

BYLAWS OF THE LAKES AT OAK VALLEY HOMEOWNERS ASSOCIATION, AN ILLINOIS NOT FOR PROFIT CORPORATION

1. PURPOSE

The purposes of The Lakes at Oak Valley Homeowners Association (hereinafter "the Association") include, but are not limited to:

- 1.1 To maintain and manage common areas within The Lakes at Oak Valley, a Subdivision to the Village of Goodfield, Tazewell and Woodford Counties, Illinois, (hereinafter "the Subdivision")
- 1.2 To regulate access to and use of the common areas and lakes within the Subdivision.
- 1.3 To monitor compliance with and enforce the requirement of the covenants relating to the Subdivision, and these by-laws, and any rules and regulations adopted by the Association.

2. MEMBERS

- 2.1 Classification of Members. The Association shall have one class of members. Members shall be the person(s) or entity(ies) owning a single family residential lot in The Lakes at Oak Valley Subdivision. All such lots shall hereinafter be referred to as "Member Lot(s)."
- 2.2 Multiple Membership. Membership shall be mandatory and concurrent with the ownership of a Member Lot. Owner(s) of multiple Member Lots shall maintain one membership for each lot owned. An owner or co-owner of any Member Lot shall constitute one membership.
- 2.3 Voting Rights. The owner(s) of each Member Lot shall have one vote for each lot owned on all matters submitted to a vote of the members. This vote may only be cast by an adult owner. Should co-owners of any Member Lot be unable to agree as to which of them shall cast the vote for such lot, that lot shall be denied a vote while such disagreement exists. Voting rights are suspended if dues payments (Section 3, paragraphs 3.1 and 3.3) are not current.
- 2.4 Registration. It shall be the responsibility of the Member Lot owner(s) to register ownership of said lot(s) with the Secretary of the Association.

In no event shall said registration be later than ninety (90) days after qualifying for membership.

2.5 Transfer of Membership. Membership in the Association is required to be transferred to the new owner upon transfer of title of the property to relieve the previous owner of any further obligation to this Association. It shall be the responsibility of the new owner to register said ownership in accordance with Paragraph 2.4.

2.6 Termination of Membership. The Association upon a majority vote of the Board of Directors taken at any regular or special meeting thereof, suspend or expel a member for good cause or for non-payment of dues or violation of any of the by-laws or regulations adopted by this Association, provided however such member shall first be entitled to a hearing prior to such suspension or termination and which hearing shall be conducted in accordance with the procedures as established from time to time by the Board of Directors.

2.7 Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve a member so resigning of the obligation to pay any dues, assessments or other charges heretofore or thereafter established by the Association. No prorated refunds will be given.

2.8 Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors, hereinafter referred to as the Board, may be the affirmative vote of two-thirds of the members of the Board reinstate such former member to membership upon such terms as the Board may deem appropriate.

3. DUES AND ASSESSMENTS

3.1 Annual Dues. Annual recommendation of the Board may be adopted by Members of the Association at the Annual Meeting or a special meeting of the Members called for that purpose. In the event of a special meeting, the call for the meeting must be made as prescribed in Section 9, paragraph 9.2 and 9.3. A 2/3 affirmative vote of members present and voting shall be sufficient to adopt. Annual dues may not be levied or assessed against the Developer, Schieler Properties, an Illinois

general partnership, pursuant to the restriction set forth in the Articles of Incorporation, as amended.

3.2 Dues Year. The dues year for the Association shall begin on the first day of January and end on the last day of December of each year.

3.3 Payment of Dues. Dues shall be payable in advance, on the first day of the next month following the issuance of the dues notice. Dues of a new resident member shall be prorated from the first day of the month in which such new member is qualified for membership, for the remainder of the dues year of the Association. Full yearly dues are required for membership of new members who were residents of the subdivision at the conclusion of the previous year.

