

**BYLAWS OF  
EAGLE RIDGE TOWNHOUSE ASSOCIATION, INC.  
AN ILLINOIS NOT-FOR-PROFIT CORPORATION**

**ARTICLE I  
NAME OF CORPORATION**

The name of this corporation is Eagle Ridge Townhouse Association, Inc.

**ARTICLE II  
PURPOSE AND POWERS**

2.01 **PURPOSES:** The purposes of this Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare, and the common use and enjoyment thereof by members of the Association, all on a not-for-profit basis. These By-Laws are subject to the provisions of the Eagle Ridge Townhouse Declaration of Covenants, Conditions, Restrictions and Easements recorded in Jo Daviess County, Illinois on July 11, 1980, as Document No.156582 and the Settlement Homes Declaration of Covenants, Conditions, Restrictions and Easements recorded in Jo Daviess County, Illinois on November 29, 1982, as Document No.164884, both of which are referred to as the ("Declaration"). All terms used herein shall have the meanings set forth in Article I of the Declaration.

2.02 **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 By-Laws.

**ARTICLE III  
OFFICES**

3.01 **REGISTERED OFFICE:** The Association shall have and continuously maintain in this state a registered office 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 may from time to time determine.

3.02 **PRINCIPAL OFFICE:** The Association's principal office shall be maintained at #2 Settler Lane, Galena, Illinois 61036.

**ARTICLE IV  
MEETINGS OF MEMBERS**

4.01 VOTING RIGHTS: Any or all Owners may be present at any meeting of the Owners, or may vote by proxy in writing executed by the Owner or 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. Each Owner shall be entitled to one vote for each Townhouse Unit Owned.

4.02 PLACE OF MEETING; QUORUM: Meetings of the Owners shall be held at the principal office of this Association or at such other place in Jo Daviess County, Illinois as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Persons representing at least four votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of persons representing a majority of the votes present at such meeting.

4.03 ANNUAL MEETINGS: The initial meeting of the Owners ("Initial Meeting") shall be held upon ten (10) days' written notice given by the Declarant. If not called earlier by the Declarant, the Initial Meeting of the Owners shall be held within 30 days after such time as \_\_\_\_ Townhouse Units have been conveyed or caused to have been conveyed by Declarant for valuable consideration. Thereafter there shall be an annual meeting of the Owners on the \_\_\_\_ of \_\_\_\_ of each succeeding year at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as maybe designated by written notice of the Board delivered to the Owners not less than ten (10) days prior to the date fixed for said meeting.

4.04 SPECIAL MEETINGS: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice (after the Initial Meeting) by at least two Owners, and delivered not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time, and place of the meeting and the matters to be considered.

4.05 NOTICE OF MEETINGS: Notices of meetings required to be given herein may be delivered either personally or by mail to the Owners, addressed to such person at the address given by him to the Board for the purpose of service of such notice, or to the Dwelling Unit of the Owner if no address has been given to the Board. A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

## **ARTICLE V BOARD OF DIRECTORS**

5.01 IN GENERAL: The affairs of the Association and the direction and administration of the property shall be vested in the Homeowners' Board (the "Board"), which shall consist of five (5) persons ("Directors"). The Board shall have all of the powers granted to it under the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois. (*NOTE*: Section 5.01 amended effective February 25, 2006 to reduce the Board from seven Directors to five Directors).

5.02 INTERIM BOARD: Anything herein to the contrary withstanding, until the Initial Meeting of the Owners is held pursuant to paragraph 4.03 hereof, the Board shall consist of three (3) persons from time to time designated by the Declarant. Such persons may, but need not, be Owners and such persons shall serve at the discretion of the Declarant.

5.03 INITIAL AND SUBSEQUENT BOARDS: Each member of the Initial Board and subsequent Boards shall be one of the Owners or a spouse of an Owner; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a director. At the Initial Meeting and each subsequent meeting, each Owner shall appoint the Person to serve on the Board for each Townhouse Unit owned by such Owner and such Person shall serve a term of one year or until his successor is appointed and qualified.

