

This instrument prepared by and return to:
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PAMELA D. McCULLOUGH
BOONE COUNTY CLERK & RECORDER

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**BYLAWS OF
NEWBURG VILLAGE HOMEOWNER'S ASSOCIATION**

Approved February 14, 2001

Revised October 27, 2005

Revised December 5, 2007

10/8

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ARTICLE I

Membership

Section 1. There shall be one class of membership, being the Property Owners as aforesaid. There shall be one person with respect to each Property Ownership who shall be entitled to vote at any meeting of the Property Owners. Such person shall be known (and hereinafter referred to) as a "voting member". The voting member may be the owner or one of the group which composes the Owners of a Property Ownership, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such proxy 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 incompetence of any designator, or by written notice to the Board by the designator. The total number of votes shall equal the number of lots and each Property Owner shall be entitled to one vote. Declarant shall be the voting member with respect to any Property Ownership owned by the Declarant.

Section 2. Meetings of the voting members shall be held at the Property or at such other place in Boone County or Winnebago County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having total votes of 15% of the total membership shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present. The following actions shall require the affirmative vote of all of the votes of Property Owners present at a meeting duly called for that purpose:

- (a) merger or consolidation of the Association;
- (b) sale, lease, exchange, or other disposition of all, or substantially all, of the property and assets of the Association;
- (c) the purchase or sale of land on behalf of all Property Owners.

Section 3. The initial meeting of the voting members shall be held upon not less than twenty-one (21) days prior written notice given by the Declarant and not later than sixty (60) days after conveyance by the Declarant of seventy-five (75%) percent of the Units or three (3) years after the Declaration is recorded, whichever is earlier. Thereafter, there shall be an annual meeting of the voting members on such date as selected by the Board as may be designated by written notice of the Board. One of the purposes of such annual meeting shall be to elect members of the Board.

Section 4. Special meetings of the voting members 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 voting members, or for any other reasonable purpose. Said meeting shall be called by written notice, authorized by a majority of the Board or the President. The notices shall specify the date, time, and place of the meeting and the matters to be considered.

Section 5. Notices of meetings required to be given herein shall be delivered by mail to the persons entitled to vote at such meetings, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board. Notices shall be delivered to the members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting.

ARTICLE II

Board of Directors

Section 1. General Powers. The management and direction of all the affairs, property and business of the Association shall be vested in a Board of Directors (hereinafter referred to as the "Board") which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Certificate of Incorporation, the Declaration, or these Bylaws, directed to be exercised or done by the Members.

Section 2. Number. The number of Directors shall be seven (7), who shall be elected in the manner hereinafter provided. Of the seven Directors, one Director shall be appointed by the Board of Managers of Rivers Edge Condominium Association and one Director shall be elected or appointed from among the lot owners on Stone Ridge Lane. The remaining Directors are to be elected from the lot owners around the golf course.

Section 3. Qualifications. Each Director of the Board shall be a Property Owner, provided, however, that in the event a Property 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 of the Board.

Section 4. Term of Office and Tenure. At each annual meeting, directors of the Board shall be elected. The candidate(s) receiving the highest number of votes with respect to the office to be filled shall be deemed to be elected. Each director shall serve a three (3) year term and shall hold office until his successor is elected and qualified even though his tenure of office should thereby be exceeded. Said three (3) year terms shall be staggered. Officers and Directors of the Board may succeed themselves in office.

Section 5. Quorum. A majority of the total number of directors on the Board shall constitute a quorum.

Section 6. Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of all of the voting members.

Section 7. Vacancies. Vacancies in the Board shall be filled by election by the voting members present at the next annual meeting or at a special meeting of the voting members called for such purpose. The remaining members of the Board shall have the authority to fill the vacancy until the next meeting of Property Owners.

