. The original Board consisting of three Governors named in the Articles shall continue in office until the first annual meeting of members. At the first annual meeting the members shall elect one Governor for a term of one year. Two Governors for a term of two years and four Governors for a term of three years, and

at each annual meeting thereafter the members shall elect Governors to replace the respective vacancies for a term of three years.

SECTION 4. REGULAR MEETINGS. A regular meeting of the Board of Governors shall be held, without other notice than this By-Law, immediately after and at the same place as each annual meeting of members.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board of Governors may be called by or at the request of the President or any four Governors. The person or persons authorized to call special meetings of the Board may fix any place, within the State of Illinois, as the place of holding any special meeting of the Board called by them.

SECTION 6. NOTICE. Notice of any special meeting of the Board of Governors shall be given at least 24 hours previously thereto by written notice delivered personally or sent by mail or telegraph to each member of the Board at his address as shown by the records of the Corporation. 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 prepaid thereon. If notice be given by telegraph, such notice shall be deemed to be delivered when the telegram is delivered when the telegram is delivered to the telegraph company. Any member of the Board may waive notice of any meeting. The attendance of a member of the Board at any meeting shall constitute a waiver of notice of such meeting, except where a member of the Board attends a meeting for the express purpose of objecting to the transaction of any business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of waiver of notice of such meeting unless specifically required by law or by these By-Laws.

SECTION 7. QUORUM. A majority of the Board of Governors shall constitute a quorum for the transaction of the business at any meeting of the Board, provided, that if less than a majority of the Board of Governors are present at said meeting, a majority of the Board of Governors present may adjourn the meeting from time to time without further notice.

SECTION 8. MANNER OF ACTING. The Board of Governors shall not either by majority vote of the members of the Board present at a meeting at which a quorum is present or by written consent, setting forth the action taken, signed by all of the members of the Board of Governors entitled to the vote with respect to the subject matter thereof.

SECTION 9. VACANCIES. Any vacancies occurring in the Board of Governors among the members of the class of Governors or any office to be filled by reason of any increase in the number of a class of Governors shall be filled by the remaining members of that class of Governors. A Governor appointed to fill a vacancy shall be appointed for the un-expired term of his predecessor in office.

SECTION 10. COMPENSATION. Governors as such shall not receive any stated salary for their services, but by resolution of the Board of Governors, any Governor may be reimbursed for his actual expenses in carrying out his duties, provided that nothing herein contained shall be construed to preclude any Governor from serving the Corporation in any other capacity and receiving compensation therefore.

## ARTICLE VI

SECTION 1. OFFICERS. The officers of the Corporation shall be a president; one or more vice presidents (the number thereof to be determined by the Board of Governors), a treasurer, a secretary, and such other officers as may be elected in accordance with the provisions of this article. The Board of Governors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and to perform the duties prescribed, from time to time, by the Board of Governors. Any two or more offices may be held by the same person except the offices of president and secretary or president and treasurer.

SECTION 2. ELECTION AND TERM OF OFFICE. The original officers of the Corporation shall be as follows:

S. W. Fitzsimmons	President
Howard E. Sproat	Vice President
Arthur R. Kincy	Secretary and Treasurer

Who shall hold office until the regular meeting of the Board of Governors held during 1971. The officers of the Corporation shall be elected every two years by the Board of Governors at the regular meeting of the Board of Governors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be held. Vacancies may be filled or new officers created and filled at any meeting of the Board of Governors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Governors may be removed by the Board of Governors whenever, in its judgment, the best interests of the Corporation would be served thereby.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Governors for the un-expired portion of the term.

SECTION 5. PRESIDENT. The president shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the members and of the Board of Governors and shall do all things and perform all acts incident to the

office president of the Corporation. He shall appoint all members of all standing committees; however, such appointments shall be subject to the confirmation of the Board of Governors. He shall appoint all special committees. He shall have the power to remove any member of any standing committee; however, such removals shall be subject to confirmation by the Board of Governors. He shall have the power to remove any member of any special committee. He shall be an ex-officio member of all committees. He may sign with the secretary or any other proper officer of the Corporation or authorized by the Board of Governors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Governors have authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Governors or by these By-Laws or by Statute to some other officer or agent of the Corporation.

SECTION 6. VICE PRESIDENT. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents, in the order designated, or in the absence of any designation, then in the order of their election) shall perform all duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as may from time to time be assigned to him by the president or by the Board of Governors.

SECTION 7. TREASURER. If required by the Board of Governors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or securities as the Board of Governors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of ARTICLE VIII of these By-Laws; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Governors.

