

# Bylaws of Shadow Lakes II Association

BYLAWS OF SHADOW LAKES II ASSOCIATION

JUNE 27, 2009

## PREFACE

This document contains the revised Bylaws of the Shadow Lakes II Association. It supersedes all previous Bylaws. The purpose of this document is to provide a set of guidelines for the operation of the Association. It compliments the Covenants and Restrictions. These Bylaws are for the benefit and protection of the rights of all of the Members of the Shadow Lakes II Association.

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# SHADOW LAKES II ASSOCIATION

## BYLAWS

Revised and Approved: April 25, 2009

### ARTICLE I

#### Definitions

The terms as used in these Bylaws are defined in Section I of the Amended and Restated Declaration of Covenants and Restrictions of Shadow Lakes dated November 18, 2006.

### ARTICLE II

#### Association Membership

Section A. General. The Association is an Illinois not-for-profit corporation as established under the "General Not for Profit Corporation Act of 1986". It is organized to further and promote the common interests of the Members of the Association. The Association shall have such powers in the furtherance of its purposes as set forth by the Declaration of Covenants and Restrictions and these Bylaws. (Reproduced from the Covenants IX. A.)

Section B. Membership. Every person or entity who is an Owner of record of real property, including a contract purchaser entitled to possession of a Lot, shall be a Member of the Association. The forgoing is not intended to fully include persons or entities that hold an interest merely as security for the performance of an obligation. Each Lot shall have one designated Member. Property held jointly shall select one Owner as the Member; all other Owners shall be Associate Members.

Section C. Classes of Membership. There shall be two (2) classes of membership:

1. Member
2. Associate Member

Section D. Privileges of Membership. Members, and Associate Members shall have the following privileges:

1. Members and Associate Members shall have the privilege of gate access to their Lots, have the right to use the Common Properties, subject to the provisions of the Declaration, and be subject to the Rules and Regulations as established by the Association
2. Only Members shall have voting privileges, as stipulated in the Declaration and these Bylaws, provided they are in good standing.
3. Associate Members shall have no voting privileges.

4. The privileges and duties of the Associate Members shall be as established from time to time by the Board. The privileges and duties of the Associate Members need not be the same as the Members.

Section E. Obligations of Membership. Member is obliged to the following:

1. Members are obliged to pay all Association Fees and Assessments, as established by the Board, when due.
2. All Members and Associate Members are bound by and shall comply with the terms and provisions of the Declaration of Covenants and Restrictions, these Bylaws, Rules and Regulations as published in “Property Owners Guidebook” and the construction requirements as published in the “Architectural Guidelines”.

Section F. Suspension of Membership. The Board may suspend the voting privileges of any Member, the right of any Member or Associate Member to use the Common Properties and access to the gate system for any period during which any Association Fee or Assessment of such Member’s Lot remains delinquent.

Section G. Evidence of Membership and Transfer

1. The Association shall maintain adequate records that show the names of the Members of the Association and their date of membership.
2. When a Member ceases to be an Owner, such person’s membership, and those associate memberships existing through relationships to such person shall lapse. Any person purchasing a Lot from a Property Owner shall be liable for all Association charges due in connection with such property at the time of purchase. Upon transfer of title to real property in Shadow Lakes, the purchaser thereof shall become a Member.

Section H. Membership in Other Associations. Membership in this Association shall not preclude the Members from being members in other associations. (Reproduced from the Covenants IX. G.)

### **ARTICLE III**

#### **Assessments**

Section A. Payment of Assessments. Any and all assessments levied by the Association as provided in the Declaration shall be paid to the Association on or before the date fixed by resolution of the Board. Written notice of the charge and the date of payment shall be sent to each Member at the address last given by such Member to the Association. It is the Member’s responsibility to keep this address current.

Section B. Tiers. The dues are assessed as described in the following tiers:

Tier 1. This rate is assessed to property that may be vacant or where water and sewer use is limited to eight (8) consecutive months of the year. This is the base rate.

Tier 2. This rate is assessed to property which has water and sewer available from January 1 to December 31 of any year, but which is not approved for full time occupancy for more than eight (8) consecutive months during this 12-month period. This rate shall be 1.33 times the base rate.

