

LOCH LOMOND PROPERTY OWNERS ASSOCIATION
BY-LAWS

As Amended November 18, 2001

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.

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 and vote at any annual or special meeting, the right to hold office in the Association, and such other rights and privileges as are provided by these By-Laws, or may from time-to-time be designated by the Board of Directors. All property owners including contract purchasers 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, and 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 a specific property in Loch Lomond shall have one vote each, up to two votes. (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 and conform to the membership regulations set forth in this article. In the event of a change of voter, the secretary shall be notified of said change in writing within thirty days.

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 be filed with the secretary before, or at the time of the meeting. No proxy shall be valid after eleven month 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 and will be counted as legal votes in all voting matters, provided said ballots are postmarked before the day of the meeting.

ARTICLE III- MEETINGS

Section 1. The Annual Meeting of the Association, held for the election of officers 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 a majority 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 or printed notice, stating the place, day and hour of the meeting, and in the case of a Special Meeting, the purpose of the meeting, shall be delivered to all property owners no less than ten or more than forty days before the date of the meeting, either personally or by 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 registered members 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 at least ten board members are in attendance.

Section 5. (a) The Board of Directors shall meet monthly, the date of each meeting to be set by the Board. (b) Upon 24 hours notice to all officers and directors, 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 By-laws.

ARTICLE IV - OFFICERS AND DIRECTORS

Section 1. The Officers shall consist of: (a) President, a Vice President, a Secretary, and a Treasurer who shall be elected at large at the Annual Meeting of the Association. (b) Twenty-one Directors shall be selected to represent the 21 zones of Loch Lomond indicated on the map attached to and made a part of these By-Laws. The Board shall select these Zone Directors at the monthly meeting of the Board. Each director must own property in the zone he or she represents, unless no such property owner desires to be selected, at which time any member in good standing may be appointed until a property owner in the zone desires to serve as Zone Director. A Zone Director may serve as long as he or she remains a property owner and has paid all annual dues and assessments. (c) With the approval of the Board of Directors, the President shall have power to appoint up to six Directors-at-Large. Their term of office shall expire at the conclusion of the annual meeting following their appointment

Section 2. The four elected Officers, the twenty-one Zone Directors and the Directors-at-Large shall constitute the Board of Directors.

Section 3. If any vacancy shall occur in any elective office, the Board of Directors shall fill the vacancy by appointment until the next Annual Meeting of the Association, at which time the office shall be filled by an appropriate election.

Section 4. A member of the Board of Directors who has three unexcused absences from regularly scheduled board meetings will be subject to removal from office by a 2/3 majority vote of the entire Board. An absence will be considered excused if the Board member contacts the President or Secretary in advance of the meeting. An excuse which is offered after the meeting will not be valid unless accepted by a two-thirds vote of the entire Board.

Section 5. Except as otherwise provided by these By-Laws, each Officer and Director shall serve until the conclusion of the annual meeting at which his or her successor is duly elected.

Section 6. Any officer or Director may be removed from office by a two-thirds majority vote of the entire Board or membership.

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 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 Vice President, the order of succession shall be the Treasurer, and 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 of all correspondence and other records not otherwise provided for in these By-Laws. 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 a bank in the village of Mundelein 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 regular monthly meeting 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 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 By-Laws 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.

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. On two-thirds vote of the members present at an annual meeting the recommendations of the Board of Directors may be changed.

Section 4. The Zone Directors shall inform all property owners in their zones of the Association's activities and endeavor to keep all of the members in good standing. The Zone Directors shall at all times perform any duties which may be directed to them or which may devolve upon them from time to time. They shall bring before the Board any business relative to their zone.

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 as soon as possible after the fiscal year and shall be due and payable within thirty days of date of invoice. (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.

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.

Section 4. 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. (b) 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. (c) If a member does not pay annual dues or assessments for any year after billing and a past due notice, such unpaid dues or assessments shall bear interest payable to the Association in the amount of five percent (5%) per annum from the due date to the date of full payment. If a member has not paid, or does not pay, annual dues or assessments for two consecutive years since the date of the 1983 amnesty program after billing and past due notices, the total amount of unpaid dues, assessments, and interest shall become a lien against the property of such member(s). (d) The Board of Directors is authorized to pursue collection of unpaid dues, assessments, and interest from a member by civil action or other legal remedy. If the Board of Directors intends to pursue civil action or other legal remedy, a notice shall be sent to such property owner(s) at least thirty (30) days prior to initiation thereof. In the event legal action is initiated, the property owner(s) shall be liable, in addition to all unpaid dues, assessments, and interest, for all court costs and attorney's fees incurred by the Association in collecting the unpaid amounts.

Section 5. (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 any two of the following elected officers: President, Vice President, or Treasurer.

Section 6. The fiscal year of the Association shall be from November 1 to October 31.

Section 7. 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.

ARTICLE VIII - AMENDMENTS

Section 1. The By-Laws 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. Amendments shall take effect immediately upon ratification 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 | 5. Reports of special committees |
| 2. Reading and approval of minutes of previous meeting | 6. Old Business |
| 3. Reading and approval of the Treasurer's Report | 7. New Business |
| 4. Reports of standing committees | 8. Adjournment |

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