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File **6788212**

**Bylaws of Loch Lomond Property Owners Association,
P.O. Box 840, Mundelein, IL 60060**

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LOCH LOMOND PROPERTY OWNERS ASSOCIATION

BYLAWS

As Amended November 13, 2011

PREAMBLE

The purposes for which the Loch Lomond Property Owners Association, hereinafter known as the "Association," is organized are as follows: to hold title to the lake and parks of the subdivision of Loch Lomond, to maintain the lake and parks of the subdivision, and to provide appropriate services to the members of the Association as described below.

ARTICLE I -- BOARD OF DIRECTORS AND CHARTER

Section 1. The Association shall be governed by a Board of Directors as described below.

Section 2. This organization shall operate under a not-for-profit State of Illinois charter and in accordance with the Illinois Common Interest Community Association Act.

ARTICLE II -- MEMBERSHIP

Section 1. Membership in the Association shall be limited to property owners in the subdivision of Loch Lomond, described below. Membership shall carry the right to speak at any Annual or Special Meeting, and such other rights and privileges as are provided by these Bylaws, or may from time-to-time be designated by the Board of Directors. All property owners including contract purchasers - unless the seller expressly retains membership rights in writing - in the subdivisions known as "Loch Lomond, Loch Lomond Unit Number 2, Loch Lomond Unit Number 3, Seminary View Subdivision, and Peramore's Fourth Addition to Loch Lomond" are members of the Loch Lomond Property Owners Association. All members shall pay yearly dues and assessments as hereinafter set forth.

Section 2. For the purposes of this article, it is understood that the community of Loch Lomond shall include only the property known as Loch Lomond, Loch Lomond Unit 2, Loch Lomond Unit 3, as recorded by the Arthur T. McIntosh Co. in Lake County, Illinois, document No. 820686, dated April 7, 1954 and those parcels of Seminary View Subdivision and Peramore's Fourth Addition to Loch Lomond as recorded in Lake County, Illinois, as document No. 32128748, dated August 31, 1981, provided that the membership may expand the boundaries of Loch Lomond by a 2/3 majority vote of the property owners in the Association, except that at no time will the boundaries be extended beyond the roads currently known as U.S. Route 45, Illinois Route 176, Midlothian Road, Dunbar Road, and the lots currently fronting Dunleer Drive and Rye Road.

Section 3. (a) Owners of each property in Loch Lomond shall have one vote. If the property is jointly owned, the owners shall decide which owner may cast that vote. (b) No individual member may have more than one vote regardless of how many parcels of land he or she may own in the subdivision. ✓

Section 4. The members of the Association shall register with the Secretary or property manager under contract to the Association and conform to the membership regulations set forth in this article. In the event of a change of voter, mailing address, or e-mail address, the Secretary or property manager under contract to the Association shall be notified of said change in writing, by e-mail, or by editing member's data on a website maintained for the purpose, within thirty days of the effective change. ✓

Section 5. At all meetings of the members, a member may vote by proxy, executed in writing or executed by his or her duly authorized attorney-in-fact. Such proxy shall bear the date of execution and be filed with the Secretary before, or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 6. Whenever feasible, absentee ballots shall be mailed to nonresident property owners who are voting members at their permanent mailing address. Absentee ballots shall be acceptable from said property owners by return mail or e-mail, and will be counted as legal votes in all voting matters, provided said ballots are received by the Secretary before the day of the meeting. E-mail voting not allowed by law ✓

Section 7. At all meetings of the members, a member may vote by paper ballot provided by the Association.

ARTICLE III -- MEETINGS

Section 1. The Annual Meeting of the Association, held for the election of Directors and other business that may come before it, shall be held during the month of November. The Annual Meeting shall be held at such hour and place as the Board of Directors shall direct.

Section 2. Special Meetings of the Association may be called at any time by the President, by 25% of the Board of Directors, or by one-fifth of the members of the Association in good standing, the call stating the object thereof. The notice of such Special Meeting

shall in like manner state the object for which it is called, and only objects mentioned in such notice, and matters germane thereto, shall be considered at that Special Meeting.

Section 3. Notice of meetings. Written notice of any membership meeting shall be mailed or delivered electronically or in person, giving members no less than 10 and no more than 30 days notice of the time, place, and purpose of such meeting. Written notice of Board of Directors meetings, except when approval of the annual budget or any assessment is on the agenda, shall be given to all members at least 48 hours prior to the meeting. Written notice of a Board of Directors meeting when approval of the annual budget or any assessment is on the agenda, shall be given to all members at least 10 but no more than 60 days prior to the meeting. These written notices may be delivered either personally, by mail, or by e-mail at the direction of the President or the Secretary or the Officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the members at their addresses as they appear on the records of the Association, with postage paid.