5.04 ANNUAL MEETINGS: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the Owners at such place as shall be fixed by the Directors at the annual meeting of the Owners, and no notice shall be necessary to the Director in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.05 REGULAR MEETINGS: Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Directors, provided that not less than two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meetings and such notice shall state the time and place of such regular meeting.

5.06 SPECIAL MEETINGS: Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two of the Directors then serving.

5.07 WAIVER OF NOTICE: Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.08 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and 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.

5.09 INFORMAL ACTION: Any action required or permitted to be taken by the Board under the General Not-For-Profit Corporation Act, the Declaration or these By-Laws may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof and any such consent shall have the same force and effect as a unanimous vote of the Directors.

5.10 COMPENSATION: Directors shall serve without compensation, except reasonable expenses may be paid. However, to the extent deemed necessary by the Association, the Association may retain the services of a Director other than in his or her capacity as a Director and the Director may be compensated for services so rendered as the Board of Directors may from time to time deem appropriate. (*NOTE: Section 5.10 amended effective February 20, 1999 to permit payment of compensation to a Director for services rendered other than in the capacity as a Director*).

5.11 RESIGNATION OF DIRECTOR: Any Director may resign at any time by submitting his written resignation to the Board. A successor to fill the unexpired term of a Director who resigns may be appointed by the Owner of the Townhouse Unit which such Director represented and any successor so appointed shall serve the balance of his predecessor's term.

5.12 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Declaration, these By-Laws, and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

(a) To engage the services of a manager or managing agent, who shall maintain the Common Area and Townhouse Unit Exteriors upon such terms and with such authority as the Board may approve;

(b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;

(c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Area and Townhouse Unit Exteriors for which the Association is responsible under the Declaration and these By-Laws:

(d) To procure fire and extended coverage insurance and other insurance as provided for in the Declaration;

(e) To estimate and provide each Owner with an annual budget;

(f) To set, give notice of, and collect assessments from the Owners as provided in the Declaration;

(g) To pay the Common Expenses:

(h) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws.

5.13 BOARD LIABILITY: The Directors from time to time constituting the Board shall not be liable to Owners for any mistake of judgement or for any acts made, or omissions to acts omitted in good faith as such Directors.

5.14 ELECTION OF DIRECTORS: ELECTIONS OF DIRECTORS SHALL OCCUR UNDER THE FOLLOWING GUIDELINES:

(a) Board members shall serve a term of two (2) years, with all five (5) members of said Board to be elected on the \_\_\_\_ day of \_\_\_\_, A.D. 1989.

(b) Vacancies in the Board shall be filled by a majority of the remaining Directors. Any such appointed Director shall hold office until his /her successor is elected by the members at the next annual meeting. The above provision shall not preclude an appointed Director from seeking election as a Director. Such Director appointed or elected to fill a vacancy shall serve only during the unexpired term created by the vacancy.

(c) Election to the Board shall be by written ballot as hereinafter provided. At such election, the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the various Declarations of Covenants and Restrictions referred to in Section 2.01 hereof. The names receiving the largest number of votes shall be declared elected.

(d) The four (4) candidates receiving the greatest number of votes shall, on the election to be held on the \_\_\_\_ day of \_\_\_\_\_, A.D., 1989, shall be elected for two (2) year terms. The next three (3) candidates receiving the next highest number of votes shall be elected for one (1) year terms. The candidates for office in all elections held at annual meetings after the \_\_\_\_ day of \_\_\_\_\_ A.D., 1989, shall be elected for two (2) year terms. This will result in four (4) Directors being elected in odd numbered years and three (3) Directors being elected in even numbered years.

(e) Nominations for election to the Board shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

(f) The Nominating Committee shall consist of a chairman who shall be a member of the Board, whose term of office will not be expiring while such director is a member of the Nominating Committee and two or more members of the Association who shall not be candidates for election as directors. The chairman and members of the nominating committee shall be appointed by the President subject to the approval of a majority of the then existing board at the meeting following the annual meeting of members, or as soon thereafter as a President is elected by the Board of Directors.

