

BYLAWS OF THE CLUBHOMES OF WNDHILL
PROPERTY OWNER'S ASSOCIATION,
An Illinois Not-For-Profit Corporation

ARTICLE 1
NAME OF ASSOCIATION

The name of this Association is The Clubhomes of Windhill Property Owner's Association.

ARTICLE 2
DEFINITIONS

All terms used herein shall have the meanings set forth in Article 1 of or as elsewhere defined in the Declaration of Covenants, Conditions and Restrictions for The Clubhomes of Windhill (the Declaration) recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as said Declaration may be amended from time to time.

ARTICLE 3
PURPOSES AND POWERS

3.01 Purposes. The purposes of this Association are to own, maintain and administer the Common Areas and the facilities and improvements thereon and to promote the health, safety and welfare of, and the common use and enjoyment thereof by, its members, all on a not-for-profit basis, subject to and in accordance with the terms and provisions of the Declaration and these Bylaws.

3.02 Powers. The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois, the Declaration and these Bylaws.

ARTICLE 4
OFFICES

4.01 Registered Office. The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office shall be identical with such registered office, and may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

4.02 Principal Office. The principal office of the Association shall be maintained on the Property or such other place as shall be designated by the Board.

ARTICLE 5
MEMBERS (OWNERS)

5.01 Members. The Association shall have one class of membership. Every Owner shall be a member of the Association and such membership shall automatically terminate upon the sale, transfer or other disposition by such member of his Dwelling or Lot, at which time the new Owner shall automatically become a member.

5.02 Voting Rights.

5.02.1 There shall be one person with respect to each Dwelling or Lot who shall be entitled to vote at any meeting of the Owners. Such person shall be known (and hereinafter sometimes referred to) as the "voting member." Such voting member may be the Owner or one of the group composed of all the Owners of a Dwelling or Lot, or may be some person designated by such Owner or Owners to act as a proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetent of any designator, or by written notice to the Board by the Owner or Owners. In no event shall more than one (1) vote be cast with respect to any Dwelling or Lot. Any or all of such Owners may be present at a meeting of the voting members and (those constituting a group acting unanimously) may vote or take any other action as a member, either in person or by proxy.

5.02.2 The total number of votes of all members shall be the number of Dwellings or Lots in the Property. Declarant shall be the voting member with respect to Dwellings owned by Declarant.

5.02.3 The affirmative vote of not less than two-thirds (2/3) of the total votes of all members, at a meeting duly called for that purpose, is required in order to approve any of the following matters: (1) merger or consolidation of the Association; (2) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (3) the purchase or sale of land or of Lots or Dwellings on behalf of all Owners.

5.03 Initial and Annual Meetings. The first annual meeting of the Members ("First Annual Meeting") shall occur on the first to occur of the following ("Turnover Date"):

5.03.1 The expiration of ten (10) years after the date of the recording of Declaration;

5.03.2 The surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an executed amendment to the Declaration executed and recorded by Declarant; or

5.03.3 Such other date that Declarant elects to turn over the Association to the Owner.

Such meeting shall be held at a place and time reasonable designed by Declarant. Thereafter, there shall be an annual meeting of the Members (one of the purposes of which shall be to elect members of the Board) on the third Tuesday of September following such First Annual Meeting and on the third Tuesday of September of each succeeding year thereafter or at such reasonable time (not more than thirty (30) days before or after such date) and at such place as designated by the Board.

5.04 Special Meetings. Special meetings of Members may be called to consider matters which, pursuant to the Declaration or these Bylaws, are subject to approval of the Owners, or for any other reasonable purpose. Such meetings shall be called by written notice by the President of the Association, the Board or by twenty (20%) percent or more of the Owners. The notice shall specify the date, time and place of the meeting and the matters to be considered.

5.05 Place of Meetings. Meetings of the voting members shall be held at the Property or at such other place in Cook County, Illinois as may be designated in any notice of a meeting.

5.06 Notice. Written notice of any meeting of the Members stating the time, date, place and purpose or purposes of the meeting shall be given to all members entitled to vote thereat not less than fifteen (15) nor more than forty-five (45) days before the date of the meeting. Such notice shall be deemed given if delivered personally or mailed to a member at the address given by him to the Board for the purpose of sending of such notice or, if no address has been given, or if the address given is the Residence or Lot, when deposited in the mailbox of such member's Lot.

5.07 Quorum. The presence in person or by proxy at any meeting of the voting members having fifty (50%) percent of the total votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be the presence in person or by proxy of voting member have one-third (1/3) of the total votes of the Association. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the 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 6
BOARD OF DIRECTORS

6.01 General Powers. Except with the rights reserved to Declarant, the direction and administration of the Property and the affairs of the Association shall, except for such powers, duties or authority reserved to the members by law or by the Declaration or these Bylaws, be vested in the Board of Directors (the Board) of the Association.