3.4 Special Assessments. The Association may levy assessments against the members thereof to enable it to carry out the purposes of the Association. Collecting these easements shall be the responsibility of the Board as it deems legally necessary, including, but not limited to, the use of attorneys, collection agencies and the recording of a lien on the property. Such assessments may be levied only upon the recommendation of the Board of the Association and an affirmative vote of a quorum of the members present and voting at any annual meeting, or special meeting called for such purpose, and any special assessments so approved shall be payable as may be provided by the resolution approving the same. Special assessments may not be levied or assessed.

3.5 Penalties/Late Charge. If dues or special assessments are not paid within 90 days of due date, the Homeowner must pay a late charge of Ten Per cent (10%) of the amount due for the extra work entailed by reason of delayed payment. Homeowner agrees to pay, in addition to dues, such reasonable fees, collection and court costs as the Association may incur for the collection of said dues or special assessments.

4. DIRECTORS

4.1 Number. There shall be a Board of Directors (sometimes referred to herein as "the Board"), composed of four (4) members, hereinafter referred to as Directors, made of at least one (1) on north lake member, one (1) on south lake member and at least one (1) off-lake member,

elect as follows: Two (2) members to be elected to serve through 2005, one (1) through 2006, and one (1) through 2007, with continuing repetition of the cycle of three (3) year terms thereafter. All directors shall have full voting power.

4.2 Nominees. The proposed slate of directors shall be submitted to the membership no later than fifteen (15) days prior to the Annual Meeting. Additional nominations may be made from the floor at the Annual Meeting. Provided consent is obtained from the person (s) being nominated.

4.3 Election. Directors shall be elected by ballot. The candidates securing the highest number of votes for the vacancies to be filled shall be elected as directors.

4.4 Tenure. Directors shall be elected to annual terms at the annual meeting of members.

4.5 Vacancies. Vacancies occurring on the Board shall be filled by the Board. A director appointed by the Board to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. This shall take place at the next regular meeting of the Board after determination that a vacancy exists.

4.6 Removal. Any director elected by the membership or appointed by the Board may be removed by the Board and the membership whenever in their judgment the best interest of the Association would be served thereby. A two-thirds (2/3) majority vote of the Board and a two-thirds (2/3) majority vote of the membership shall be necessary to remove any director. Removal of the membership shall be necessary to remove any director. Removal action must be introduced and reviewed at a Board meeting prior to its introduction at any general membership meeting.

Noncompliance with these articles may constitute a reason for removal.

5. DUTIES OF BOARD OF DIRECTORS

5.1 General Powers. The Board of Directors shall have authority over the affairs and funds of the Association between annual meetings with the limitation that the Board shall not modify any actions taken at the annual

- or special meetings of the membership. The Board shall have authority to adopt rules for the transaction of its business, provided such rules do not conflict with these articles.
- 5.2 Organizational Meeting. The Board of Directors shall hold an organizational meeting no later than the end of the third week of January in each year for the purpose of electing officers, chairpersons of standing committees and for the transaction of such other business as may come before the meeting.
- 5.3 Number of Regular Meetings. The Board shall hold at least three (3) regular meetings per year. The organizational meeting of the Board required by paragraph 5.2 counts as a regular meeting.
- 5.4 Regular Meeting. The Board shall notify each Director of the time, date and place of regular meetings of the Board not less than 10 days prior to the meeting.
- 5.5 Special Meetings. Special meetings of the Board may be called by or at the request of the President or any three (3) directors upon giving three days notice to all Directors.
- 5.6 Adoption of Rules and Regulations. The Board may adopt such rules and regulations relating to the use of the property as are reasonably necessary for the best interest 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. Further, the Board shall recommend the amount of annual dues for each member of the Association. However, the amount of the annual dues shall be voted upon the general membership and shall require an affirmative vote as provided in Section 3, paragraph 3.1. The Board shall not have the power to levy a special assessment against the membership. Any special assessment must be voted upon and passed by the general membership in accordance with Section 3, paragraph 3.4.
- 5.7 Deposits. The Board shall designate a banking institution or institutions as depository of the Association's funds, and the officer or officers authorized to make withdrawals there from and to execute obligations on behalf of the Association. The Board of Directors may

invest the funds of the Association as provided in Section 11, paragraph 11.4.