(g) The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled and no more than three (3) nominations for each vacancy. Such nominations may be made from among members only, as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Article VII Section 5, and shall be made in advance of the time fixed in Article VII Section 5 for the mailing of such ballots to Members.

(h) All elections to the Board shall be made on a written ballot which shall:

(1) Describe the vacancies to be filled;

(2) Set forth the names of those nominated by the Nominating Committee for such vacancies and;

(3) Contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the secretary to the members at least thirty (30) days and not more than forty (40) days in advance of the date set forth therein for return of ballots (which shall be a date not later than the day before the annual or special meeting called for elections.)

(4) The names of the candidates shall be positioned on the ballot according to lot. The procedure for drawing the names shall be determined by the Nominating Committee.

(i) Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote for

each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the members shall be advised that, because of the verification procedures of Article VII Section 7, the inclusion of more than one Ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the member is exercising more than one vote), shall be placed in another sealed envelope which shall bear such information as the Board may determine will serve to establish his right to cast the vote or votes presented in the Ballot or Ballots contained therein. The ballots shall be returned to the Secretary at the address stated in ballot transmittal.

(j) Upon receipt of each return, the secretary shall immediately place it in a safe or other locked place until the days set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of at least three (3) members appointed by the Board. The Election Committee shall then adopt a procedure which shall:

(1) Establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the member, be identified on the outside envelope containing them; and

(2) That the member is not delinquent in the payment of any of the assessments against the lot or living unit for which the vote is being cast. If the assessments are not fully paid, the vote shall be invalidated.

Such procedure shall be taken in such manner that the vote of any member shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

## **ARTICLE VI OFFICERS**

6.01 OFFICERS: The officers of the Association shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such assistants to such 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 and all other officers may, but need not be, Directors.

6.02 VACANCY OF OFFICE: Any officer may be removed at any meeting of the Board by the affirmative vote of the 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.

6.03 POWERS OF OFFICERS: 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 and shall preside at all meetings of the Owners and at all meetings of the Board;
- (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 Owners and of the Board and shall have custody of the Association Seal and have charge of such other books, papers and documents as the Board may prescribe;
- (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 purpose.

6.04 OFFICER LIABILITY: The officers of the Association shall not be liable to the members for any mistake of judgment or for any acts or omissions for acts omitted in good faith as such officer.

6.05 COMPENSATION: The President, Vice-President, Secretary and Treasurer shall serve without compensation, except reasonable expenses may be paid. However, to the extent deemed necessary by the Association, the Association may retain the services of the President, Vice-President, Secretary and Treasurer other than in their capacity as such Officers and they may be compensated for services so rendered as the Board of Directors may from time to time deem appropriate. (*NOTE: Section 6.05 amended effective February 20, 1999 to permit payment of compensation to an Officer for services rendered other than in the capacity as an Officer*).

## **ARTICLE VII COMMITTEES**

7.01 BOARD COMMITTEES: The Board, by resolution, adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and delegation thereto of authority shall not

operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.02 SPECIAL COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

7.03 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.

7.04 CHAIRMAN: One member of each committee shall be appointed chairman.

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

7.06 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.

7.07 RULES: Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

## **ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

8.01 CONTRACTS: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, 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.

8.02 PAYMENTS: All checks, drafts, vouchers or other orders for the 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 countersigned by the President or a Vice President of the Association.

8.03 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.

8.04 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 IX FISCAL MANAGEMENT**

9.01 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 each year.

9.02 ANNUAL STATEMENT: Within a reasonable time after the close of each fiscal year the Board shall furnish each Owner with a statement of the income and disbursements of the Association for such fiscal year.

9.03 ASSESSMENT PROCEDURE: Annual assessments and special assessments shall be made as provided in the Declaration.

## **ARTICLE X 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 and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. 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 XI  
SEAL**

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

**ARTICLE XII  
AMENDMENTS**

These By-Laws may be amended or modified at any time, or from time to time by the affirmative vote of Owners having at least seventy percent (70%) of the votes, provided that paragraphs 4.03 and 5.02 may not be amended without the written consent of Declarant, and provided further that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.