Tier 3. This rate is assessed to property within Fossil Cove Phase II, which allows greater square footage of structures and full time occupancy. This rate shall be 2.50 times the base rate.

Tier 4. This rate is assessed to property within all other Villages except Lighthouse Cove and Boardwalk Bay; for Members who apply and are approved for full time occupancy in accordance with the Covenants. This rate shall 2.00 times the base rate.

Tier 5. This rate is assessed to Members of Boardwalk Bay and Lighthouse Cove. This rate shall be 0.40 times the base rate.

It is the responsibility of the Member to notify the Association of any change in Tier, prior to the issuance of the Annual Assessment.

Section C. Dues and Fees. Each year, prior to the Annual Meeting, the Board of Directors adopts an operating budget. The Board then levies an assessment to each individual lot. (Refer to the Bylaws)

Invoices for the assessments are sent to all Members in early December.

There are two payment options:

Option 1 requires full payment on or before February 1<sup>st</sup> of each year.

Option 2 allows the first payment of ½ of the total assessment to be made on or before February 1<sup>st</sup>. The second payment is due on or before April 1<sup>st</sup> and includes a 3% interest charge on the balance (1 ½ % per month, for 2 months).

Section D. Collection and Lien. The amount of the assessment levied by the Association shall be paid to it on or before the date fixed by resolution of the Board. If the dues are not received on time, the Member will be subject to an immediate 10% penalty, and interest assessment of 1 1/2 % for each month the Annual Assessment remains unpaid; after 60 days a Notice to Lien will be mailed, after an additional 30 days a Lien will be filed with Will County Recorder and a \$200 Lien Fee will be invoiced to the Lot. At the direction of the Board of Directors, the Association Manager will work with the Association Attorney to begin any and all Legal Proceedings including Foreclosure Proceedings against the property. All Attorney fees and associated costs shall be invoiced to the lot.

Upon receiving a Default Judgment against the Member in a Court of Law, the Association will proceed with a foreclosure sale. Proceeds from the sale of the Lot will first be used to satisfy the Association's latest open account balance on the Lot and all costs involved with the sale of the Lot. Proceeds above those owed to the Association will be forwarded to the former Owner/Member.

Upon payment of said assessment and charges or other satisfaction thereof, the Board shall within a reasonable time, cause to be recorded a further notice stating the satisfaction and release of said lien

Section E. Priority of Lien. Conveyance of any Lot shall not affect any lien for assessments provided herein. Such lien shall be prior to all other liens recorded subsequent to said notice of assessment. (reproduced from the Covenants XIII. B.)

Section F. Enforcement. The lien provided herein might be foreclosed by suit by the Association in like manner as a mortgage and, in such event, the Association may be a bidder at the foreclosure sale. The Association may also pursue any other remedy against any Member owning money to it, which is available to it by law or equity for the collection of debt. Shadow Lakes shall be deemed a "Common Interest Community", as that term is defined in the Forcible Entry and Detainer Act, section 102-p, of 735 I LCS 5/9-102, and the Association shall have all powers of such a Common Interest Community Association, as defined in said act, including the power to file an action for Forcible Entry and Detainer. (reproduced from the Covenants XIII. C.)

Section G. Proof of Payment. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due. (reproduced from the Covenants XIII. D.)

Section H. Suspension. The Association shall not be required to transfer the membership on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Member or to any person claiming them, unless or until all assessments and charges to which they are subject have been paid. (reproduced from the Covenants XIII. E.)

## ARTICLE IV

### Violation Fines

Section A. Procedure for Issuing Fines. The following is the procedure for issuing violation fines:

1. A letter of notice of violation shall be sent to the Member who is responsible for the violation. This letter shall identify the violation and set fourth a time for the correction of said violation.
2. If compliance is not attained within the time set fourth, a fine shall be assessed, according to the published amount shown in the "Property Owners Guidebook" as amended from time to time or Corporate Resolutions adopted by the Board, against the Lot.
3. If the fine is not paid within 14 days of the assessment the gate cards issued to the subject Lot are to be voided from the access system.
4. New gate cards will be issued to the Member only upon payment of the assessment, and the current fee for replacement of gate cards.
5. When the total fine reaches \$ 350.00, a lien will be recorded on the property and a Lien Fee of \$ 200.00 will be invoiced to the Property Owner of the Lot.
6. At the direction of the Board of Directors, the Association Manager will work with the Association Attorney to begin any and all Legal Proceedings including Foreclosure Proceedings against the property. All attorney fees and associated costs incurred by the Association shall be invoiced to the lot Owner.