5.8 Budget. At the end of each year (November or December) the Board will prepare a projected budget for next years to be presented at the Annual meeting of members.

5.9 Quorum. A majority of the Board including the President, shall constitute a quorum for the transaction of business at any meeting of the Board.

5.10 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except where otherwise provided by law or by these articles of association.

5.11 Compensation. Directors shall not be eligible to receive any compensation from general funds for any services or labors done for the benefit of the Association.

5.12 Meeting Contents. All meetings will include the reading of the minutes of the previous meeting, the treasurer's report, and discussion of topics of general interest and specific concern.

6. OFFICERS

6.1 Officers. The officers of the Association shall be a president, a vice president, a secretary, and a treasurer, and all such assistant secretaries and assistant treasurers as may be deemed advisable from time to time.

6.2 Election and Term of Office. The officers of the Association shall be elected annually by the Board at the organizational meeting of the Board. New officers shall hold office until their successor shall have been duly elected and shall have qualified.

6.3 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby. A three fourths (3/4) majority vote of remaining Board members shall be necessary to remove any officer.

6.4 Vacancies. Vacancy in any office because of a death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

7. DUTIES OF OFFICERS

7.1 President. The president shall be the principal executive officer of the Association and shall in general supervise all of the business and affairs of the Association. The President must be chosen from the members of the Board of Directors. The president shall preside at all meetings of the Board. The president may sign, with the secretary or any other proper officer of the Association, authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Association; and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed by the Board from time to time.

7.2 Vice President. In the absence of the president, or in the event of inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board and serve as Chairperson of the Nominating Committee.

7.3 Secretary. The secretary shall keep the minutes of the meetings of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these articles or as required by law; be custodian of the Association records; keep a register of the post office address of each member which shall be furnished to the secretary by such member; and in general perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned by the president or by the Board. The secretary will also keep the minutes of the annual meeting of members and any special meetings.

8. INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.4 Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5, paragraph 5.7 of these bylaws;

8.1 Limited Liability. The liability of any director or officer of the Association serving without compensation, other than reimbursement for actual expenses, shall be limited to the greatest extent allowable, and as set forth in Section 108.70 of the Illinois General Not For Profit Corporation Act of 1986, as amended for time to time.

Except as otherwise provided by law or in these Bylaws, a director, officer, employee, or a member of a committee of this Association shall not be liable on the Association's debts nor obligations, and a director, officers, employee, committee member, or other volunteer shall not be personally liable in that capacity for a claim based on an act or omission of the person performed in the discharge of the person's duties except for:

8.1.1 a breach of the duty of loyalty to the Association;

8.1.2 acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law; or

8.1.3 a transaction from which such person derives an improper personal benefit.

8.2 Indemnification. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that the person is or was a director, officer, employee or agent of the Association, to the greatest extent that such indemnification is allowed pursuant to Section 108.75 of the

Illinois General Not For Profit Corporation Act of 1986, as amended from time to time.

8.3 Insurance. The Board may authorize the purchase of any and all insurance which the Board deems proper to protect and preserve the assets of the Association, including without limitation, any insurance for the Association and for its directors, officers, employees, committee members, agents, or volunteers against any and all expense and liability within the Association's duty to defend, hold harmless and indemnify as described above.

9. MEETINGS OF THE MEMBERS

9.1 Annual Meeting. Annual meeting of the members shall be held at 7:30 p.m. on the first Monday of November of each year, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called within 10 days.

9.2 Special Meeting. Special meetings of the members may be called either by the president, the Board, or not less than one-third of the members having voting rights. The call for meeting must state the purpose of the meeting.

