



**LAKE
HOLIDAY
BY-LAWS**

**BY-LAWS OF THE
LAKE HOLIDAY PROPERTY OWNERS
ASSOCIATION, INC.**
amended December 14, 1999

ARTICLE ONE - DEFINITIONS

The following words and terms, as used in the By-Laws of the Lake Holiday Property Owners Association, Inc., an Illinois not-for-profit corporation, shall, unless the context shall otherwise require, mean and be defined as:

a) "Corporation": The aforesaid corporation. Said term may be used interchangeably with the term, "Association."

b) "Member". Any person who has an interest as an owner in real estate situated in the Lake Holiday Development, LaSalle County, Illinois: and who has paid all dues and assessments levied against them or such real estate by the Lake Holiday Property Owners Association, Inc., since said person has acquired said interest in the real estate, and who may otherwise be in good standing.

c) "Directors." The duly constituted members of the Board of Directors of the Corporation.

d) "Registered Office." That office maintained by the Corporation in this state and the address of which is on file with Secretary of State of the State of Illinois.

e) "Certificate of Membership". A written instrument signed by the designated officers evidencing that the person or persons named therein is a member in good standing for the current year.

ARTICLE TWO - REGISTERED OFFICE & AGENT

The registered office of the corporation and its agent may be changed by the Board of Directors.

ARTICLE THREE - MEETINGS

Section 1. The annual meeting of the Corporation shall be held on the second Sunday in December of each year, commencing with the year 1968. Said meetings shall be held at 2:00 p.m. in the lodge of the Lake Holiday Development, unless the Board of Directors shall, by appropriate action, otherwise designate.

Special meetings may be called by the Board of Directors of said association at any time in the manner herein provided. A special meeting may also be called upon written petition of 20% of the members of the Association. Such petition shall be in writing and shall be signed by members of the association in good standing equal to at least 20% of the members of the association. Petitions shall also set forth the purpose for which the special meeting is to be called. Special meetings shall not consider any other business than that specified in the notice of the meeting.

Section 2. Notice of Members Meetings: Written or printed notice stating the place, date and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) days, nor more than forty (40) days before the date of the meeting, either personally or by mail, at the direction of the Board of Directors, to each member entitled to vote at such meetings. The owner or owners of any lot shall be entitled to cast two (2) votes per lot. In the event more than two (2) persons own any lot, only two of the owners shall be entitled to vote at such meetings, and the owners shall notify the secretary of the specific names and addresses of those two (2) persons nominated by the owners to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the association, with postage thereon prepaid or, such notice may be published in any newsletter or bulletin published by or under the auspices of the association and distributed generally among the members of the association.

Section 3. Meetings of the members of the association shall be held at the lodge at the Lake Holiday development unless the Board of Directors shall otherwise designate. The notice of a meeting of the members of the association shall contain the date, time and address of the place where the meeting is to be held. In any event, such meetings must be held within 50 miles of the Lake Holiday Development.

Section 4. Quorum. Except as may be otherwise provided herein, a quorum at either a special meeting or at the annual meeting shall be 10% of the members entitled to vote at such meeting. The vote of a majority of the votes entitled to be cast at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required either by law or by these By-Laws.

Section 5. Voting Privileges. Any person who is a member in good standing of the association, as that term is defined herein, shall have the right to vote at any meeting, or on any question submitted at such meeting. The owner or owners of any lot shall be entitled to cast two (2) votes per lot. In the event more than two persons own any lot within Lake Holiday Development, then, and in that event only, two of said owners shall be entitled to vote at any meeting or one owner may cast both votes with the consent of the remaining owners.

ARTICLE FOUR - THE DIRECTORS

Section 1. Number. The number of directors shall be seven (7). For the year 1995-96, four directors shall be elected for a two-year term and three directors shall be elected for a two-year term. Thereafter as a director's term of office expires, he or his successor shall be elected for a two-year term.

Section 2. Election and Term. Between the 1st and 15th of September of each year, commencing with the year 2005, any member may file with the secretary of the association a statement of his candidacy as a director of the association, together with petitions signed by 100 members in good standing of the association. **If the number of candidates does not exceed the number of vacancies on the Board, those candidates will be declared elected. If the number of candidates exceeds the number of vacancies,** within 30 days thereafter, the secretary of the association shall cause to be mailed to each member of the association a ballot containing the names of each candidate, together with a statement of candidacy of each. The candidates' names shall appear upon said ballot in the order in which they filed their statements of candidacy and petitions with the secretary of the association. Within 30 days thereafter, and in any event on the day designated within said period for such purpose by the Board of Directors in each year, the polls shall be closed, and a committee of impartial tellers shall be appointed by the Board of Directors to count ballots after September 15 of the election year. Tellers shall count the ballots and submit a certified report signed by all tellers to the Board of Directors. The existing Board of Directors of the association and a representative of each candidate may be present at the counting of the ballots. All ballots and statement of candidacy shall be retained by the secretary of the association for a period of one year. The forms of ballots and other documents relating to elections shall be as specified by resolution of the Board of Directors.