6.02 Appointment of Directors. Until the election of the Board at the First Annual Meeting of members held on the Turnover Date, the direction, operation and administration of the Association and the Property shall be vested in Declarant or in the Board appointed by Declarant.

6.03 Election of Members, Number and Term. Commencing with the election of the Board by the voting members on the Turnover Date, the number of directors shall be three (3). In all elections for members of the Board, each voting member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The two (2) persons receiving the highest number of votes shall be elected to the Board for a term of two (2) years and one (1) persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. Upon the expiration of the terms of office of the Board members so elected at the First Annual Meeting and thereafter, each successor shall be elected for a term of two (2) years and until his successor shall have been elected and qualified, provided that any director may succeed himself in office.

6.04 Qualifications. Each director (except those appointed by Declarant) shall reside on the Property and shall be an Owner (provided that if an Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if an Owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Owner or beneficiary). If any such director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

6.05 Regular Meetings. A regular meeting of the Board shall be held within ten (10) days following the First Annual Meeting of Members and each annual meeting of Owners, at such time and place as shall be determined by a majority of the Board. Additional regular meetings of the Board shall be held at such time and place as the Board may fix by resolution, provided that there shall be not less than one (1) regular meeting of the Board (including its annual meeting) each calendar quarter.

6.06 Special Meetings. Special meetings of the Board may be called by or at the request of the President or any two (2) directors and shall be held at such place on the Property as shall be fixed by the person or persons calling such special meeting or at such other place as all the directors may agree upon.

6.07 Notice. Written notice of all meetings of the Board shall be mailed at least forty-eight (48) hours prior thereto each director and, after the Turnover Date to the Owners, if required by the Act, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Such notice shall be sent to each person at his address as shown by the records of the Association. In addition to the foregoing the Board may, in its discretion, cause such notice to be delivered personally to the person or persons entitled thereto. 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 is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, unless specifically required by law, the Declaration, or by these Bylaws.

6.08 Open Board Meetings. All meetings of the Board shall be open to any Owner.

6.09 Quorum. A majority of the directors shall constitute a quorum, provided that if less than a quorum is present a majority of the directors present may, to the extent permitted by law, adjourn the meeting from time to time without further notice.

6.10 Manner of Acting. Except as otherwise expressly provided by law, the Declaration or these Bylaws, any action of the directors may be taken upon the affirmative vote of a majority of the directors at which a quorum is present.

6.11 Removal or Resignation. Any director elected by the members may be removed from office, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the voting members at any annual meeting or at a special meeting called for such purpose. Any director may resign at any time by submitting his written resignation to the Board.

6.12 Vacancies. Any vacancies occurring in the Board shall be filled by majority vote of the remaining members of the Board, except that prior to the Turnover Date vacancies in the Board shall be filled by Declarant. A director elected by the Board to fill a vacancy shall hold office for the unexpired term of his predecessor in office.

6.13 Compensation; Reimbursement for Expenses. Directors shall receive no compensation for their services as directors but may, if approved by the Board, be reimbursed for reasonable out-of-pocket expenses incurred in the course of the performance of their duties upon presentation of receipts or other appropriate evidence of such expense.

ARTICLE 7

POWERS, DUTIES AND AUTHORITY OF THE BOARD

7.01 In General. The Board shall have and exercise all the powers, duties and authority vested in the Association by law, the Declaration and these Bylaws, except those expressly reserved to the members. The powers and duties of the Board shall include, but not be limited to, the following:

(a) The operation, care, upkeep, maintenance, repair, replacement and improvement, of the Common Areas;

(b) Preparation, adoption and distribution of the annual budget for the Property;

(c) Levying of assessments;

(d) Collection of assessments from Owners;

(e) Employment and dismissal of employees, lawyers, accountants and other personnel necessary or advisable for the maintenance and operation of the Common Areas;

(f) Obtaining adequate and appropriate kinds of insurance;

(g) To adopt and amend from time to time such reasonable rules and regulations as the Board may deem advisable covering the details of the operation, use, maintenance, conservation and beautification of the Property and for the health, comfort, safety and general welfare of the Owners and Occupants of the Property. Written notice of such rules and regulations and of any amendments shall be given to all Owners;

(h) Keeping of detailed accurate records of the receipts and expenditures affecting the use and operation of the Property;

(i) Upon reasonable notice, or in the case of an emergency, without notice, to have access to each Lot or Residence from time to time as may be necessary for the maintenance, repair or replacement of any Common Area therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to any other Lot or Dwelling. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association;

(j) To determine by written resolution which officer or officers, agent or agents, shall sign, and the manner of signing of, all agreements, contracts, deeds, leases, approval of vouchers and other instruments. In the absence of

such determination by the Board such documents shall be signed by the Treasurer and countersigned by the President of the Board.

