

**AMENDED AND RESTATED DECLARATION OF
RESTRICTIONS AND EASEMENTS FOR
LOCH LOMOND PROPERTY OWNERS
ASSOCIATION**

**Amendment Prepared By
And after Recording Send To:**

AGREEMENT TO EXTEND RESTRICTIONS AND EASEMENTS

AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND EASEMENTS
FOR
LOCH LOMOND PROPERTY OWNERS ASSOCIATION

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AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND EASEMENTS
FOR
LOCH LOMOND PROPERTY OWNERS ASSOCIATION

This Amended and Restated Declaration is adopted pursuant to a vote of two-thirds (2/3) of the Owners of the Loch Lomond Property Owners Association (“Association”) approving to amend the Original Declarations. Any Amendment hereto must be recorded.

WHEREAS, the Association and its Owners hold legal title to a certain parcel of real estate in the County of Lake and State of Illinois, legally described in Exhibit “A” attached hereto and made a part hereof, and hereinafter referred to as the “Property”; and

WHEREAS, the Association and its Owners desire to preserve the values and amenities in their community by subjecting the Property owned by them and described herein to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Property; and

WHEREAS, the Association is a Not-for-Profit Corporation, incorporated under the laws of the State of Illinois to administer and enforce the covenants, conditions, restrictions, easements, charges, and liens as delineated in this Declaration; and

WHEREAS, the Association and its Owners affirmatively elect to be covered by the Illinois Common Interest Community Association Act, 765 ILCS, 160 et seq.; and

NOW THEREFORE, the Association and its Owners hereby declare that the real Property hereinabove set forth shall be held, occupied, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, charges and liens created herein, which are for the purpose of promoting and enhancing the value, desirability and attractiveness of the Property. These easements, restrictions, covenants and conditions shall be considered as covenants running with the Property and shall be binding on all parties acquiring any interest in and to the aforesaid Property or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

_____ (a) Act – Illinois Common Interest Community Association Act, 765 ILCS, 160 et seq.

_____ (b) Association – The Loch Lomond Property Owners Association, an Illinois not-for-profit corporation, its successors and assigns.

_____ (c) Board – The Board of Directors of the Association, which is the governing body of the Association.

_____ (d) Bylaws – The Amended Bylaws, attached hereto as Exhibit C, which govern the administration and operation of the Association, as the same may be amended from time to time.

(e) Common Area – That portion of the Property other than the Lots, together with all improvements thereon, title to which is held by the Association.

(f) Common Expenses – All expenditures lawfully made or incurred by or on behalf of the Association for the maintenance, repair and replacement of the Common Area, taxes and insurance thereon, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

(g) Community Instruments – All documents and authorized amendments thereto recorded by the Association, including, but not limited to the Declaration, Bylaws, Plat and rules and regulations.

(h) Declaration – This Amended and Restated Declaration of Restrictions and Easements for Loch Lomond Property Owners Association and all amendments thereof filed for record in the Office of the Recorder of Deeds of Lake County, Illinois.

(i) Dwelling – Any improved property intended for use as a single-family detached dwelling located within the Property.

(j) Lot – Any plot of land shown upon the plat which is designated as a separate lot thereon.

(k) Member – The individual or entity designated as an Owner and entitled to one vote as defined by the Declaration and Bylaws.

(l) Original Declaration – The Declaration recorded by Arthur T. McIntosh & Company as Document Nos. 822721, 874973 and 903410 with the Office of the Recorder of Deeds of Lake County, Illinois, and as amended by the Agreement to Extend Restrictions and Easements recorded as Document No. 2087334 with the Office of the Recorder of Deeds of Lake County, Illinois.

(m) Owner – The record owner, whether one or more persons, individuals or entities, of a fee-simple title to any lot, including contract sellers having such interest merely as security for the performance of an obligation.

(n) Plat – The plat of subdivision recorded against the subject property in the Office of the Recorder of Lake County, Illinois and any amendments or additions thereto, incorporated herein by reference only.

(o) Prescribed Delivery Method – Mailing, delivering, posting in an Association publication that is routinely mailed to all owners, or any other delivery method, including electronic, that is approved in writing by the owner and authorized by the Community Instruments.

(p) Property – The real estate described in Exhibit A, attached hereto, together with all improvements thereon.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

The real Property legally described in Exhibit A, which is attached hereto and made a part hereof, is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration. Said real Property described in Exhibit A shall hereinafter be referred to as the "Property".

ARTICLE III
ASSOCIATION OF OWNERS AND
ADMINISTRATION AND OPERATION OF THE PROPERTY

Section 1. Association. An Illinois Not-For-Profit Corporation has been and shall be formed to act as the governing body for all of the Owners.

Section 2. Membership. Every Owner of a Dwelling or Lot is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from ownership of such Owner's Dwelling or Lot. Each such Owner, by acceptance of a deed or other conveyance of a Dwelling or Lot, thereby becomes a Member, whether or not this Declaration or such Membership is made a part of, incorporated by reference in, or expressed in said deed or conveyance. There shall be one Membership allocable to each Dwelling or Lot (herein called a "Unit Membership") and any Member who is the Owner of more than one such Dwelling or Lot shall have the number of Unit Memberships equal to the number of such Dwellings or Lots. If the record ownership of a Dwelling or Lot shall be in more than one person, or if an Owner of a Dwelling or Lot is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the Unit Membership and be responsible for the obligations attributable thereto, shall be designated by such Owner or Owners in writing.