Section 3. Qualifications. Directors shall be 21 years of age, or older, and must be a member in good standing of the association. A director may be an officer, but not an employee of the association at one and the same time.

Section 4. Meetings. Meetings of the Board of Directors shall be held monthly and shall be open to members in good standing of the Association. Special meetings of the Board of Directors may be called by a majority of the directors and shall be held at the registered office of the association, unless otherwise designated in the call of the meeting. Notice of such meeting may be given in writing or orally, at least 24 hours prior to the said special meeting, or notice thereof may be waived by the directors in writing.

Section 5. Quorum. A majority of the directors shall constitute a quorum, to transact business for the corporation, and the act of the majority of the directors present at any meeting shall be deemed to be the act of the Board of Directors.

Section 6. Vacancies. In the event a vacancy shall occur on the Board of Directors, such a vacancy shall be filled for the unexpired term of such directors by the Board of Directors. If a director has missed three meetings in succession, the Board of Directors shall have the power to replace that director.

Section 7. Election of Officers. The Board of Directors shall elect the officers of the association, fix their duties, and may allow reasonable compensation to such officers for their services as such officers, and reimbursement for expenses incurred by them in and about the performance of their duties as such officers all as is hereinafter set forth in these by-laws.

Section 8. Adoption of Rules and Regulations. The Board of Directors shall adopt such rules and regulations relating to the use of association property as they may deem reasonably necessary for the best interests of the association

and its members. They may also in order to better effectuate said rules and regulations, adopt reasonable sanctions for non-compliance therewith. The Board of Directors may also establish and levy reasonable fees for the issuance of building permits or for the use of association property. The Board of Directors shall also employ a sufficient number of persons to adequately maintain association property. Further, the Board of Directors may adopt reasonable rules of order for the conduct of the meetings of the association, and with reference thereto, on procedural questions upon which no ruling has been adopted, the ruling of the chairman of the meeting shall be final.

Section 9. Appointment of Committee. The Board of Directors may, if in their opinion it shall be reasonable, necessary and advisable, create various committees and appoint members thereto from the membership of the association. Such committees may be standing committees or temporary committees. The Board of Directors may assign to such committees various duties and responsibilities as may from time to time be appropriate. Such committees, as may be designated or created, shall be advisory in nature.

Section 10. Financial Responsibilities of the Directors. The Board of Directors shall, prior to the annual meeting in each year prepare an operating budget to be presented to the membership at the annual meeting for its approval, and upon approval thereof the Board of Directors shall, based upon said operating budget, and taking into consideration other sources of income that the association may have, if any, levy the annual dues and assessment for each member of the association for the following year. Upon the adoption of such budget and approval by the membership, as aforesaid, the Board of Directors shall be bound by the same and shall not vary there from by more than 5% of the total amount thereof without having called a special meeting of the membership to approve such further variations there from.

Section 11. Two signatures shall be required on all checks, and all directors authorized to sign checks must be bonded by the Association.

ARTICLE FIVE - MEMBERSHIP IN THE ASSOCIATION

Section 1. Qualifications of Members: No person may hereafter become a member of the association unless he shall have interest as an owner in residential real estate in the Lake Holiday Development, LaSalle County, Illinois. Each such person, upon acceptance by the association, shall become a member of the association and shall be entitled thereafter, except as may be hereinafter provided, to all of the privileges of such membership. In the event that more than one person shall have legal title to a residential lot in the Lake Holiday Development, each of such persons shall be a member of the association and his or her spouse shall also be a member of the association. The annual dues, or assessment levied against members of the association except when a husband and wife shall be obligated to pay only one such assessment or dues per each lot owned. Furthermore, the privilege of a member (excepting voting or occupying an office in the association) shall be extended to the tenants of an improved lot of a member of the association, limited, however, to the term of said tenant's actual occupancy of the residential property of such member. In the event more than two persons are owners of any lot within Lake Holiday Development then only two of said persons shall have the right to vote at annual or special meetings of the membership. The owners of said lot shall notify the secretary of the association which of said owners shall be entitled to vote at said meetings.

Section 2. Members in Good Standing. A member in good standing shall be a member who has paid all dues and assessment levied by the association from time to time; and, in addition thereto, shall be a person who has not been otherwise declared by the Board of Directors to not be a member in good standing.