9.3 Notice of Meeting. Written notice stating the place, day and hour of any meeting of members shall be delivered not less than five (5) nor more than sixty (60) days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice.

9.4 Quorum. A quorum at either a special meeting or at the Annual Meeting shall be fifty per cent (50%) of the members entitled to vote at such meeting. Co-owners of a Member Lot shall be considered one member. 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 portion is required either by law or by these articles;

10. COMMITTEES

10.1 Nominating Committee. This committee shall consist of one director, the vice president, and one non-director member from Section 2.

10.2 Other Committees. The president may appoint, subject to approval of the Board, and/or the Board may establish standing committees and such other committees as may be needed from time to time.

10.3 Term of Office. Each member of a Standing Committee shall be appointed for a term of three (3) years. One-third of the membership of the committee shall be appointed each year. All other committee shall be appointed on an annual basis with the terms of office to be one year.

10.4 Chairman. The chairman of each Standing Committee shall be appointed by the president subject to the approval of the Board.

11. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

11.1 Contracts. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these articles, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

11.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer and countersigned by the president or vice president of the Association. All expenditures larger than \$100.00 must be approved by the Board. All expenditures larger than \$15.00 must be paid by check. All checks must be co-signed by two of the following: President, Vice President, Secretary, Treasurer.

11.3 Deposits. All funds of the Association shall be deposited in a timely manner to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

11.4 Investments. The Board may from time to time invest the funds of the Association. Investment of funds shall be limited to such interest-bearing accounts as savings, certificates of deposit, U.S. Treasury bills, U.S. Treasury notes and U.S. bonds.

11.5 Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

12. BOOKS AND RECORDS

12.1 Recordkeeping. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board; minutes of the annual meeting of members; minutes of special meetings; and shall keep a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

13. FISCAL YEAR

13.1 Fiscal Year. The business year of the Association shall begin on the first day of January and end on the last day of December in each year.

14. PROXIES

14.1 No Voting by Proxy. At any meeting of members or the Board, voting by proxy shall be prohibited.

15. AMENDMENTS

15.1 Amendments. The Bylaws and/or Rules and Regulations of this Association may be repealed or amended, and new Bylaws and/or Rules and Regulations adopted at any annual meeting of the members of the Association or at any special meeting of the members of the Association

called for that purpose. Written notice of proposed amendment or changes shall be delivered to all members at least fifteen (15) days before an annual or special meeting. A simple majority of the votes entitled to be cast at the meeting shall be necessary to repeal or amend.

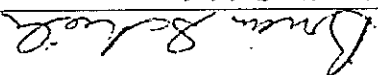
16. WAIVER OF NOTICE

16.1 Notice. Whenever any notice is required to be given under the provisions of the Illinois General Not For Profit Corporation Act, or under the provisions of the Articles of Incorporation or by the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notices.

17. RULES OF ORDER

17.1 Roberts Rules. Roberts Rules of Order Revised shall govern this Association in all cases where they are applicable and in which they are not inconsistent with these Bylaws or the Articles of Incorporation.

These Bylaws adopted June 15, 2004.



Brian R. Schiele,
Secretary of the Association

THE LAKES AT OAK VALLEY HOMEOWNERS ASSOCIATION RULES AND REGULATIONS

1. INTRODUCTION

The following rules and procedures have been written by The Lakes at Oak Valley Association Board of Directors with you, the property owner, foremost in mind. It is not the purpose of the Board to recommend adoption of rules which serve to infringe upon your use and enjoyment of The Lakes at Oak Valley.

The members of the Board have carefully considered each of these rules and believe they will best serve the interest of each property owner at The Lakes at Oak Valley by helping to make The Lakes at Oak Valley a safe and fun place.

Property owners failing to comply with these rules and restrictive covenants will be subject to disciplinary actions as outlined in the last section of this document.