7. Upon receiving a Default Judgment against the Member in a Court of Law, the Association will proceed with a foreclosure sale. Proceeds from the sale of the Lot will first be used to satisfy the Association's latest open account balance on the Lot and all costs involved with the sale of the Lot. Proceeds above those owed to the Association will be forwarded to the former Owner/Member.

Section B. Procedure for Requesting an Appeal. The following is the procedure for appealing a fine violation:

1. A Member may request, in writing, an appeal from a fine before the Property Owners Association Committee (POAC) Appeals Committee, prior to the date set for payment of the fine. If an appeal is requested, invoicing of the fine will be held in abeyance, until after the Appeals Committee ruling.
2. If the Appeals Committee upholds the violation, the Member may appeal the determination of the Appeals Committee to the Board. Such appeal must be in writing and must be received by the Board within ten (10) days after the ruling of the Appeals Committee. In the absence of a timely appeal, the determination of the Appeals Committee shall be final.
3. The decision of the Board of Directors is final.

## **ARTICLE V**

### **Construction Variances**

Members may request building variances. These requests are made through the Association Office. A variance denied can be appealed to the Architectural Committee of the POAC. If the Architectural Committee denies the appeal, a second appeal may be made before the Board of Directors. The decision of the Board of Directors is final.

## **ARTICLE VI**

### **Meetings of Members**

Section A. Place of Meetings. All meetings of the Members of the Association shall be held at such time and place as may be determined by the Board. There shall be at least four (4) meetings of the Members held each year, one of which shall be designated the Annual Meeting. Meeting of the Board fulfill these requirement

Section B. Annual Meeting. The Annual Meeting of the Association shall be held on the third or fourth Saturday in October each year, unless otherwise provided by the Board.

Section C. Special Meetings of the Association. The Board may call Special Meetings of the Association at any time, in the manner provided herein. A Special Meeting may also be called upon the written petition of 20% of the Members of the Association who have the right to vote at such meeting. Such petition shall set forth the purpose of the Special Meeting.

Section D. Notice of Meetings of the Association. There shall be a written notice of the place, date and hour of the meeting; a published schedule of meetings is adequate notice for regularly scheduled meetings.

In the case of a Special Meeting, the purpose or purposes for which the meeting is called shall be included. Such notice of Special Meeting shall be delivered not less than 20 days or more than 40 days before the date of the meeting, either personally or by mail. Such notice shall be deemed to have been 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 prepaid. Such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among Members of the Association. At a Special Meeting, no business shall be conducted except that stated in the notice of said meeting.

Section E. Quorum. A quorum at either a Special Meeting or the Annual Meeting shall be a simple majority of the Members entitled to vote at such meeting in person or by proxy. The vote of a majority of the votes entitled to be cast at any 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 by law, the Declaration or these Bylaws.

## **ARTICLE VII**

### **The Board of Directors**

Section A. Powers. The Board shall have the following powers:

1. Manage and control the affairs of the Association.
2. Adopt a corporate seal as the seal of the Association.
3. Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers authorized to make withdrawals there-from and to execute obligations on behalf of the Association.
4. Perform other acts the authority for which has been granted hereby or by law, including the borrowing of money for Association purposes. The Board may, if it determines the same shall be reasonably necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowing. The Board may also pledge future revenues of the Association therefore.
5. Adopt such Rules and Regulations relating to the use of the real estate identified on Exhibit A of the Covenants, including without limitation, the Rules and Regulations, as may be amended from time to time, and sanctions for noncompliance as the Board may deem reasonably necessary for the best interest of the Association and its Members. (reproduced from the Covenants X. B.)
6. Establish and levy reasonable fees for the issuance of permits for erecting or placing improvements on any Lot, and also for the use of Association Property.
7. Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.

8. Adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final.
9. Each year the Board shall select a director to serve as Chairman of the Board and President, Secretary, Treasurer, Vice President and any other officers, which the Board in its discretion may determine to be in the best interest of the Association. The Chairman may establish committees of the Association and appoint the members thereof. The Chairman may assign to such committees such responsibilities and duties consistent with the provisions of these Bylaws or with law as the Chairman may deem appropriate.
10. In order to facilitate the business of the Association and to further the interests of the Members of the Association, the Board may enter into agreements with any Developer relating to the orderly transfer of Common Properties from the Developer to the Association. Such agreements may contain such provisions as the Directors may in their judgment feel are appropriate and in the best interests of the Association and its members. However, the existence of such agreements and provisions and terms thereof shall be made known to the general membership in such manner as may be deemed appropriate by the Board, but not later than the Annual Meeting following the creation of such contract or agreement.
11. Shall, prior to the Annual Meeting of the Association in each year, adopt an operating budget to be presented to the Members at such annual meeting. A majority vote of the entire Board is required for the approval and adoption of the annual operating budget. Prior to presentation, the Board shall, taking into consideration other sources of income that the Association may have, establish the Annual Assessment for each Lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same and shall not vary there-from by more than fifteen percent (15%) of the total amount without calling a Special Meeting of the Association to explain such variations. The budget shall be adopted only after Members of the Association shall have had a reasonable opportunity to review the same and to comment thereon, either at open hearings held thereon or through such other means as the Board may direct. The Board may, by resolution, fix the time for payment of the Annual Assessments. (reproduced from the Covenants XI.)
12. Assume such duties as the Board might deem to be essential for the operation of the Association and the well being of the Members and Associate Members.
13. Acquire property, either through purchase or other means, for dedication as Common Property. (reproduced from the Covenants II. C. 4.)
14. Have the authority to purchase and sell property that is not designated as “Common Property “.
15. Allow the Association to become a member in another association

Section B. Number of Directors: The number of Directors shall be five (5). There shall be only one Director per household.

Section C. Term. Directors shall be elected to three-year terms. The Board shall be elected so that no more than two terms shall expire in any given year. The term of the newly elected Directors shall commence immediately following the Annual Meeting.

Section D. Qualifications of Directors. A Director shall be at least 21 years of age and shall be a Member or Associate Member of the Association in good standing.

Section E. Election of Directors. The election procedure for Directors shall be as follows:

1. Election of Directors shall be by written ballot as is hereinafter provided. In all elections of Directors, each Member entitled to vote, as is set forth in Article II, Section D2 shall cast as many votes as shall equal the number of votes which he is entitled to cast on any matter. If more than one Director position is vacant, each Member shall cast votes for the number of candidates equal to the number of Director positions open. The persons receiving the largest number of votes shall be elected.
2. Any Member or Associate Member, in good standing, may file a statement of his or her candidacy for election as a Director of the Association, with the Secretary of the Association. Such filing must be made between the first (1<sup>st</sup>) and thirtieth (30<sup>th</sup>) day of May of each year. The filing shall include endorsements of his or her candidacy signed by ten (10) voting Members in good standing and a brief biographical statement. The Secretary of the Association or the Secretary's assigned shall cause notice of each candidacy and the brief biographical statement of each candidate to be included in the Notice of Election.
3. All elections to the Board shall be made on written ballot, which shall:
  - a. Describe the vacancy to be filled including the length of term;
  - b. Set forth the names of those persons who have become candidates for the office of Director in the order in which they filed their statements and endorsements of candidacy with the Secretary of the Association.
4. Such ballots shall be prepared and mailed by the Secretary to each person entitled to vote, by the fifteenth (15<sup>th</sup>) of June, indicating the date the ballots must be returned.
5. Write-in votes will not be allowed.
6. Each Member entitled to vote shall receive one ballot for each Lot for which he is the voting Member.
7. The completed ballots shall be returned to either a P.O. Box that has been rented on behalf of the Association by the Chairman of the Election Committee or hand delivered to a Lock Box that is located in the Amenity Center Facility. On the day that the Chairman of the Election Committee obtains a key for a rented P.O. Box, said Chairman shall also receive from the Association Office, the key to the Lock Box. Said keys shall then be given to the Secretary of the Association on the Board of Directors unless the person holding that position is up for re-election, in which case the key shall reside with an officer of the Board of Directors, not running for re-election, until the final election results are posted. Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way except for a single designated check mark or X in the corresponding box next to a Candidate(s) name. A ballot which shows any other markings other than a check or X on the page, shall be disqualified. Each such "Ballot" envelope shall contain only one ballot, and each