Section 3. Voting Rights. The Association shall have one class of voting Membership. Members shall be all those Owners as defined in Article I. Members shall be entitled to one vote for each Lot or Dwelling in which they hold the interest required for Membership by this Article. When more than one person holds such interest in any Lot or Dwelling, all such persons shall be Members. The vote for such Lot or Dwelling shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Dwelling. All Members holding any interest in a single Lot or Dwelling shall together be entitled to cast only one vote for the Lot or Dwelling.

Section 4. Applicability. The provisions of this Article shall be mandatory. No owner of any interest in any Lot or Dwelling shall have any right or power to disclaim, terminate or withdraw from his Membership in the Association or any of his obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect for any purpose.

Section 5. Method of Voting. The total number of votes which may be cast on any matter requiring assent of Members of the Association shall be equal to the total number of Unit Memberships at the time of any such vote. Whenever a vote of the Members of the Association is

required pursuant to this Declaration, or pursuant to the Articles of Incorporation or Bylaws of the Association, or is otherwise required by law, such votes shall be cast only by the respective Members or by proxy. Unless this Declaration or the Articles of Incorporation or Bylaws of the Association, or any law, shall specify a greater vote, all Association matters requiring action by Members shall be decided by a majority of the votes cast by the Members voting at a meeting at which a quorum (as defined in the Bylaws) is present.

Section 6. Board of Directors. The Association shall be governed by its Board of Directors duly appointed or elected as provided in the Bylaws of the Association. The Board shall administer the Common Areas in accordance with the terms and provisions of this Declaration, and in accordance with the Bylaws of the Association. All matters requiring action by the Board shall be decided by the majority vote of the Board, except as otherwise provided herein or in the Bylaws.

Section 7. Informal Action by Directors. Unless specifically prohibited by the Bylaws of the Association, any action required by this Declaration to be taken by the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors of the Board shall have the same effect as a unanimous vote.

— WHEREAS, on the 26th day of April, 1954, ARTHUR T. McINTOSH & COMPANY, a corporation created and existing under and by virtue of the laws of the State of Delaware, and duly authorized to transact business in the State of Illinois, was the owner of each and every lot and parcel of real estate in Loch Lomond, being a subdivision of part of Section 24, Township 44 North, Range 10, East of the Third Principal Meridian, in Lake County, Illinois, which subdivision is hereinafter, for convenience, referred to as the "Subdivision"; and,

Section 8. Board Liability. The Board, Members of the Board, Officers of the Association, and the agents and employees of any of them (all of the above hereinafter referred to as the "Protected Parties"), shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions which shall occur subsequent to the date of the recording of this Declaration, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend any and all of the Protected Parties against all claims, suits, losses, damages, costs and expenses, including, without limitation, attorneys' fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. Each Owner shall be entitled to a right of contribution from every other Owner in respect of said indemnity to the end that, to the extent possible, the burden of any such indemnity shall be borne by the Owners at the time the loss, cost, damage or expense is incurred in the proportion that the number of Dwellings or Lots in the Property owned by each respective Owner bears to the total number of Dwellings or Lots in the Property at the time the loss, cost, damage or expense is incurred. The Board shall assess each Owner for his share of the cost of such indemnification, and such assessment shall be collectible and enforceable in mode and manner as set forth in Article VI hereof. To the extent possible the obligation of the Owners for indemnification and the Board's liability hereunder shall be insured by means of appropriate contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

~~WHEREAS, on the 26th day of April, 1954, the aforementioned corporation, ARTHUR T. McINTOSH & COMPANY duly executed a certain Declaration of Restrictions and Easements, which was recorded in the Office of the Recorder of Deeds of Lake County, Illinois, as Document Nos. 822721, 874973, and 903401, respectively; and;~~

Section 9. Nonprofit Purposes of Association. Nothing herein shall be construed to give the Association authority to conduct an active business for profit on its own behalf or on behalf of the Members.

~~WHEREAS, said Declaration of Restrictions and Easements provided in Paragraph 1 that until January 1, 1980, each and every lot in the Subdivision would be subject to specified restrictions, which would each be construed as covenants running with the land, and specifically provided that at any time on or after January 1, 1980, any and all of such restrictions could be extended to be continued in effect beyond January 1, 1980, by the owner or owners of two thirds (2/3rds) in number of said lots in the Subdivision, by filing in the Office of the Recorder of Deeds of Lake County, Illinois, a written Agreement signed and acknowledged by such owner or owners stating the manner and extent, and periods for which, such restrictions are extended to continue in effect; and;~~

Section 10. Governing Law. Except as otherwise provided in this Declaration, the Association, the Board, officers and Members shall be governed by the Illinois General Not for Profit Corporation Act and the Illinois Common Interest Community Association Act.

~~WHEREAS, it is the intention and desire of the undersigned owners of two thirds (2/3rds) or more in number of the lots in the Loch Lomond Subdivision to continue in effect restrictions for the protection of their community beyond January 1, 1980;~~

Section 11. Board as Representative of Owners. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Common Area or more than one Dwelling or Lot, on behalf of the Owners as their interests may appear.

~~NOW THEREFORE, pursuant to said Declaration of Restrictions and Easements, the undersigned do hereby covenant and agree as follows:~~

Section 12. Management of Property. The Board may engage the services of a qualified property manager (herein sometimes referred to as the "Managing Agent") to maintain, repair, and administer and operate the Common Areas, to the extent deemed advisable by the Board. The cost of such services shall be a Common Expense.