SECTION 8. SECRETARY. The secretary shall keep the minutes of the meetings of the members and of the Board of Governors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under seal is duly authorized in accordance with the provisions of these By-Laws; issue and transfer certificates of membership; keep a register of the post office address of each member which shall be furnished to the secretary by such number; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Governors.

SECTION 9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.

If required by the Board of Governors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Governors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned by them by the treasurer or the secretary or by the president or the Board of Governors.

ARTICLE VII

COMMITTEES

SECTION 1. STANDING COMMITTEES. The standing committees shall be as follows: Finance Committee and Grounds Committee, each of which shall consist of two or more members, at least one of whom shall be a Governor of the Corporation.

SECTION 2. FINANCE COMMITTEE. The Finance Committee shall determine and prepare a tentative annual budget and make recommendations to the Board of Governors as to the amount of annual budget and make recommendations to the Board of Governors as to the amount of annual assessment to be levied each year as provided in Article V of the Declaration of Protective Covenants and shall have such other duties as may be assigned to it by the Board of Governors, such as: borrowing funds for the improvement of the common areas including capital expenditures for pools, clubhouse, landscaping and other facilities beneficial to the Home Association.

SECTION 3. GROUNDS COMMITTEE. The Grounds Committee shall concern itself with the planning, development, maintenance, operation of any community grounds with Pepper Valley and shall have such other duties as may be assigned to it by the Board of Governors.

SECTION 4. OTHER COMMITTEES. The duties of all other committees shall be designated from time to time by the president or the Board of Governors. Members of each such committee shall be Regular Members of the Corporation except as otherwise provided by resolution of the Board of Governors.

SECTION 5. TERM OF OFFICE. Each member of a committee shall serve until the next annual meeting following his appointment or until his successor shall have been appointed and qualified and shall be eligible for successive reappointments, provided that his committee membership shall automatically terminate upon the termination of his regular membership.

SECTION 6. VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.



SECTION 7. QUORUM. Unless otherwise provided in the resolution of the Board of Governors establishing 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 8. RULES. Each committee may adopt rules for its own government not inconsistent with the Declaration of Protective Covenants, these By-Laws, or with rules adopted by the Board of Governors.

## ARTICLE VIII

### PROPERTY, CONTRACTS, CHECKS, DEPOSITS AND GIFTS

SECTION 1. PROPERTY. Title to all property shall be had in the name of the corporation, and membership in the Corporation shall not give any member any interest in the property of the Corporation. Any conveyance of property shall be made in the name of the Corporation by the president and attested by the secretary, or in the absence of these officers by those delegated to perform their duties as elsewhere provided in these By-Laws.

SECTION 2. CONTRACTS. The Board of Governors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes, mortgages, or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Governors. In the absence of such determination by the Board of Governors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the Corporation.

SECTION 4. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Governors may select.

SECTION 5. GIFTS. The Board of Governors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or any special purpose of the Corporation.

## ARTICLE IX

### CERTIFICATES OF MEMBERSHIP

Regular membership certificates shall be issued to Regular Members and Special membership certificates shall be issued to Special Members in such form as shall be determined by the Board of Governors. Such certificates shall be signed by the president and secretary and shall be sealed with the seal of the Corporation. All certificates of the same class shall be numbered consecutively in the order issued and the name and address of the member and the date of issuance shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Governors may determine. Upon the termination of the membership of any member, the certificate issued to him shall be endorsed by such member and surrendered to the Corporation. Any certificate not so surrendered shall automatically become null and void on the 30<sup>th</sup> day following such termination of membership.

## ARTICLE X

### BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Governors, and committees having any of the authority of the Board giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

## ARTICLE XI

### FISCAL YEAR

The fiscal year of the Corporation shall begin on the first (1<sup>st</sup>) day of January and end on the last day of December in each year.

ARTICLE XII

SEAL

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

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the Provisions of the General Not for Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or the By-Laws of the Corporation, 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 equivalent to the giving of such notice.

ARTICLE XIV

AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the governors present at any regular meeting or at any special meeting, provided that at least two (2) days written notice is given or intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

ARTICLE XV

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In the event of failure of any owner to pay any assessment on or before Thirty (30) days following notice to such owner of such assessment on the scheduled due date thereof, and in connection with the duty of the Association to bring suits to enforce the collection of any related liens, the Association shall be entitled to, in addition to the current interest rate and certificate filing fee, all costs ancillary to the prosecution of said lawsuit to include but not limited to: court filing fees; process service fees; all witness fees; survey costs; and attorneys' fees, both at the initial trial stage or upon appeal.