voting member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name and signature of the member, his/her Lot number, mailing address and the P.O. Box number address where the ballots shall be mailed. The ballots shall be returned by U.S. Mail to the P.O. Box address provided on the outside mailing envelope no later than the date specified in the Notice of Election or put in a lock box provided by the Shadow Lakes II Association directly from the Property Owner's hand. Any ballot given to another Property Owner to be turned in or mailed on their behalf will be deemed null and void. The lock box shall be opened and the sealed envelopes shall be counted by representatives of the Board of Directors, The Chairman of the POAC and The Chairman or a representative of The Election Committee on the final date specified in the Notice of Election and returned unopened to the Lock Box. The tally for these unopened ballots shall be recorded, dated and signed by all of the representatives present for the initial Lock Box Ballot count then placed in the Lock Box. The keys to the lock box and P.O. Box shall remain in the possession of the Secretary of the Association on the Board of Directors, unless the person holding that position is up for re-election, in which case the keys shall reside with an officer of the Board of Directors, not running for re-election during the time. On the day designated for the counting of the ballots the lock box shall be opened by the Officer of the Board of Directors who is in possession of the keys and in the company of the Election Committee. After the Election Committee has determined a winner/winners of the election, the lock box key shall remain with the lock box in the Association Office until the following year when it shall be given, prior to the beginning of the election process, to the Secretary of the Association or an Officer of the Board of Directors, not running for re-election. The Secretary of the Association will make the decision on whether the lock on the Lock Box should be replaced prior to the Election.

8. No earlier than 7 days prior to the counting of the "Ballots" a delegation made up of three (3) people, including a Representative of the Board of Directors, a Representative of the POAC and a Representative of the Election Committee shall redeem the ballots from the PO Box at the Post Office which will then be counted and then placed unopened in the lock box until the day fixed by the Board for the counting of such ballots. The tally of the unopened ballots picked up and counted from the PO Box shall be recorded, dated and signed by all of the representatives present for the initial PO Box Ballot count then placed in the Lock Box. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee. The Association Manager and the Chairman of the Election Committee shall determine the size of the Election Committee required for the counting of the ballots. Each candidate shall be entitled to have one representative observe the proceedings. The Election Committee shall then adopt a procedure which shall establish:
  - a. That the outer envelope containing the P.O. Box mailing address and the members return address where the ballots were mailed has a valid, dated Post Office Stamp on it.
  - b. That the name, address, Lot number and signature of the Member on the envelope are valid: and

- c. That the Member is a Member in Good Standing.
- d. Such procedure shall be taken in such a manner that the vote of any Member shall not be disclosed to anyone, including the Election Committee.
- e. The Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all ballots contained in such envelope shall be disqualified. Any ballot which shows any other markings other than one (1) check or one (1) X next to a Candidate(s) name on the page, shall be disqualified.
- f. The Election Committee shall certify the results of the count to the Board of Directors.
- g. All envelopes, ballots and statements of candidacy shall be retained for one year.

Section F. Proxies. Except in connection with the election of Directors, every Member entitled to vote or execute Consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent. Such proxy shall be filed with the Secretary of the Association. No proxy shall be valid after the expiration of 11 months from the date of its execution unless the person executing it specifies, therein, the length of time for which such proxy is to continue in force. In no event shall the length of time exceed three years from the date of its execution.

Section G. Meetings of the Board of Directors. The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or by a majority vote of the Board. The meeting shall be held at such place as the call or Notice of the Meeting shall designate. Notice of a special meeting shall be given in writing or orally at least 24 hours prior to the date of said special meeting; however, the notice thereof may be waived by the Directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given. Regularly scheduled meetings may be canceled for cause i.e. weather.