Section 8. Meetings. Except as otherwise provided in the Bylaws, the property shall be managed by the Board which shall meet at least annually. The Board shall act by majority vote of those present at its meetings provided, however, the Board shall only conduct business when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt; provided, that all meetings of the Board shall be open to all Property Owners except for meetings:

- a. to discuss litigation when an action against or on behalf of the Association has been filed and is pending in court or administrative tribunal or when the Board finds that such an action is probable or eminent; or
- b. to consider information regarding appointment, employment or dismissal of an employee; or
- c. to discuss violations of rules and regulations of the Association or member's unpaid share of Common Expenses.

Any vote on the above matters shall be taken at a meeting or portion thereof open to any member. Any member may record the meetings required to be open by these Bylaws by tape, film or other means subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 9. Officers. The Board shall elect from its members a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive officer of the Board; one (1) or more Vice-Presidents who shall act in the event of the inability of the President; a Secretary who shall keep the minutes of all meetings of the Board and of the voting members, and who is the officer designated to give and receive notices on behalf of the Board and who shall, in general, perform all the duties incident to the office of Secretary; and a Treasurer to keep the financial records and books of account; and such additional officers as the Board shall see fit to elect. In addition, the President and Secretary are the officers authorized to execute such amendments to the Bylaws which are authorized herein.

Section 10. Signatures. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary.

Section 11. Additional Powers & Duties. In addition to the powers, duties and authority otherwise vested in the Board by the Bylaws, the Board shall have the following additional powers and duties:

- a. to engage the services of manager or managing agent who shall manage and operate the Property for all the Property Owners upon such terms and with such authority as the Board may approve;
- b. to formulate policies for the administration, management, and operation of the Property;

- c. to adopt rules and regulations, with written notice thereof to all Property Owners, governing the administration, management, maintenance, operation, use, conservation and beautification of the Property and for the health, comfort, safety and general welfare of the Property Owners, and to amend such rules and regulations from time to time;
- d. to provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, and to engage or contract for the service of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent);
- e. to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Property Owners their respective shares of such estimated expenses as hereinafter provided;
- f. to establish and maintain a sinking fund sufficient to enable the Association to carry out its duties to an Agreement with Rock River Water Reclamation District for the maintenance, repair and replacement of the Disposal System owned by the Association, more particularly set forth in the Agreement between the Association and District and in the Covenants, Conditions, and Restrictions applicable to all real estate, which is the subject of this Association. This sinking fund shall be irrevocably maintained and funded in an amount from time to time determined to be necessary for the purposes set forth herein, in the Covenants, Conditions, and Restrictions, and in the Agreement between the Association and District, but shall not be less than the estimated cost of repair and replacement over the life of the Disposal System as set forth in the Agreement between the Association and District;
- g. to comply with the instructions of a majority of the Property Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Property Owners, if such instructions are in compliance with these Bylaws;
- h. to furnish to any Property Owner requesting same (upon such Property Owner's ten (10) days prior notice and payment of a reasonable fee) a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner;
- i. to exercise all other powers and duties of the Board of Managers or Property Owners as a group referred to in these Bylaws;
- j. to exercise all powers specified in the General Not-for-Profit Corporation Act which are not inconsistent with the Act.
- k. to exercise any reasonable powers over the disposal system as defined herein and in the Covenants, Conditions and Restrictions provided however that without the consent of the City Council of the City of Belvidere, no part of the disposal system shall be used for any extension beyond the limits of the Subject Property as it is now configured.

Section 12. Meeting Notices. Notices of meetings of the Board shall be mailed to Property Owners at such place as designated in Article I, Section 5 of these Bylaws at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. No other notice need be served on members of the Board. Notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be made in the same manner as provided in Article I, Section 5 for membership meetings.

Section 13. All rules and regulations, or amendment thereto, adopted by the Board, shall be effective sixty (60) days after their adoption.

ARTICLE III

Assessments

Section 1. Each year, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. At least thirty (30) days prior to the meeting of the Board at which it proposes to adopt said budget, the Board shall give each Property Owner a copy of the proposed budget and shall give notice, in the manner provided in Article I, Section 5 of these Bylaws. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements.

