

Graue Mill
Homeowners
Association

By-Laws

BY-LAWS OF THE GRAUE MILL HOMEOWNERS ASSOCIATION, INC.

An Illinois Not-For-Profit Corporation

ARTICLE I

NAME AND LOCATION

The name of the Corporation is GRAUE MILL HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Homeowners Association". The principal office of the Homeowners Association shall be located at 1401 BURR OAK ROAD, HINSDALE, ILLINOIS 60521.

The Homeowners Association shall at all times have and maintain in the State of Illinois a registered office which may be the same as the principal office of the Homeowners Association hereinabove described and a registered agent whose office is 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.

ARTICLE II

DEFINITIONS

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

Developer: GRAUE MILL SALES AND MANAGEMENT, LTD., an Illinois corporation, its successors and assigns.

Graue Mill Community: The entire planned development as may be constructed from time to time on the property legally described in the Declaration including the Development Tract.

Homeowners Association: THE GRAUE MILL HOMEOWNERS ASSOCIATION, an Illinois not-for-profit corporation, its successors and assigns.

Development Tract: The property herein referred to and legally described in Exhibit "A" and any of the property legally described in Exhibit "B" to said Declaration which may be added to and included in the Development Tract pursuant to the terms and conditions of the Declaration and by which Declaration is submitted to the terms, conditions, covenants, restrictions, reservations, easements, liens and charges and therein described.

Declaration, and Declaration of Covenants, Conditions and Restrictions: The Declaration of Covenants, Conditions and Restrictions dated the 30th day of September, 1976 and recorded in the Office of the Recorder of DuPage County, Illinois on the 1st day of October, 1976 as Document No. R76-70627.

Act: The General Not-For-Profit Corporation Act of the State of Illinois, as amended from time to time.

Condominium Declaration: The Declaration of Condominium Ownership by which any Residential Building constructed on the Development Tract and any portion of the Development Tract is submitted to the provisions of the Act.

Residential Building: Any Residential Building constructed on the Development Tract. In the event any Residential Building constructed on the Development Tract which, individually or together with any other portion of the Development Tract is submitted to the provisions of the Illinois Condominium Property Act then such Condominium Building shall, for the purposes of these By-laws, be referred to as a "Residential Building."

Residential Unit: A part of the Development Tract within any Residential Building, including one or more rooms, occupying one or more floors or part or parts thereof, designed and intended for a one-family dwelling or such other use as permitted by the Declaration of Covenants, Conditions and Restrictions. In the event any Residential Building in which is located one or more residential units, individually or together with any other portion of the Development Tract, are submitted to the provisions of the Illinois Condominium Property Act, then the user of such residential units shall be governed by the provisions of the Declaration and the Declaration of Condominium Ownership by which the same is submitted to the provisions of said Act and the condominium unit together with the percentage interest in the common elements of the Condominium Building established thereby shall for the purposes of these By-laws be referred to as a "Residential Unit."

Common Areas: All portions of the Development Tract except those upon which any Residential Building is now or hereafter constructed which are from time to time conveyed to the Homeowners Association.

Board: The Board of Directors of the GRAUE MILL HOMEOWNERS ASSOCIATION.

Member: Every person or entity which holds membership in the Homeowners Association.

Owner: The person or persons or entity whose estates or interests, individually or collectively, aggregate fee simple ownership of a Residential Unit and their successors and assigns. For the purpose of these By-laws, unless otherwise specifically provided herein, the word "Owner" shall include any trust and any beneficiary of a trust, shareholder of a corporation, or partner of a partnership holding legal title to a Residential unit and the beneficiary of Declarant as to all unsold Residential Units which are or will be constructed on the Development Tract.

Person: A natural individual, corporation, partnership or other entity capable of holding title to or any lesser interest in real property.

Occupant: A person or persons, other than an owner, in lawful possession of one or more Residential Units.

ARTICLE III ASSOCIATION PURPOSES

The purposes of the Homeowners Association as stated in its Articles of Incorporation are the ownership upon a cooperative basis of the legal or equitable title, as the case may be of the Common Areas of the Development Tract as herein defined, as the same may be constituted from time to time, and the administration and operation of the Development Tract and all improvements and facilities thereon and therein for the use and benefit of the owners, and occupants of the GRAUE MILL COMMUNITY and their guests and invitees, subject to and in accordance with all of the terms and provisions of that certain Declaration of Covenants, Conditions and Restrictions recorded in the Office of the Recorder of DuPage County, Illinois on October 1, 1976 as Document No. R76-70627.