Section H. Closed Meetings. The Board may meet in closed session for the discussion of:

- 1. Pending litigation for or against the Association.
- 2. Personnel employed by the Association.
- 3. Violation of rules and appeals by Members
- 4. Election of Officers

Section I. Action Without Meeting. Unless prohibited by law, any action, which might be taken at a meeting of the Board, may be taken without a meeting. The action shall be authorized in a writing (by resolution), signed by all of the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association. These actions shall be presented at the next scheduled meeting.

Section J. Quorum. A majority of the Directors (3 or more) shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board. Each Director shall have one vote on all matters before the Board. Any vote on non-emergency, non-budgeted expenditures exceeding one thousand (\$1000.00) dollars or the borrowing of money for Association purposes, shall require the

approval of a majority of the entire Board. The approval of a majority of the entire Board shall also be required to assign, pledge, mortgage, or encumber any Association Property as security for borrowing money.

Section K. Vacancies. If any vacancy exists on the Board, such vacancy may be appointed by the remaining Directors even though those remaining Directors might be less than a quorum. Any person so appointed as a Director, shall serve the remaining term of the existing vacancy.

Section L. Removal of a Director. A Director may be removed by Special Election. The Special Election may be called by a majority vote of the Board Members or by a petition signed by twenty percent (20%) of the Members entitled to vote. A majority of those voting at the Special Election shall be required to remove the Director. However, no Director shall be removed without just cause being presented at a Special Meeting of the Association. See Section E for voting procedure.

Section M. Appointment of a Director. In the event there are no candidates for the election of a Director, the Board may appoint a Director to fill the vacancy. The term of the appointed Director shall be for the full or remaining term of the existing vacancy.

Section N. Insurance. The Association may have an insurance policy protecting the Directors from “errors and omissions”.

Section O. Execution of Consents. The Association may from time to time be required to have the consent of the Members for an action i.e. approval of a change in the Covenants or the approval of the sale of Common Property. The procedure for obtaining Consents is as follows.

1. Consents shall be by written ballot as is hereinafter provided. In all Consents, each member entitled to vote, as is set forth in Article II, Section 4b, shall cast as many votes as shall equal the number of votes which he is entitled to cast on any matter.
2. All Consents shall be made on written ballot, which shall describe the issue requiring approval.
3. Such ballots shall be prepared and mailed by the Secretary or the Secretary’s assigned to each person entitled to vote. The ballot shall indicate the date by which the ballots must be returned. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked “Ballot” but not marked in any other way. Each such “Ballot” envelope shall contain only one ballot, and each voting member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one ballot in any one “Ballot” envelope shall disqualify the return. Such “Ballot” envelope shall be placed in another sealed envelope which shall bear on its face the name and signature of the member, his Lot number, and such other information as the Board may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary of the Association at such address as the Board may from time to time determine, no later than the date specified in the notice of election.
4. Upon receipt of each return, the Association Manger shall immediately place it in a safe or other locked place until the day fixed by the Board for the counting of such ballots. On that day, the external envelopes containing the “Ballot” envelopes shall be turned over, unopened, to the Secretary. The Secretary shall determine the

constituency of the Election Committee required for the counting of the ballots. The Election Committee shall then adopt a procedure, which shall establish:

- a. That the name of the Member and Lot Number on the outside envelope are valid; and,
- b. That such member is a member in good standing. Members not in good standing will have an invalid ballot.

Such procedure shall be taken in such manner that the vote of any member shall not be disclosed to anyone, including the Election Committee.

5. The outside envelopes shall thereupon be placed in a safe or other locked place, and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all ballots contained in such envelope shall be disqualified. Any ballot having any marks other than an acceptable "X" will be invalid. The Election Committee shall certify the results of the count to the Board of Directors.

Ballots found to be invalid shall be placed on an invalid pile and retained for a period of one year.

All outside envelopes and valid ballots shall be retained for a period of one year.

## **ARTICLE VIII**

### **The Officers**

Section A. Officers. The officers of the Association shall be the President, one or more Vice Presidents, the Secretary, the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. Any Director, with the exception of the Office of the President, may hold any two or more offices. The President shall hold no other office unless approved by a majority vote of the remainder of the Board.

Section B. Selection of Officers. The Officers of the Association shall serve for a one-year term. Each year immediately following the Annual Meeting and the installation of the new Board Members, the Board shall meet and select the Officers for the following year. The chairperson for the meeting shall be in this order: President, Vice President, Secretary or the most senior Director from the previous year.