The Board may adopt separate assessments payable over more than one fiscal year and the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

Section 2. In addition to the annual assessment, the Board shall assess a sufficient amount to establish and maintain a sinking fund for purposes of repair, reconstruction and replacement of the sewage disposal system in accordance with its Agreement with Rock River Water Reclamation District. The establishment and maintenance of that fund shall be irrevocable and not subject to abolition by the Association members. This fund is more particularly described in Article II, Section 11(f).

Section 3. On or before January 1, 2006, and the 1st of each and every January thereafter, each Property Owner shall be obligated to pay to the Board or as it may direct, the annual assessment made pursuant to this paragraph. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Property Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions were for reserves, capital expenditures or repairs and with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net excess or deficit of income over expenditures plus reserves.

Section 4. The Board shall build up and maintain a reasonable reserve for contingencies, repairs and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including nonpayment of any Property Owner's assessment, any non-recurring Common Expense, any Common Expense not set forth in the budget as adopted or any increase in assessment over the amount adopted, the Board may at any time levy a further assessment, which shall be assessed to the Property Owners according to each Property Owner's percentage ownership in the Common Elements as aforesaid.

Before adopting such further assessment, the Board shall serve notice of the meeting at which it intends to adopt such further assessment in the manner provided in Article 1, Section 5 of these Bylaws and shall deliver to all Property Owners a statement in writing giving the amount and reasons therefor. Such further assessment shall become effective on the first day of the month after adoption thereof by the Board. All Property Owners shall be obligated to pay the adjusted assessment amount.

Section 5. When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31 of the calendar year in which said election occurs. Assessments shall be levied against the Property Owners during said period as provided in Section 1 of this Article.

Section 6. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Property Owner shall not constitute a waiver or release in any manner of such Property Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Property Owner shall continue to pay the annual maintenance charge at the then existing annual rate established for the previous period until the next annual maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 7. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and vouchers authorizing the payments shall be available for inspection by any Property Owner at such reasonable time or times during normal business hours as may be requested by the Property Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Property 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.

Section 8. If a Property Owner is in default in the annual payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may bring suit for and on behalf of themselves and as representatives of all Property Owners as provided in the Declaration.

Section 9. Said annual budget shall be assessed to the Property Owners according to each Property Owner's percentage of ownership in the Common Elements; provided, however, that if

any costs or expenses incurred by the Board are billed on the basis of a fixed charge per Unit, or per occupied Unit, then each such charge may be assessed by the Board to the Units involved on the basis of such fixed charge, without reference to percentages of ownership in the Common Elements. Any fixed charge assessed against a Unit by virtue of the preceding sentence shall be considered a Common Expense, shall become a lien and may be perfected and foreclosed in the manner provided in the Act.

Section 10. Commencing with the first conveyance and until the first meeting of the Property Owners is held and the amount of the annual assessments to be paid by the Property Owners is determined by the Board, each Property Owner (including Developer in respect to any Units owned by Developer) shall pay in advance on the first day of January to managing agent of the Property, for use in the operation of the Property pursuant to its management agreement with the Association, an amount equal to the product obtained by multiplying the particular Property Owner's percentage interest in the Common Elements times the cost of operating the Property for such month, as estimated by the Developer. Such operating costs shall not include capital expenditures, reserves for contingencies or replacements, prepaid items, or inventory items to the extent attributable to subsequent periods. If Developer shall underestimate or overestimate such operating expenses, appropriate adjustments may be made in the estimate; provided, however, that the portion of any excess payment made by Developer as a result of an overestimate of such expenses shall be refunded to Developer or shall be otherwise credited to Developer in such manner as it may determine.

ARTICLE IV **Amendments**

Except as otherwise provided by these Bylaws, the Bylaws may be amended or modified by approval of seventy-five (75%) of the voting members. Such amendments shall become effective when recorded in the Office of the Recorder of Deeds of Boone County, Illinois, provided that the requirement that the sewer collection system not extend beyond the subject property without written consent of the City of Belvidere shall not be subject to amendment.