Section 4. Quorum. A quorum at the Annual or any Special Meeting of the Association shall consist of a minimum of fifty of the property owners of the Association present in person or by proxy. (See Article II, Section 5 for proxy voting.) Board of Directors meetings may be opened by the presiding Officer when a majority of the board members is in attendance.

Section 5. (a) The Board of Directors shall meet four or more times a year, the date of each meeting to be set by the Board. (b) Upon 48 hours notice to all Directors and members, the President may call a Special Meeting of the Board of Directors. The President shall specify the purpose of the meeting in the notice, which may be made personally or by telephone. No matters other than those specified in advance may be acted upon at any Special Meeting.

Section 6. A majority of the members of the Board of Directors present and voting shall be necessary for the transaction of business, except to adjourn or as otherwise provided by these Bylaws.

Section 7. Meetings of the Board shall be open to any property owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Association finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment, or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a property owner's unpaid share of common expenses. Any vote on these matters shall be taken at a meeting or portion thereof open to any property owner.

Section 8. The Board must reserve a portion of the meeting of the Board for comments by property owners; provided, however, the duration and meeting order for the property owner comment period is within the sole discretion of the Board.

ARTICLE IV -- OFFICERS AND DIRECTORS

Section 1. The Board of Directors shall be elected at large and shall consist of not less than 3 and not more than 20 members, among which the Board shall select a President, Secretary, and Treasurer.

Section 2. The Board of Directors shall be elected from among the membership at the Annual Meeting. Each Director shall be elected by a majority of those voting. If there are more than 20 candidates for the Board, the 20 receiving the most votes among those receiving a majority shall be elected. Their term of office shall expire at the conclusion of the Annual Meeting following their election. Directors may succeed themselves.

Section 3. If any vacancy shall occur on the Board, the Board of Directors shall fill the vacancy by a 2/3 vote of the remaining members of the Board until the next Annual Meeting of the Association, or a Special Meeting for that purpose, at which time the office shall be filled by an appropriate election.

Section 4. Any Director may be removed from office by a two-thirds majority vote of the membership, at a duly called Special Meeting.

Section 5. Board members may not be compensated.

ARTICLE V -- DUTIES OF OFFICERS

Section 1. The President shall preside at all meetings, appoint all committees and execute all the Association business. In addition, the President shall perform all such duties as naturally pertain to such an office or which may devolve upon the President from time to time. In the absence of the President, those duties shall devolve upon the Treasurer, who shall perform the duties of the President and shall be vested with all the President's powers. In the absence of both the President and Treasurer, the order of succession shall be the Secretary, and then the other members of the Board of Directors by seniority.

Section 2. The Secretary shall keep a record of all the meetings of the Association and of the Board of Directors, and shall, in the absence of other directions by the Board of Directors or the Association, carry on all correspondence in the name of the Association. The Secretary shall include in the minutes of each meeting of the Association and of the Board of Directors an itemized listing fully identifying all expenditures authorized or approved at each meeting. Further, the Secretary shall be responsible for the custody and archival of all correspondence and other records not otherwise provided for in these Bylaws. The Secretary shall also conform to Section 1 of this article.

Section 3. The Treasurer shall collect all dues and other monies of the Association and deposit them in an insured State or National bank to be selected by the Board of Directors. The Treasurer shall keep the accounts of the Association and shall make disbursements of Association funds as directed by the Board of Directors. The Treasurer shall present in writing at each regularly scheduled meeting of the Association and of the Board of Directors a complete statement of all receipts and disbursements, bank balances, and obligations due, and shall submit additional information if required. A summary of the Treasurer's Report shall be incorporated into the minutes of each meeting and the detailed report shall be retained in the Secretary's records. The Treasurer shall also prepare an Annual Report of Receipts and Disbursements to be made available for audit and presented in writing to the membership at the Annual Meeting. The Treasurer shall also ensure that all required tax returns are prepared and filed in accordance with statutory requirements and such other reports as are required from time to time. The Treasurer shall be responsible for maintaining insurance coverage as directed by the Board. Some or all of the financial duties of the Treasurer may be delegated to a professional management firm selected by the Board and under contract to the Association. The Treasurer shall also conform to Section 1 of this article.

ARTICLE VI – AUTHORITY AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall be the governing body of the Association and in addition to such authority designated by the Bylaws or except as limited by them, shall have authority to administer the funds and property of the Association including the raising of funds by lawful means for the maintenance and improvement of said properties and to establish and enforce by all legal means reasonable rules and regulations regarding the use of said properties.