Section 3. Privileges of Members in Good Standing. Members in good standing shall be entitled to the use of all property owned or controlled by the association, subject to the rules and regulations adopted by the Board of Directors relating to the use thereof, and shall be entitled to attend and vote at all meetings of the association. However, in the event more than two persons own a lot within Lake Holiday Development only two of said persons shall be entitled to vote at annual meetings of the membership.

Section 4. Sanctions. The Board of Directors may impose reasonable sanctions upon members who are not members in good standing, as defined above. Such sanctions may include, but shall not be restricted to, the suspension of such member's privileges to the facilities owned by this association, or facilities which are available to members of this association.

Section 5. Payment of Dues. All dues assessed by the Board of Directors shall be payable on or before the 1st day of March in each year, commencing with the year 1969. The dues so assessed shall constitute a lien upon the member's lot or lots in the Lake Holiday Development and a lien which may be collected by court actions or otherwise. In no event shall the association accept for membership any person who has purchased a lot upon which dues or other assessments are owing, unless such dues and assessments shall be first paid in full.

Section 6. Duties of Members. Each member of the association shall keep the property owned by him in the Lake Holiday Development in good repair and shall keep the same mowed so as to prevent the same from becoming unsightly. All lakefront property owners must not only stabilize, but also maintain the shoreline abutting their lot in a manner not to allow soil erosion. In the event that a member shall fail to maintain his property, as aforesaid, in a manner reasonably satisfactory to the Board of Directors, the association, through its agents and employees, shall have the right to enter upon said premises and perform such acts of maintenance thereon as may be reasonably necessary. The cost thereof shall be added to, and become a part of, the annual dues of such person or persons, and the failure to pay the same shall be considered the same as failure to pay the annual dues of such member.

ARTICLE SIX - THE OFFICERS

Section 1. Officers. The officers of the association shall be the President, Vice-President, Secretary, Treasurer and such other and assistant officers as the Board of Directors may from time to time elect. Officers shall serve at the will of the Board of Directors. Any two or more offices may be held by the same person, except the office of President and Secretary.

Section 2. President. The President of the Association shall serve as an ex-officio member of the Board of Directors. He shall be the general managerial officer of the association, except as may be otherwise designated or defined by the action of the Board of Directors, and he shall be vested with the powers and duties generally incident to the office of President of a not-for-profit corporation, except where specifically designated to the contrary by action of the Board of Directors, or as may be otherwise set forth in these by-laws.

Section 3. Vice-President. In the absence of the president, or in the event of his inability or refusal to act, the vice-president is empowered to act, and shall thereupon be vested with the powers and duties of the president of the association.

Section 4. Secretary. The secretary of the association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the directors. He shall mail, or cause to be mailed, all notices required under the by-laws. He shall have custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incident to the office of secretary.

Section 5. Treasurer. The treasurer shall have custody of the funds of the association, collect monies due, pay the obligations of the association out of its funds, and perform such other duties as are incident to the office of treasurer. At the election of the directors, the treasurer may be required to be bonded for such amount and under such conditions as the directors may see fit to impose.

ARTICLE SEVEN

Except as is provided herein, neither the association nor the Board of Directors, as such directors, for or on behalf of the association, may undertake or institute any type of legal proceeding or litigation or incur any expense in connection therewith, against any person who has at any time been a director or officer of the association, and for alleged misconduct as an officer or director, or against any corporation that is a predecessor in title to any lands now owned by the association, unless the Board of Directors shall first adopt a resolution stating the persons or corporation to be sued and the exact reasons or grounds therefore and, after having adopted said resolution, the Board of Directors in the manner specified in these by-laws shall call a special meeting of the members of the association for the purpose of ratifying the resolution of the Board of Directors. At least 50% of the members of the association must approve such resolution at such meeting. Failure to receive such approval in such manner shall be considered as a disapproval of such action by the Board of Directors, and thereafter, no action or litigation may be instituted or prosecuted, nor any expense

incurred in connection therewith. Any financial obligation incurred; or expense incurred by the Board of Directors prior to said meeting of the membership and in connection therewith, or incurred subsequent thereto under this Article of the by-laws, shall not be paid by the association unless the approval of the membership required hereunder is obtained.

ARTICLE EIGHT - AMENDMENTS TO BY-LAWS

These by-laws may be amended or repealed, or new by-laws adopted in the following manner: The Board of Directors of the association will first adopt a resolution setting forth the proposed amendment to the by-laws which will then be published: and, a mail vote will be sent to each property owner along with the new resolution, and the resulting majority votes cast will decide the issue.