In effectuating its purposes as hereinabove described, the Homeowners Association shall have such powers as are now or may hereafter be granted by, and subject to such limitations as are now or may hereafter be contained in, the General Not-For-Profit Corporation Act of the State of Illinois (hereinafter referred to as "The Act"), the Declaration of Covenants, Conditions and Restrictions and any Condominium Declarations heretofore or hereafter recorded with respect to any part of the Development Tract, and as the Act or any of the aforesaid documents as may from time to time be amended.

In the event of any conflict between the Articles of Incorporation of the Homeowners Association and these By-laws on the one hand, and the Act, the Declaration of Covenants, Conditions and Restrictions, and any Condominium Declaration recorded with reference to any portion of the Development Tract as any of the foregoing shall be amended, on the other hand, the latter shall be deemed controlling. Whenever said Act or any of the foregoing documents are referred to in these By-laws, such reference, even if it does not so specifically provide therein, shall be deemed to refer to the Act or said documents, and as from time to time amended.

ARTICLE IV ASSOCIATION MEETINGS

1. *Meetings.* Meetings of the members of the Association shall be held at the Development Tract or at such other place in DuPage County, Illinois as may be designated in any notice of a meeting. To the extent practical, all meetings shall be conducted pursuant to Roberts Rules of Order.

2. *Quorum.* The presence in person or by proxy at any meeting of the members of ten percent (10%) of the Class A Voting Members and ten percent (10%) of the Class B Voting Members, if any, entitled to vote at such meeting shall constitute a quorum and 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 unless otherwise provided in the Act, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, or these By-laws. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice.

3. *Annual Meetings.* The initial meeting of the members, which shall be solely for the election of Directors, shall be held upon ten (10) days' written notice by the Declarant. Such written notice may be given at any time after at least 51% of the residential units constructed or planned to be constructed on the Development Tract are occupied but must be given not more than thirty (30) days after all of said residential units are occupied. Thereafter, an annual meeting of the voting members shall be held on the third Tuesday of October in each year at the hour of 8:00 p.m. or at such other reasonable time as may be set by the Board, for the purpose of electing Directors and for the transaction of

such other business as may come before the meeting. If such day is a legal holiday, then the annual meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the then existing Board of Directors shall cause the election to be held at a special meeting of the members called as soon thereafter as may be convenient.

4. *Special Meetings.* Special meetings of the voting members may be called at any time after the initial meeting for the purpose of considering matters which, by the terms of the Act, the Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation or these By-laws require the approval of all or some of the voting members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the voting members having ten (10%) percent of the total votes. Such notices shall specify the date, time and place of the meeting and the matters to be considered.

5. *Notice of Meetings.* 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 entitled to vote at such meeting, not less than five (5) nor more than forty (40) days before the date 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 a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

6. *Proxies.* At any meeting of the voting members, any voting member entitled to vote may vote either in person or by proxy executed in writing by the voting member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution. Every proxy shall be revocable and shall automatically cease upon the conveyance by the voting member of his residential unit.

ARTICLE V BOARD OF DIRECTORS

Section 1. *Number.* The affairs of the HOMEOWNERS ASSOCIATION shall be managed by a Board of nine (9) Directors who need not be members of the Association. The voting members of the Association having at least two-thirds (2/3) of the total votes may from time to time increase or decrease such number of persons on the board or may increase or decrease the term of office of Board members at any annual or special meeting, provided that such number shall not be less than three (3), and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually.

Section 2. *Nomination.* Nominations for election to the Board of Directors for all elections held after the initial meeting of the members shall be made by a Nominating Committee. Nominations may also be made from the floor at any annual meeting after the first annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more voting members of the Association who may or may not be Directors. The Nominating Committee shall be appointed by the Board of Directors 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 and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number (of vacancies that are to be filled. Such nominations may be) made from among members or non-members.

Section 3. *Terms of Office.* At the initial meeting the voting members shall elect a Board of Directors. In all elections for members of the Board of Directors, each voting member shall be entitled to vote by secret written ballot on a 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. A majority of the total number of members of the Board shall constitute a quorum for the transaction of business. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting the nine (9) Board members shall be elected. The five (5) persons receiving the highest number of votes shall be elected to the Board for a term of two (2) years and the four (4) 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, successors shall be elected for a term of two (2) years each.