~~Each and every lot in the Loch Lomond Subdivision shall be subject to the following restrictions, which shall continue to be construed as covenants running with the land, until January 1, 2020; and at any time on or after January 1, 2020, any and all of such restrictions may be extended to continue in effect beyond January 1, 2020, by the owner or owners of two thirds (2/3rds) in number of said lots in the Subdivision by filing in the Office of the Recorder of Deeds of Lake County, Illinois, a written Agreement signed and acknowledged by such owner or owners stating the manner, extent and period for which such restrictions are extended to continue in effect.~~

ARTICLE IV

USE RESTRICTIONS

~~A.~~Section 1. No building or structure of any nature or kind whatever, including, but without limiting the generality of the foregoing, shelters, boat houses, floating docks, rafts or similar structures, shall be located nearer the lot line of any lot than the building setback lines shown on the plat of the Subdivision, except that piers may be constructed beyond such lines by the owners of lots abutting on the lake. Before erection of any such piers and rafts, plans and specifications for same, showing the shape, size, materials and location, shall be submitted to the Loch Lomond Property Owners Association for written approval.

~~B.~~Section 2. No building or structure shall be erected or maintained on any lot for manufacturing, industrial or business purposes.

~~C.~~Section 3. No noxious or offensive ~~trade activity or nuisance~~ shall be carried on ~~upon any lot in the Property~~ nor shall anything be done ~~thereon therein, either willfully or negligently,~~ which may be or become an annoyance or nuisance to the ~~neighborhood~~ Owners or occupants of any Dwellings on the Property. An Owner of a Lot shall do no act nor allow any condition to exist which will adversely affect the other Lots or their Owners.

~~D.~~Section 4. No building shall be erected or maintained on any lot unless it be a dwelling house designed and equipped for occupancy as a private residence by a single family only, provided that at the time or after (but not before) the erection of any such dwelling house, one accessory building (including ~~servant's quarters,~~ private garage or other out-building) may be erected and maintained as an appurtenance of such dwelling house. ~~No Owners whose lots have more than one such dwelling house and no more than one such accessory building appurtenant thereto shall be maintained on any one lot at the same time~~ accessory building as of the effective date of this Declaration shall be permitted to maintain those existing accessory buildings, provided that after the effective date of this Declaration, all Owners must obtain prior written consent from the Board before erecting additional accessory buildings on a lot.

~~E.~~Section 5. No permanent advertising sign or billboard shall be erected or maintained on any ~~lot~~ Lot.

~~F.~~Section 6. No obstruction or diversion of any drainage ditch, channel or lake shall be suffered or permitted, including the use of lake water for private use; no sewage or drainage of any kind or character shall be permitted to enter said Lake other than surface water in its natural flowage; and no rubbish, waste, grass cuttings or any foreign matter whatsoever shall be thrown into or deposited in said Lake. ~~No fertilizer, chemicals or other~~ No noxious substances shall be allowed to enter the Lake lake. No fertilizer or chemicals, other than those approved by the Board of Directors shall be allowed to enter the lake.

Section 7. The Board shall adopt such other rules and regulations from time to time governing the use and enjoyment of the Common Area as the Board of Directors of the Association in its sole discretion deems appropriate or necessary.

ARTICLE V EASEMENTS

Section 1.

~~IN ADDITION, WHEREAS, it is the intention and desire of the undersigned owners of lots in the Loch Lomond Subdivision to continue and adopt other protections for the general good of the Loch Lomond Subdivision, now therefore, the undersigned hereby grant, declare and consent to the following rights and easements:~~ G. (a.) A perpetual easement in, upon, over and across the Lake in favor of the ~~owners~~Owners from time to time of any and all lots in the ~~Subdivision and the owners from time to time of the Loch Lomond Property Owners Association Aereage~~, or of any lot or tract into which the ~~Loch Lomond Property Owners Association Aereage~~, or any part thereof, shall be subdivided or resubdivided by the undersigned, or its successors or assigns, for the purpose of skating, bathing, fishing and boating (other than in motor boats or motorized vehicles of any description which shall only be permitted with prior written Board consent or for emergency purposes) but not including the purpose of hunting; provided:

(i) that the use of said Lake for such purposes shall at all times be subject to regulations by the Loch Lomond Property Owners Association from time to time of said Lake;

(ii) that ~~neither~~ the grant of such easements as herein provided, ~~nor~~and the use of said Lake by the grantees of such easements, ~~nor anything in this instrument or in any recorded plat of subdivision contained~~ shall be deemed ~~or~~and construed to impose upon the Loch Lomond Property Owners Association, ~~or~~and its successors or assigns, from time to time of said Lake, ~~any~~the duty to maintain said Lake in its present, or any other, size, depth or condition;

(iii) that in the event of a permanent lowering of the water level of said Lake and a resultant formation of beaches or additional land adjoining the lots or tracts abutting on said Lake, said easements shall attach thereto solely in favor of the owner of each such abutting lot or tract, and the owners of lots or tracts not abutting on said Lake shall have no easement rights hereunder in, upon, over or across any such beach or additional land; that the Loch Lomond Property Owners Association will not be liable for any damage caused to lots abutting on said Lake by reason of erosion caused by natural factors;

(iv) that the easements herein granted shall not prohibit the erection or maintenance of piers or rafts by the owners or lawful occupants of the lots or tracts abutting on the Lake under the restrictions and conditions hereinabove specified; and

(v) that the channel portion of the Lake which abuts on Lomond Drive, all as shown on the plat of the Subdivision, shall never be used by the owners or lawful occupants of any lots or tracts not abutting on said channel as a means of access to and ingress and egress to and from the Lake for the enjoyment of the easements herein granted.