Section C. President. The President shall be the general managerial officer of the Association. The President shall be vested with the powers and duties generally incident to the Office of President of a not-for-profit corporation, except as otherwise determined by the Board, or as may be otherwise set forth in these Bylaws. The President shall also be the Chairman of the Board.

Section D. Vice President. In the absence of the President, or in the event of the President's 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. In the event that there is more than one Vice President, the Board shall establish the order in which they serve.

Section E. Secretary. The Secretary of the Association shall keep the minutes of all meetings of business and other matters transacted at the meetings of the Members and of the Board. The Secretary shall mail, or cause to be mailed, all notices required under the Bylaws. The Secretary shall have the custody of the corporate seal, records and maintain a list of the Members and their

addresses. The Secretary shall also perform all other duties incidental to the Office of the Secretary.

Section F. 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 incidental to the Office of Treasurer. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

Section G. Removal of Officers. Any officer may be removed when, in the judgment of the Board, the best interests of the Association will be served by such removal. Removal shall require a majority vote of the other Board Members.

Section H. Committees. The Chairman of the Board may establish as many committees, and define their duties, as he/she deems necessary for the operation of the Association. Members of all committees shall be as appointed by the Chairman. In the event that the Board Members disagree with the Chairman in either the establishment of a committee or the selection of individual members of a committee, a majority vote of the Board Members may veto his/her selection. Committees and individual committee members can be removed in a manner similar to the establishment of committees and appointment of committee members. The committees may select their chair and establish subcommittees. One of the committees shall be the Property Owners Association Committee.

## **ARTICLE IX**

### **Property Owner Association Committee**

Section A. General. The Property Owners Association Committee (POAC) is an advisory body to the Board of Directors.

Section B. Meetings of the Committee. The POAC shall meet in open session, as posted by the Association, for the purpose of discussing the business of the Association and making recommendations to the Board. Each year the POAC shall establish a schedule of meeting and this shall be published in the Fossil Footprints

Section C. Responsibilities. The POAC shall have responsibilities as delegated by the Board. The POAC shall establish Committees for the enforcement of the Rules and Regulations, review of appeals, review of architectural variances and preparation of the annual budget. The Chairperson of the POAC may establish ad-hoc committees as necessary for the specific tasks to be undertaken.

Section D. Membership. Membership in the POAC is limited to Members or Associate Members in the Association in good standing. Membership in the POAC shall consist of two representatives from each village, except Lighthouse Cove and Boardwalk whose representation shall be one each. Vacancies on the POAC are filled as follows:

1. Candidates wishing to be Members of the POAC shall present their qualifications before the existing Members of the POAC.
2. The Members shall review the qualifications in closed session and vote to select the successful candidate(s). A majority vote of the POAC Members is required for election to the POAC.

Section E. Terms of Membership. The term of the POAC Members shall be three (3) years. Attempts shall be made to have terms expire on a regular basis, this to avoid a major turn over in membership in any year. There is no limit as to the number of terms a POAC Member may serve.

Section F. Removal of a Member. A vote of the majority of the Members of the POAC shall be required to remove a Member from the POAC. Removal shall not be without just cause and shall require the approval of the Board.

Section G. Chairman. The Chairman of the POAC shall be elected from among the Members of the POAC. The Chairman shall set the agenda for the meetings, chair the meetings and establish committees. The Chairman shall vote only in the event of a tie. The Chairman in not the representative of any specific village and upon his election as chair another representative will have to be selected to represent that village.

The Chairman of the POAC shall have a one-year term but may be elected to successive terms.

Section H. Removal of the Chairman. A vote of the majority of the Members of the POAC is required to remove the Chairman of the POAC. Removal of the Chairman shall not be without just cause and require the approval of the Board.

Section I. Secretary. The Secretary may or may not be a Member of the POAC, if not a Member the Secretary shall have no vote. The Secretary shall keep the minutes of the POAC meetings.

## **ARTICLE X**

### **Amendments**

These Bylaws may be amended by an eighty (80) percent majority vote of the Board. Such amendment shall not be in conflict with the current Declaration of Covenants and Restrictions or the "General Not For Profit Corporation Act of 1986" or its successions.