Section 2. The Board of Directors shall estimate annually and prepare a written Budget to be presented at the Annual Meeting of the Association which shows the amount of money that may be required for (a) operation of the Association, including mailing costs, printing costs, meeting costs, legal fees, swimming and lifesaving costs, lifesaving instruction, and other general and administrative expenses; (b) maintenance and improvement of the Association's real property and appurtenances thereto; (c) taxes on the Association's real property and appurtenances thereto; (d) insurance against liability or other loss as deemed appropriate by the Board of Directors, (e) funds held in reserve for unanticipated operating expenses and for planned major maintenance and improvement of the Association's real property and appurtenances thereto.

Section 3. The Board of Directors shall report to the membership at the Annual Meeting of the Association the amounts for each item in Section 2 that it intends shall be invoiced to each property owner to meet the anticipated expenditures for the fiscal year.

Section 4. The Board of Directors shall have the duty to approve the annual budget by majority vote at a Board meeting. The membership shall be notified of the meeting no more than 60 or less than 10 days prior to the meeting.

ARTICLE VII – DUES, ASSESSMENTS AND FINANCES

Section 1. (a) Annual dues shall be determined by the Board of Directors and shall be established annually in sufficient amount to meet anticipated expenses for the Association as estimated in accordance with Article VI, Section 2, prorated according to the anticipated number of member families. (b) Dues shall be billed to all property owners in January and shall be due and payable March 15th. (c) When at least one of the property owners in good standing in a given residence in Loch Lomond has reached the age of 65 and there are no employed younger residents (other than the other property owner) residing in the house more than three months per year, a special rate of one-half of all annual dues of the Association shall apply to the residence. It is the responsibility of the property owner to provide notice and proof of attaining the age of 65 to the Board; the special rate shall be applied starting with the dues billing cycle following the notification.

Section 2. (a) The Board of Directors, with the approval of a 2/3 majority of the members present at an Annual Meeting or Special Meeting, a quorum being present in person or by proxy, may declare a special assessment to provide funds needed to meet unusual, unanticipated but unavoidable expenses. Such assessment shall be in an amount judged necessary by the Board of Directors and prorated according to the anticipated number of member families. Such special assessments shall be billed to each property owner when approved and shall be due and payable thirty days from the date of the invoice.

Section 3. (a) No persons shall be entitled to vote at or have a voice in any Annual or Special Meeting of the Association unless they shall have paid their dues and any special assessments in full. (b) Participation in any special recreational or instructional programs in any fiscal year paid for out of dues income shall, unless the Board of Directors instructs to the contrary, be limited to those who have paid their membership dues for that fiscal year. (c) Payment of membership dues and special assessments current and past due shall be required for access to or use of the Association's real property or appurtenances thereto. (d) When a property is sold by a property

owner not in good standing because of non-payment of dues or assessments, the payment of the 1983 and subsequent dues and assessments as they become due shall be a condition to access to and use of the Association's real property and appurtenances thereto by the new property owner(s). The Board of Directors shall make every reasonable effort to inform realtors and prospective purchasers of the provisions of this section, but failure to do so will not negate its provisions.

Section 4. (a) The Board of Directors, with the approval of a majority of the members present at an Annual Meeting or Special Meeting, a quorum being present in person or by proxy, may declare an amnesty period, not to exceed three months, in which property owners in arrears may be reinstated to good standing in the Association by payment of the dues and assessments for the previous year and the current year.

Section 5. (c) The Board of Directors shall establish and enforce a written policy for the collection of dues and assessments in arrears. Members shall receive a copy of this policy with their invoice.

Section 6. The Board of Directors may add attorneys' fees and court costs, and other fees pertaining to the collection of a member's financial obligation to the Association, including fees charged by a manager or managing agent, to the amount owed by a member in arrears.

Section 7. (a) The general funds of the Association shall be deposited into a checking account with the excess of the account balance over short-term cash requirements transferred to an interest bearing account. (b) All monies received for special or restricted purposes shall be deposited into separate bank accounts and expenditures of such shall be only for the purpose(s) designated. (c) All withdrawals or disbursements from Association bank accounts shall be signed by the President and Treasurer. Authority to make disbursements on behalf of the Association may be delegated to a professional management firm under contract to the Association and covered by fidelity insurance as specified in Section 8 of this Article. Such disbursements may not exceed \$1,000 without prior Board approval; this requirement must be part of the management contract.

Section 8. The fiscal year of the Association shall be from November 1 to October 31.

Section 9. The Treasurer's annual report of receipts and disbursements together with all financial records of the Association shall be audited prior to each Annual Meeting by either a Certified Public Accountant or by an auditing committee, appointed by the President, consisting of three members of the Association in good standing. No such accountant or auditing committee member shall be a member of the Board of Directors. Report of audit shall be made at the Annual Meeting.

Section 10. The Association shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the Association, including any professional managers under contract to the Association, for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Association.