(b-) A perpetual easement in, upon, over and across the real estate known and hereinafter referred- to as North and South Beach; private beaches designated by the name of Lomond Park on the plat of the Subdivision, in favor of the owners from time to time of any and all lots in the Subdivision for use as beaches and as means of access to and ingress and egress to and from the Lake for the enjoyment of the easements granted under subparagraph (a) above; provided,

(i) that the use of said beaches for such purposes shall at all times be subject to reasonable regulations by the Loch Lomond Property Owners Association from time to time of said beaches;

(ii) that ~~neither~~ the grant of such easements as herein provided, ~~nor~~ and the use of said Beaches by the grantees of such easements, ~~nor anything in this instrument or in any recorded plat of subdivision contained,~~ shall be deemed and construed to impose upon the Loch Lomond Property Owners Association, ~~or~~ and its successors or assigns, ~~any~~ the duty to maintain said Beaches in their present or any other conditions, and

(iii) that neither the easements herein granted nor the easements granted under subparagraph (a) above shall prohibit the erection or maintenance by the Loch Lomond Property Owners Association, or its successors or assigns, or by the owner or owners from time to time of said Beaches, of shelters, piers, floating docks, rafts or similar structures in or upon said Beaches, or in or upon the waters of the Lake bordering upon said Beaches.

~~(c.—That none)~~ None of the easements herein granted extend to the Loch Lomond dams or spillways or any watercourse on Loch Lomond Property Owners Association property except to the Loch Lomond Property Owners Association for purposes of authorized inspection and maintenance.

~~H. Section 2.~~ The easements hereinabove granted and declared shall be deemed to be and shall be construed as easements appurtenant and appendant to the lots and parcels of real estate hereinabove referred to and not easements in gross, and said easements shall be available as hereinabove provided, ~~not only~~ to the legal owners from time to time of said lots and parcels of real estate ~~but also,~~ and to the lawful occupants ~~from time to time~~ of said premises.

———I.

Section 3. The Loch Lomond Property Owners Association from time to time may make minor adjustments in the legal description of the subdivision because of changed circumstances, but 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 on Dunleer Road and Rye Road.

ARTICLE VI COMMON EXPENSES/ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation. Each Owner of a Dwelling or Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance for each Dwelling or Lot owned by such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association such assessments as are levied pursuant to the provisions of this Declaration. Such assessments, together with interest thereon and cost of collection, if any, as hereinafter provided, shall be a charge and continuing lien upon the Dwelling or Lot against which such assessment is made. Each such assessment, together with

such interest and costs, shall also be the personal obligation of the Owner who was the Owner of such Dwelling or Lot at the time when the same fell due. Such personal obligation shall pass to his successors in title and shall also constitute a lien on the land effected thereby until fully paid.

Section 2. Purpose of Assessments. The assessments for Common Expenses levied by the Association shall be used for the making of repairs, replacements and additions to the Common Area, defraying the cost of labor, equipment, and material required for the maintenance and enjoyment of the Common Area, and Board-approved activities. Common Expenses shall include all costs of insurance on the Common Areas and the real estate taxes on same.

Section 3. Assessment Procedures.

(a) Preparation of Estimated Budget. Each year, the Association shall estimate the total amount necessary for Common Expenses to meet the Association's obligations during the ensuing fiscal year for Common Expenses, a copy of which estimated budget shall be provided to all Owners at least thirty (30) days but not more than sixty (60) days prior to its adoption by the Association. The annual budget shall take into account any estimated net operating income or deficit which may result from the operation of the Common Area during such year and income from user charges to be received pursuant to this Section 3. Said "estimated cash requirement" shall be allocated among and assessed to Owners in accordance with the provisions of Section 6 hereof. The Association shall give written notice, mailed or delivered, to each Owner no less than ten (10) and no more than sixty (60) days prior to any meeting of the Association concerning the adoption of any proposed budget or any increase or establishment of an assessment. The Board shall (i) make available for review to all owners an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and sharing the net excess or deficit of income over expenditures plus reserves or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Association.

(b) Date Payments Due. On or before March 15th of the ensuing year, or by Memorial Day of the ensuing year for those Owners who have requested and been approved by the Board to make two installment payments, each Owner shall be personally obligated to pay, in the manner prescribed by Sections 6 and 7 hereof, such Owner's annual Common Expense assessment. If the actual expenditures paid or provided for by the Association during said year shall be more or less than said estimated cash requirement, any net shortage or excess shall be applied to the subsequent tax year's estimated cash requirement or transferred into the Association's reserve fund.

(c) Commencement of Assessments. The Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be due on the first day of the month immediately preceding the effective date of the changed assessment. An Owner shall first be liable for payment of the assessment on the date of the conveyance of title to him, prorated through the end of the calendar year.

(d) Reserve. The Board shall build up and maintain a reserve for the replacement of capital improvements, other authorized capital expenditures and for unforeseen expenditures (the "Contingency and Replacement Reserve"). Capital improvements and expenditures which may become necessary during the year shall be charged first against the Contingency and Replacement Reserve.