Section 4. *Removal.* Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of vacancies on the Board, including vacancies due to any increase in the number of persons on the Board and including vacancies due to the death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. *Compensation.* Members of the Board shall receive no compensation for their services unless expressly allowed by the Board at the direction of the voting members having two-thirds (2/3) of the total votes; provided, however, that any director may be reimbursed for his actual expenses incurred in the performance of his duties upon providing the Board with a reasonably detailed accounting of such expenses.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. *Regular Meetings.* Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. *Special Meetings.* Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two directors, after not less than three (3) days written notice to each director, which notice shall particularly set forth the time and place of such meeting and the matters to be considered at such special meeting. Such notice may be delivered personally or sent by mail to each director and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with full 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 when 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.

Section 3. *Quorum.* A majority of the number 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 are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Every act or decision done or made by a majority of the directors (unless a greater number is specifically required by the Act, the Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation or these By-laws) present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII DUTIES AND POWERS OF THE BOARD

Section 1. *Duties and Powers of the Board.* The Board of Directors shall be vested with and shall possess all of the rights, powers, duties and responsibilities as are provided for by the Act, the Covenants, Conditions and Restrictions, and these By-laws, all subject to such limitations and restrictions as are contained in said Act, the Covenants, Conditions and Restrictions, and these By-laws. Included by way of description of, and not by way of limitation upon, said rights, duties and responsibilities are the following:

(a) To place or to cause to be placed upon the Common Areas of the Development Tract from time to time in addition to the easements created heretofore, such additional easements for roads, driveways, walks, parking areas, utilities and for such other reasonable purposes as the Board may deem necessary or desirable.

(b) From time to time to adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the Common Areas and all of the facilities and improvements located thereon as the Board deems reasonable. Such rules and regulations may provide for the charging of a fee for the use of any recreational facilities located on the Common Areas, provided, however, that said fee shall be uniform as to all members and occupants of the Development Tract and as to all guests of members and occupants and provided further that such recreational facilities, although available for use by guests of members and residents of the Development Tract shall not be made available for use by the general public except Class C members as defined in the Declaration of Covenants, Conditions and Restrictions. All members and occupants of the Development Tract and their guests shall be entitled to the benefits and use of said Common Areas and any easements created therein, and shall conform to and abide by such rules and regulations from time to time adopted by the Board. Written notice of such rules and regulations shall be given to all members and residents of the Development Tract and may be posted by the Board.

(c) To determine what improvements, structures, facilities, landscaping, benches, shelters and other structures and facilities shall be placed upon said Common Areas and to contract for and make other provisions to effectuate such determination.

(d) To elect officers as hereinafter provided and from time to time create additional offices not expressly designated by these By-laws as long as they are not in conflict therewith.

(e) To authorize agreements for the performance and effectuation of the duties of the corporation with such persons and business entities at such rates of compensation and upon such other terms and provisions as the said Board may from time to time determine. The persons or business entities so engaged may, but need not be, persons or business entities owning or otherwise directly or indirectly interested in any part of the Development Tract or in any improvements thereon.

(f) To provide for the maintenance, upkeep, repair, landscaping, materials, supplies, labor, furniture, structural alterations, services, water supply, gas, electricity or other utilities, removal of sewage, gardening, cleaning, decorating, repairing and taxation of the Common Areas and the improvements and facilities thereon. The power to provide for the foregoing shall include authority to levy and collect the assessments described and provided for in the Declaration in the manner therein set forth, and to engage the service of a manager of managing agent or any other

personnel deemed necessary for the said purposes by the Board, which personnel may be any person, firm or corporation, and to remove such manager, managing agents or other personnel at any time.

(g) To provide for the installation, alteration, and removal of perimeter fences, gates and openings as may be permitted and to provide for the performance of all needful maintenance and repairs thereof, and such attendance and services for the protection and benefit of the Development Tract and all owners and residents thereof as may be lawfully required or determined from time to time by said Board of Directors.

(h) To acquire and maintain such adequate liability, property, hazard, workmen's compensation and other insurance coverage as the Board may determine. Insurance on any improvements located in the Common Areas shall not be for less than the full insurable value of such improvements.

X (i) To establish or maintain one or more bank accounts for the deposit of any funds paid to or received by the Board.

(j) To pay all general real estate taxes and special assessments levied or assessed on or by reason of ownership of said Common Areas.

(k) To obtain and pay for all permits, license and other fees or taxes imposed by any competent government authority levied or assessed on or as a result of the ownership and use of the recreational facilities and improvements located on the Common Areas.

→ (l) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(m) To supervise all officers, agents, and employees of the Association and to see that their duties are properly performed.