(k) To provide and pay for as Common Expenses (subject to the right and/or obligation of the Board to specifically assess individual Owners where so provided), the following:

(i) To pay for water, electricity, telephone and other necessary utility service for the Common Areas;

(ii) To hire and pay for the services of any person or firm to act on behalf of the Owners in connection with real estate taxes and special assessments on the Common Areas or Lots or Dwellings and in connection with any other matter where the respective interests of the Owners are deemed by the Board to be similar and non-adverse to each other;

(iii) To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may, in the opinion of the Board, constitute a lien against the Property or against the Common Areas, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to said Owners;

(iv) To make any other purchase for the maintenance, repair, replacement, administration and operation of the Property subject to the sub-paragraph immediately following;

(v) Notwithstanding the foregoing or anything elsewhere in these Bylaws or the Declaration to the contrary, the Board shall have no authority to acquire or pay for additions, alterations or improvements to the Common Areas or for any equipment or other capital assets (other than for the purposes of repairing, replacing or restoring portions of the Common Areas or equipment or other capital assets then owned by the Association, subject to all the provisions of the Declaration) requiring an expenditure in excess of \$2,000, without in each case the prior approval of a majority of the voting members at a duly convened meeting of the members or, in lieu of such meeting, the written approval of the voting members having more than fifty percent (50%) of the total votes.

ARTICLE 8
OFFICERS

8.01 Officers. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such assistant or other officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. The President, Secretary and Treasurer shall be directors, but the Vice Presidents and other officers may, but need not be, directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

8.02 Vacancies. Except as set forth in the next sentence, any officer may be removed at any meeting of the Board by the affirmative vote of a majority of the directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof. Prior to the Turnover Date, all vacancies shall be filled by appointment of the Declarant.

8.03 Powers. The respective officers of the Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of a not-for-profit corporation, including, but not limited to, the following:

(a) The President shall be the Chief Executive Officer of the Association; shall preside at all meetings of the voting members and at all meetings of the Board; and shall, together with the Secretary or any Assistant Secretary, execute all amendments to the Declaration;

(b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;

(c) The Secretary shall keep minutes of all meetings of the members and of the Board; shall have custody of the Association seal and have charge of such other books, papers and documents as the Board may prescribe; and may give, mail and receive all notices to and from the Association;

(d) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of account kept for such purposes.

8.04 Officers' Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the affirmative vote of voting members having at least two-thirds (2/3) of the total votes.

ARTICLE 9
LIABILITY AND IMDEMNITY
OF DIRECTORS AND OFFICERS

Neither the directors nor the officers of the Association shall be personally liable to the Owners or the Association for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or omcers except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall indemnify and hold harmless the directors and officers, their heirs and legal representatives, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association, or arising out of their status as directors or officers unless any such contract or act shall have been made fraudulently or with gross negligence. The foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorney's fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, in which any such director or officer may be involved by virtue of being or having been such director or officer, provided, however, that such indemnity shall not be operative with respect to any acts or omissions as to which such person is adjudged to be guilty of gross negligence or fraud in the performance of his duties as such director or officer.

ARTICLE 10
COMMITTEES

10.01 Board Committees. The Board, by resolution adopted by a majority of the Directors in office, or as required in the Declaration, may designate one or more committees, each of which shall consist of two or more members to advise and consent with regard to matters designated by the Board. Sub-committees may include similar committees.

10.02 Term. Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor-is appointed unless the committee shall be sooner terminated or unless such member shall be removed from such committee or unless such member shall cease to qualify as a member thereof.

10.03 Chairman. One member of each committee shall be appointed Chairman.

10.04 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.

10.05 Quorum. 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.**

10.06 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

ARTICLE 11 **CONTRACTS. CHECKS. DEPOSITS AND FUNDS**

11.01 Contracts. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument 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 and attested to by the Secretary or an Assistant Secretary of the Association.

11.02 Payments. All checks, drafts, vouchers or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice President of the Association.

11.03 Bank Accounts. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board shall elect.

11.04 Special Receipts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE 12 **FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of incorporation and shall end on the last day of December of such year.

ARTICLE 13
BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the meetings of its Voting Members, the Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Owners. All books and records of the Association may be inspected by any Owner or his agent or attorney for any proper purpose at any reasonable time. Upon ten (10) days' notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE 14
SEAL

The Board may provide for 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 15
AMENDMENT

These Bylaws may be amended or modified from time to time by resolution of the Board recommending such amendment or modification to the Owners, and by the subsequent affirmative vote or written consent by two-thirds (2/3) of the Owners; provided, however, that no provisions of these Bylaws may be amended or modified so as to conflict with the provisions of the Declaration; further provided that Declarant's written consent shall be required with respect to all amendments prior to the Turnover Date and with respect to any amendment affecting the rights of Declarant,

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