(e) Failure to Prepare Annual Budget. The failure or delay of the Association to prepare an annual or an adjusted estimated budget shall not constitute a waiver or release in any manner of any Owner's obligation to pay his share of the estimated cash requirement as herein provided, whenever the same shall be determined and in the absence of any annual estimate or adjusted estimate, each Owner shall continue to pay the annual charge at the then existing rate established for the previous period.

Section 4. In addition to the annual assessment authorized by Section 3, the Board has the authority to levy a separate assessment or revised budget, subject to the following:

(a) If an adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the common interest community association, upon written petition by Owners with 20% of the votes of the association delivered to the board within 14 days of the board action, shall call a meeting of the Owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Owners are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

(b) If total common expenses exceed the total amount of the approved and adopted budget, the Association shall disclose this variance to all Owners and specifically identify the subsequent assessments needed to offset this variance in future budgets.

(c) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Owner approval or the provisions of subsections (a) and (d) of this Section. As used herein, "emergency" means a danger to or a compromise of the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the membership

(d) Assessments for additions and alterations to the Common Areas or to the Association-owned Property not included in the adopted annual budget, shall be separately assessed and are subject to approval of a simple majority of the Owners at a meeting called for that purpose.

(e) The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by subsections (c) and (d) of this Section, 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 5. Allocation of Assessments Among Owners. Both annual and special assessments shall be fixed at a uniform rate for all Lots, and the rate shall equal the assessments for the Common Area against Lots in Association.

Section 6. Payment of Assessments.

(a) Assessments allocated under Section 6 hereof to Owners shall be levied against each such Owner for the Common Expenses as, provided in the Declaration. Each such Owner shall pay the assessment levied by the Association directly to the Association on an annual basis or as otherwise directed by the Association.

(b) Upon written demand of an Owner or a Mortgagee at any time, the Association shall furnish such Owner or Mortgagee a written dated certificate signed by an officer or agent of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's Dwelling or Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments theretofore levied and not stated therein as unpaid.

(c) The Association may provide that the assessments may be paid in full the first day of the calendar year until otherwise provided.

Section 7. Nonpayment of Assessments.

(a) Any installment of an assessment which is not paid to the Association when due shall be delinquent. The Association may bring an action against the Owner personally obligated to pay assessments and recover the same, including interest, late fees, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action, and the Association may enforce and foreclose any lien it has or which may exist for its benefit.

(b) No Owner shall be relieved of personal liability for the assessments and for other amounts due as provided herein by nonuse of the Common Area or abandonment or transfer of ownership of his Dwelling or Lot, provided that upon transfer of ownership of a Dwelling or Lot, the transferor shall not be responsible for assessments accruing after the date of transfer.

(c) The lien of the assessments provided for in Section 1 hereof shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the earlier of the date the holder of said mortgage takes possession of the Dwelling or Lot, accepts a conveyance of any interest in the Dwelling or Lot or has a receiver appointed in a suit to foreclose his lien. Such taking of possession, conveyance or appointment shall not relieve the holder of said mortgage from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. Except for the foregoing, the lien for assessments provided for in Section 1 shall not be affected by any sale or transfer of a Dwelling or Lot.

(d) In addition to the rights and remedies set forth in this Section 7, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after written notice to said Owner by the Board, of the amount of unpaid charges or assessments and a demand for payment thereof, the Board shall have the right to declare said default a forcible detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from any defaulting Owner, to put out said Owner, or an occupant or tenant claiming by, through or under said Owner, using such reasonable force as the Board shall deem necessary under the circumstances and, in addition, to exercise any other rights or remedies provided in the Forcible Entry and Detainer Act, 735 Illinois Compiled Statutes 5/9-101, et. seq.

ARTICLE VII **INSURANCE**

Section 1. The Association or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Association deems appropriate, for the benefit of the Association and insuring all insurable improvements in and to the Common Area against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Association) of any repair or reconstruction in the event of damage or destruction from any such hazard.

Section 2. The Association or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Area and all damage or injury caused by the negligence of the Association, its Members, its trustees and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Association.

Section 3. All such insurance coverage for the Common Area obtained by the Association shall be written in the name of the Association and costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force shall be vested in the Association.

Section 4. It shall be the individual responsibility of each Owner at his own expense to provide public liability, property damage, title, and other insurance with respect to his own Lot, Dwelling and personal property.

Section 5. The Association shall obtain and maintain fidelity insurance covering persons who control or disburse funds of 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 plus the Association reserve fund. All management companies which are responsible for the funds held or administered by the Association shall maintain and furnish to the Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The Association

shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Association and a management company.

ARTICLE VIII AMENDMENTS

This Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by owners representing not less than two-thirds (2/3rds) of the Lots. Any change, modification or rescission shall not be effective until such instrument is duly recorded in the Office of the Recorder of Deeds for Lake County, Illinois.