(n) To perform such other duties and responsibilities in connection with the effectuation of the aforesaid purposes as the Board of Directors from time to time deems necessary and advisable, provided said duties and responsibilities are consistent with and not in conflict with the Act, the Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and these By-laws and are otherwise permitted by and not in violation of the law.

ARTICLE VIII OFFICERS

Section 1. *Officers.* The officers of the Corporation shall be a president and a vice-president, a treasurer and a secretary. The Board may establish from time to time such other offices and elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 2. *Election and Term of Office.* The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors from among the members of the Board of Directors. Each officer shall hold office for a period of one (1) year, or until his successor is elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve, but if the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient.

→ Section 3. *Removal.* Any officer elected by the Board of Directors may be removed with or without cause by a majority vote of the Board of Directors.

Section 4. *Vacancies.* A vacancy in any office because of the death, resignation, disqualification or otherwise may be filled by appointment by the Board. Any officer thus appointed to fill a vacant office shall serve for the remainder of the term of the officer he replaces.

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 Directors. He may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, leases, contracts, or other instruments which the Board of Directors has authorized to be executed, 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.

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 of their election) shall perform the 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 from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. *Treasurer.* The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-laws; shall keep proper books of account; shall prepare or cause to be prepared an annual budget and statement of income and expenditures to be

presented to the membership at its regular annual meeting; 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 Directors.

Section 8. *Secretary.* The secretary shall record the votes and keep the minutes of all meetings and proceedings of the members and of the Board of Directors 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 its seal is duly authorized in accordance with the provisions of these By-laws; keep a record of all members of the Association and their addresses; 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 Directors.

ARTICLE IX COMMITTEES

In addition to the Architectural Control Committee provided for in the Declaration of Covenants, Conditions and Restrictions and the Nominating Committee provided for in these By-laws, the Board of Directors may appoint such other committees as it deems necessary or appropriate to carry out its purposes. The number, size and membership of such committees shall be as the Board determines.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Homeowners Association shall at all times during reasonable business hours be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-laws of the Homeowners Association, and any amendments thereto, shall be available for inspection by any member from the Secretary of the Homeowners Association from whom copies may be purchased at a reasonable cost.

ARTICLE XI INDEMNIFICATION

The Homeowners Association shall indemnify the officers and directors of the Homeowners Association to the full extent permitted or allowed by the laws of the State of Illinois. Without limiting the foregoing, the Homeowners Association shall indemnify any person, who, by reason of the fact that he is or was an officer or director of the Homeowners Association, is made a party to or is threatened to be made a party to any litigation, claim, suit, action or other proceeding of any kind, against expenses (including reasonable attorneys' fees), liabilities, judgments, costs, fines, penalties, amounts paid in settlement, and other losses actually and reasonably incurred by him in connection with the defense or settlement thereof, if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Homeowners Association, and if he had no reasonable cause to believe that his conduct was unlawful. No indemnification shall be allowed with respect to any claim or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association.

The indemnification provided for hereby shall not be deemed exclusive of any other rights to which those seeking indemnification (whether or not they are officers or directors) may be entitled under any law, agreement, vote of members or directors or otherwise, both as to actions in official capacities and as to actions in other capacities, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of the person being so indemnified.

ARTICLE XII CORPORATE SEAL

The Homeowners Association shall have a seal in circular form having within its circumference the words:
GRAUE MILL HOMEOWNERS ASSOC.

ARTICLE XIII AMENDMENTS

Section 1. *Amendment.* These By-laws may be amended at a regular or special meeting of the voting members at which a quorum is present by a vote of a majority of the Class A voting members and a majority of the Class B voting members, if any, present in person or by proxy at such meeting, providing at least five (5) days' written notice of the proposed amendment is sent to each of the voting members.

Section 2. *Conflict.* In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

**ARTICLE XIV
MISCELLANEOUS**

The fiscal year of the Homeowners Association shall begin on the first day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of THE GRAUE MILL HOMEOWNERS ASSOCIATION, have hereunto set our hand this 22nd day of November, 19 76.

<u>MONTE SHAW</u>	<u>President</u>
<u>HARRY JAMES</u>	<u>Vice President</u>
<u>HARMON ANDERSON</u>	<u>Secretary-Treasurer</u>

CERTIFICATION

I, the undersigned, do hereby certify:
THAT I am the duly elected and acting secretary of the GRAUE MILL HOMEOWNERS ASSOCIATION, an Illinois Corporation, and THAT the foregoing By-laws constitute the original By-laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 18th day of November 19 76.

HARMON ANDERSON
Secretary