ARTICLE VIII – AMENDMENTS

Section 1. The Bylaws may be amended at any Annual or Special Meeting of the Association by the following method: a two-thirds vote of those voting, a quorum being present in person or by proxy, providing that the amendment is submitted in writing to the Secretary at least thirty days before the next Annual or Special Meeting, and providing further that the Secretary delivers or mails the amendment to the entire membership at least two weeks before the next Annual or Special Meeting.

Section 2. Scrivener's errors. Errors in spelling, capitalization, or punctuation in these Bylaws may be corrected without vote by the membership, provided that all such corrections do not change the intent of the section(s) involved, and are reviewed by the Board of Directors before the amended Bylaws are filed.

Section 3. Amendments shall take effect upon filing with the Lake County Recorder of Deeds and copies of the ratified Amendments shall be delivered or mailed to the entire membership by the Secretary.

ARTICLE IX – RULES OF ORDER

Section 1. The Order of Business must be read by the presiding Officer preceding all business at the Annual or Special Meeting:

1. Call to order
2. Reading and approval of minutes of previous meeting
3. Reading and approval of the Treasurer's Report
4. Reports of standing committees
5. Reports of special committees
6. Old Business
7. New Business
8. Adjournment

Section 2. In all cases not specifically covered by these Bylaws, Robert's Rules of Order Newly Revised (revised 2000) shall govern and shall be deemed to be a part thereof.

APPROVED THIS 15th DAY OF November, 2011 BY THE BOARD OF DIRECTORS OF LOCH LOMOND
PROPERTY OWNERS ASSOCIATION:

<u>Kay Dickman</u>	<u>Barbara Ende</u>	_____
<u>Jean J. Schick</u>	<u>Kathleen Hudson</u>	_____
<u>Henry Presch</u>	<u>John Boster</u>	_____
<u>Robert Kephart</u>	<u>Steve Koch</u>	_____
<u>Harold J. Hanson</u>	<u>Richard L. Lunt</u>	_____

Legal Description

Loch Lomond Association

Legal: Lots 1 Through 31 In Block 1; Lots 1 Through 3 In Block 2; Lots 1 Through 35 In Block 3; Lots 1 Through 41 In Block 4; Lots 1 Through 18 In Block 5; Lots 1 Through 40 In Block 6; Lots 1 Through 19 In Block 7; Lots 1 Through In Block 8; Lots 1 Through 14 In Block 9; Lots 1 Through 18 In Block 10; Lots 1 Through 16 In Block 11; Lots 1 Through 16 In Block 12; Lots 1 Through 3 In Block 13; Lots 1 Through 27 In Block 14; Lots 1 Through 13 In Block 15; And Lots 1 Through 12 In Block 16 In Loch Lomond A Subdivision In Part Of Section 24, Township 44 North, Range 10 East Of The Third Principal Meridian, According To The Plat Thereof Recorded April 7, 1954 As Document 820686 In Book 32 Of Plats, Page 98 In Lake County, Illinois.

Lots 1 Through 23 In Block 1; Lots 1 Through 27 In Block 2; Lots 1 Through 15 In Block 3; Lots 1 Through 34 In Block 4; Lots 1 Through 27 In Block 5; Lots 1 Through 14 In Block 6; Lots 1 Through 21 In Block 7; Lots 1 Through 7 In Block 8; Lots 1 Through 16 In Block 9; Lots 18 Through 22 In Block 9; Lots 1 Through 19 In Block 10 In Loch Lomond, Unit Number 2, A Subdivision Of Part Of Sections 13 And 24, Township 44 North, Range 10, East Of The Third Principal Meridian, According To The Plat Thereof, Recorded April 8, 1956 As Document 903400, In Lake County, Illinois.

Lots 1 Through 13 In Block 1; Lots 1 Through 7 In Block 2; Lots 1 Through 12 In Block 3; Lots 1 Through 7 In Block 4 In Loch Lomond Unit No. 3, A Subdivision Of Part Of The East Half Of Section 24, Township 44 North, Range 10, East Of The Third Principal Meridian, According To The Plat Thereof Recorded June 13, 1955 As Document 868693 In Book 1349 Of Records, Page 115, In Lake County, Illinois.

Lots 94, 95, 96, 97, 141, 142 And 159 In Seminary View Subdivision, Being A Subdivision Of Part Of The Northeast Quarter Of The Southeast Quarter And Of The Southeast Quarter Of The Northeast Quarter Of Section 24, Township 44 North, Range 10, East Of The Third Principal Meridian, In Book "Q" Of Plats, Pages 50 And 51 As Recorded On September 27th, 1926 As Document Number 286952 In Lake County Illinois.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 And 24 In Peramores Fourth Addition To Loch Lomond, Being A Subdivision Of Part Of The Southeast Quarter Of Section 24, Township 44 North, Range 10, East Of The Third Principal Meridian, In Lake County, Illinois.