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement. In addition to all other rights herein granted to the Association, the Association may enforce the provisions of this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provisions. The Association shall have the authority to levy and collect reasonable fines from Owners, after notice and an opportunity to be heard, for violations of the Declaration, Bylaws and rules and regulations of the Association. The Association shall also have the authority to charge reasonable late fees, as established by the Board from time to time for unpaid assessments after thirty (30) days from due date and interest at the current rate provided by Illinois law. All rights and remedies may be exercised at any time and from time to time, cumulatively, or otherwise, and failure of the Association to enforce any such provisions shall in no way be deemed a waiver of the right to do so thereafter. All expenses incurred by the Association in connection with any such proceeding, including court costs and attorneys' fees, together with interest thereon at the current Illinois rate per annum provided by Illinois law, shall be charged to and assessed against any Owner violating any such provisions and shall be added to and deemed a part of his assessment and constitute a lien on his lot and be enforceable as provided in Article VI.

Section 2. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the harmonious development of the Property.

Section 3. Headings and Gender. The headings and captions contained in this Declaration are inserted for convenient reference only and shall not be deemed to construe or limit the Articles or Paragraphs to which they apply. The word "his", whenever used in this Declaration shall include the masculine, feminine, and neuter pronouns.

Section 4. Rights of Mortgage. All covenants and other provisions herein set forth shall be subject to and subordinate to all mortgages or deeds of Trust in the nature of a mortgage now or hereafter executed, encumbering any of the Property so that none of said covenants or other provisions shall supersede or in any way reduce the security or affect the validity of any such mortgage or deed of Trust in the nature of a mortgage.

Section 5. Rights and Obligations. Each grantee and their successors and assigns, by the acceptance of a deed of conveyance, a mortgage or a Trust deed, accepts said deed, mortgage or Trust deed, as the case may be, subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits, and privileges of every character hereby granted, created, reserved or declared and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee or purchaser in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 6. Title in Land Trust. In the event title to any lot is conveyed to a title-holding trust, under the terms of which all powers of management, operation and control of the lot remain vested in the trust beneficiary or beneficiaries, then the beneficiary or beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants, and undertakings chargeable or created under this Declaration against such lot. No claim shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such lot.

Section 7. If any provision or provisions, or if any portion of any provision or provisions in this Declaration or the Bylaws is found by a court of law to be illegal, invalid, unlawful, void or unenforceable as written, then such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable that the remainder of this Declaration and the Bylaws shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein; and that the rights, obligations and interests arising under the remainder of this Declaration and the Bylaws shall continue in full force and effect.

Section 8. If found unlawful, void or voidable for violation of the rule against perpetuities, then such provisions of this Declaration shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the President of the United States and the Governor of Illinois.

Section 9. Any notice required or desired to be given under the provisions of this Declaration to any Owner shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the person who appears as the Owner at his last known address, as shown in the records of the Association at the time of such mailing, or as distributed through a prescribed delivery method approved by the Owner and authorized by the Community Instruments.

Signed and Acknowledged this _____ day of _____, 20_____.

Loch Lomond Property Owners Association

President

Subscribed and Sworn to before me this
day of _____, 20_____.

Notary Public

My Commission Expires: _____

LOCH LOMOND PROPERTY OWNERS ASSOCIATION
EXHIBIT A

[Legal Description to be inserted]

EXHIBIT B

CERTIFICATION AS TO OWNER APPROVAL

I, _____, do hereby certify that I am the
duly elected and qualified secretary for the Loch Lomond Property Owners Association, and as
such Secretary, I am the keeper of the books and records of the Association.

I further certify that the attached Amended and Restated Declaration was duly approved by
at least 2/3 of the owners.

Subscribed and Sworn to before me this
_____ day of _____, 20__.

Notary Public

My Commission Expires: _____

EXHIBIT C

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 ASSOCIATION

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. Membership. Every Owner of a Dwelling or Lot is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from ownership of such Owner's Dwelling or Lot. Each such Owner, by acceptance of a deed or other conveyance of a Dwelling or Lot, thereby becomes a Member, whether or not the Declaration or such Membership is made a part of, incorporated by reference in, or expressed in said deed or conveyance. There shall be one Membership allocable to each Dwelling or Lot (herein called a "Unit Membership") and any Member who is the Owner of more than one such Dwelling or Lot shall have the number of Unit Memberships equal to the number of such Dwellings or Lots. If the record ownership of a Dwelling or Lot shall be in more than one person, or if an Owner of a Dwelling or Lot is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the Unit Membership and be responsible for the obligations attributable thereto, shall be designated by such Owner or Owners in writing. 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.~~
Voting Rights. The Association shall have one class of voting Membership. Members shall be all those Owners as defined in Article I of the Declaration. Members shall be entitled to one vote for each Lot or Dwelling in which they hold the interest required for Membership by Article III of the Declaration. When more than one person holds such interest in any Lot or Dwelling, all such persons shall be Members. The vote for such Lot or Dwelling shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Dwelling. All Members holding any interest in a single Lot or Dwelling shall together be entitled to cast only one vote for the Lot or Dwelling.

~~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.~~
Applicability. The provisions of this Article shall be mandatory. No owner of any interest in any Lot shall have any right or power to disclaim, terminate or withdraw from his Membership in the Association or any of his obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect for any purpose.

Section 4. Method of Voting. The total number of votes which may be cast on any matter requiring assent of Members of the Association shall be equal to the total number of Unit Memberships at the time of any such vote. Whenever a vote of the Members of the Association is required pursuant to this Declaration, or pursuant to the Articles of Incorporation or Bylaws of the Association, or is otherwise required by law, unless this Declaration or the Articles of Incorporation or Bylaws of the Association or any law, shall specify a greater vote, all Association matters requiring action by Members shall be decided by a majority of the votes cast by the Members voting at a meeting at which a quorum (as defined in the Bylaws) is present.

A member may vote:

(a) by proxy executed in writing by the member or by his or her duly authorized attorney in fact, provided, however, that the proxy bears the date of execution. Unless the community instruments or the written proxy itself provide otherwise, proxies will not be valid for more than 11 months after the date of its execution; or

(b) by submitting an Association-issued ballot in person at the election meeting; or

(c) by submitting an Association-issued ballot to the Association or its designated agent by mail or other means of delivery specified in the Declaration or Bylaws.

Section 5. 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 OF MEMBERS

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~~ twenty percent (20%) of the membership, 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. The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of Illinois.

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 regular or special meeting shall be distributed through a prescribed delivery method not less than ten (10) days nor more than thirty (30) days prior to~~

regular or special membership meetings, stating the date, place and the hour of the meeting, or in the case of removal of one or more directors, a merger, consolidation, dissolution or sale, lease or exchange of assets not less than twenty (20) nor more than sixty (60) days before the date of the meeting, to each Member entitled to vote thereat.

If mailed, ~~such~~the notice of a meeting shall be deemed ~~to be~~ delivered when deposited in the United States mail addressed to the ~~members~~member at their ~~addresses as they appear~~his address as it appears on the records of the Association, with postage ~~paid~~thereon prepaid.

~~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. Quorum. Twenty percent (20%) of the membership, in person or via proxy, shall constitute a quorum at meetings of the members-is in attendanee.~~

ARTICLE IV – BOARD OF DIRECTORS

Section 1. The Board of Directors shall be elected at large and shall be comprised of up to eleven (11) persons, although not less than three (3) persons, duly elected or appointed as provided in the Declaration and these Bylaws. Each Director shall be a Member of the Association. Each Director shall serve a term of one (1) year. Each director shall hold office until his term expires or until his successor shall have been elected and qualified. Directors may succeed themselves.

Section 2. Special meetings of the Board of Directors may be called by or at the request of the President or twenty-five percent (25%) of the members of the Board. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them.

Section 3. Notice of each meeting of the Board of Directors shall be given at least forty-eight hours (48) previous thereto by sending written notice by using a prescribed delivery method or by posting copies of notices in conspicuous places on the Property, to each Owner unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. If mailed, such notice shall be deemed to be delivered when deposited in the United States Postal Service mail in a sealed envelope so addressed, with 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 where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

The Board shall give Owners notice no less than ten (10) days nor more than sixty (60) days of any Board meeting, through a prescribed delivery method, concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment, unless otherwise provided in the Act.

~~Section 5. (a) 4. The Board of Directors shall meet at least 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 (4) times annually. There shall be an Owners' forum at every Board meeting, but the Board may establish the time and length of said forum. All meetings of the Board of Directors shall be open to any Owner, and any vote on matters addressed there shall be taken during portions of such meetings open to any Owner, except for the portion of any meeting held: (ia) 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 Board of Directors finds that such an action is probable or imminent; (ib) to consider third party contracts or information regarding appointment, employment, or dismissal of an employee; or (ic) to discuss violations of the 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 unpaid assessments owed to the Association.~~

~~Section 3. 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. 5. If there is a vacancy shall occur on the Board, the Board of Directors shall remaining members may fill the vacancy by a two-thirds (2/3) vote of the remaining Board 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 annual meeting of the membership or until members holding twenty percent (20%) of the votes of the Association request a meeting of the members to fill the vacancy for the balance of the term. A meeting of the members shall be called for the purposes of filling a vacancy on the Board~~

no later than thirty (30) days following the filing of a petition signed by the membership holding twenty percent (20%) of the votes of the Association requesting such a meeting.

Section 4-~~6~~. Any Director may be removed from office by a two-thirds majority vote of the membership, at a duly called Special Meeting.

Section 5-~~7~~. Board members ~~may~~shall not be compensated.

Section 8. A majority of the number of directors shall constitute a quorum for the transaction of business at a Board meeting.

Section 9. Conflict of Interest. A member of the Board of the Association may not enter into a contract with a current Board member, or with a corporation or partnership in which a Board member or a member of his or her immediate family has 25% or more interest, unless notice of intent to enter into the contract is given to owners within 20 days after a decision is made to enter into the contract and the owners are afforded an opportunity by filing a petition, signed by 20% of the membership, for an election to approve or disapprove the contract; such petition shall be filed within 20 days after such notice and such election shall be held within 30 days after filing the petition. For purposes of this subsection, a Board member's immediate family means the Board member's spouse, parents, and children.

Section 10. Informal Action by Directors. Unless specifically prohibited by the Bylaws of the Association, any action required by the Declaration to be taken by the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors of the Board shall have the same effect as a unanimous vote.

Section 11. Board Liability. The Board, Members of the Board, officers of the Association, and the agents and employees of any of them (all of the above hereinafter referred to as the "Protected Parties"), shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions which shall occur subsequent to the date of the recording of the Declaration, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend any and all of the Protected Parties against all claims, suits, losses, damages, costs and expenses, including, without limitation, attorneys' fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. Each Owner shall be entitled to a right of contribution from every other Owner in respect of said indemnity to the end that, to the extent possible, the burden of any such indemnity shall be borne by the Owners at the time the loss, cost, damage or expense is incurred in the proportion that the number of Dwellings or Lots in the Property owned by each respective Owner bears to the total number of Dwellings or Lots in the Property at the time the loss, cost, damage or expense is incurred. The Board shall assess each Owner for his share of the cost of such indemnification, and such assessment shall be collectible and enforceable in mode and manner as set forth in Article IV hereof. To the extent possible the obligation of the Owners for indemnification and the Board's liability hereunder shall be insured by means of appropriate

contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

Section 12. Nonprofit Purposes of Association. Nothing herein shall be construed to give the Association authority to conduct an active business for profit on its own behalf or on behalf of the Members.

Section 13. Governing Law. Except as otherwise provided in the Declaration, the Association, the Board, officers and Members shall be governed by the Illinois General Not For Profit Corporation Act.

Section 14. Board as Representative of Owners. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Common Area or more than one Dwelling or Lot, on behalf of the Owners as their interests may appear.

ARTICLE V – DUTIES OF OFFICERS

Section 1. The Board shall elect from among its members, those who shall hold the office of President, Vice-President, Secretary and Treasurer.

Section 2. 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~~Vice-President, 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~~Vice-President, the order of succession shall be the Treasurer, then the Secretary, and then the other members of the Board of Directors by seniority.

Section ~~2-3~~. The Vice-President shall assist the President in performing all duties as necessary and when requested. The Vice-President shall perform the President's duties in the absence of the President.

Section 4. 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 ~~3-5~~. 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 POWERS 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.~~ General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these Bylaws, the Board shall have the following general powers and duties:

- (a) To elect the officers of the Association as hereinabove provided;
- (b) To administer the affairs of the Association and the Common Area;
- (c) To engage the services of a manager or managing agent who shall manage and operate the Common Area;
- (d) To formulate policies for the administration, management and operation of the Common Area;
- (e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Common Area, and to amend such rules and regulations from time to time;

~~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.~~

(f) To provide for the maintenance, repair and replacement of the Common Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

~~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.~~

(g) To provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);

~~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.~~

(h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners, their respective shares of such estimated expenses, as provided in the Declaration and these Bylaws; and

ARTICLE VII – DUES, ASSESSMENTS AND FINANCES

(i) After notice and an opportunity to be heard, to levy and collect reasonable fines from owners for violations of the Declaration, Bylaws, and rules and regulations of the Association.

~~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~~

(j) To exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Owners by the Articles of Incorporation, the Declaration or these Bylaws.

~~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~~ Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions or capital improvements to the Common Area (other than for purposes of replacing or restoring portions of the Common Area, subject to all the provisions of the Declaration) having a total cost in excess of Ten Thousand Dollars (\$10,000.00), without in each case the prior approval of the Members holding two-thirds (2/3) of the total votes.

~~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~~

Tax Relief. In connection with the Common Area, the Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith to the maintenance fund.

~~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.~~ Rules and Regulations. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Common Area, and for the health, comfort, safety and general welfare of the Owners and Occupants. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

~~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.~~

Liability of the Board of Directors. The Members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board Members. The Owners

shall indemnify and hold harmless each of the Members of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the Members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

~~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 XVII – 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~~Presentation and approval of minutes of previous meeting
3. ~~Reading~~Presentation 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.

ARTICLE VIII - BOOKS AND RECORDS

Section 1. Records of the Association. The Board shall maintain the following records of the Association and make them available for examination and copying at convenient hours of weekdays by any owner subject to the authority of the Board, their mortgagees, and their duly authorized agents or attorneys:

(a) Copies of the recorded Declaration, other community instruments, other duly recorded covenants and Bylaws and any Amendments, Articles of Incorporation, annual reports, and any rules and regulations adopted by the Board shall be available.

(b) Detailed and accurate records in chronological order of the receipts and expenditures affecting the Community Areas, specifying and itemizing the maintenance and repair expenses of the Community Areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Board shall be maintained.

(c) The minutes of all meetings of the Board which shall be maintained for not less than 7 years.

(d) With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the owners, which shall be maintained for not less than one year.

(e) With a written statement of a proper purpose, such other records of the Board as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.

(f) With respect to units owned by a land trust, a living trust, or other legal entity, the trustee, officer, or manager of the entity may designate, in writing, a person to cast votes on behalf of the unit owner and a designation shall remain in effect until a subsequent document is filed with the Association.

Section 2. Request for Records. Where a request for records under this Section is made in writing to the Board or its agent, failure to provide the requested record or to respond within 30 days shall be deemed a denial by the Board.

Section 3 Fees. A reasonable fee may be charged by the Board for the cost of retrieving and copying records properly requested.

Section 4. Providing Records. If the Board fails to provide records properly requested under this Section within the time period provided above, the owner may seek appropriate relief and shall be entitled to an award of reasonable attorney's fees and costs if the owner prevails and the court finds that such failure is due to the acts or omissions of the Board.

ARTICLE IX - COMMITTEES

Section 1. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the Association, by the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law. The members of the committees may either be directors or members of the Association, provided that at least one director shall participate on each committee.

Section 2. Each member of the committee shall continue as such until the next annual meeting of the members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 3. One member of each committee shall be appointed chairman.

Section 4. 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.

Section 5. Unless otherwise provided in the resolution of the Board of Directors 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.

Section 6. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE X – DEFINITION OF TERMS

The terms used in these Bylaws shall have the same definition as set forth in the Declaration to which these Bylaws are attached to the extent such terms are defined therein.

ARTICLE XI - FISCAL YEAR

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