The Association invites your comments and suggestions.

2. GENERAL RULES

- 2.1. All facilities are available for use only to members in "good standing" and their guests. Guests of members may only use the Association property in the presence of the sponsoring member.
- 2.2. Members and their guests may access the lake only from their own property, the outlet, and the dam.
- 2.3. Members are responsible for the conduct of their family members, their guests, and the children of their guests. All members and their guests must abide by the established rules.
- 2.4. Any cost incurred because of misuse of the property or facilities by a member or guest will be charged to the member property owner involved.
- 2.5. Swim, ice-skate, or boat AT YOUR OWN RISK.
- 2.6. No hunting is permitted in the subdivision.
- 2.7. Rip-rap rocks on the dam must not be disturbed. No rocks at any shoreline location may be thrown into the lake.

- 2.8 Board approval is needed for any dirt and/or debris moved to and/or from the property for modification of shoreline. Sinking or other placement of brush, trees, etc., in the lake is prohibited. The addition of any structure will be directed by the Board of Directors.
- 2.9 No motorized vehicles are allowed on the lake or outlet except electric trolling motors and maintenance equipment.

3. COURTESY RULES

- 3.1 Please have the courtesy to obey rules posted at the outlet.
- 3.2 Respect homeowner and Association property by:

- 3.2.1 Not driving cars or snowmobiles on private property.
- 3.2.2 Not littering and reminding others to do the same.
- 3.2.3 Keeping your pets supervised.
- 3.2.4 Not shooting fireworks into the lake or from the outlet.

- 3.3 Use extreme caution when using pesticides, herbicides, and selective weed killers on your lot. These will ultimately find their way into the lake and will result in contamination.

4. USE OF OUTLOT

- 4.1 No lifeguards will be present.

- 4.2 No swimming after sundown.

- 4.3 The use of the outlet is restricted to the hours of 7:00 a.m. to 10:00 p.m.

- 4.4 Children under 10 years of age will not be allowed on the outlet without adult supervision.

- 4.5 No litter is to be left at the outlet.

- 4.6 Cooking may be done only on your own grill or those provided by the Association. Fires must be confined to fire rings provided by the Association.

5. WATERCRAFT

- 5.1 Applicable state laws apply to The Lakes at Oak Valley.
- 5.2 Gasoline powered watercraft are not allowed on the lakes.
- 5.3 No boats or any other items of equipment are to be left overnight at the dam or outlet.

- 5.4 Stationary docks and mooring structures shall be no wider than 10 feet and not extend more than 10 feet into the lake from the water's edge, except with written approval from the Board.
- 5.5 Floating unanchored structures will not be permitted on the lake. Anchored structures may extend from member's property not to exceed 20 feet from the water's edge. These structures may not exceed 20 feet in width.

- 5.6 Docks, rafts and similar objects and structures in the waters of the lake must be properly maintained for safety and appearance.
- 5.7 Every watercraft should carry a minimum of one life preserver for ever occupancy and children under 10 should wear them.

6. FISHING

- 6.1 Applicable state laws apply to The Lakes at Oak Valley.
- 6.2 Licenses are required to take bullfrogs.
- 6.3 Fishing on the lake will be pole and line only. The following will not be allowed: trot lines, throw lines, bottle fishing, set or unattended lines, or seines.
- 6.4 Use of live minnows and other live fish as bait is prohibited in order to minimize danger of the lake being populated with "rough" fish.
- 6.5 No ice fishing shelter may be placed on the ice of the frozen lake, except temporary shelters and the latter must be removed each night.

6.6 Ice fishing holes shall be marked for safety's sake.

7. PENALTIES

7.1 Any member who violates these rules and regulations will be subject to disciplinary actions by the Board, including a fine of \$25 per violation and the amount of the fine would be doubled for each violation thereafter. In the event the Board is required to seek legal advice or commence legal proceedings to enforce the provisions of these rules and regulations, the Association shall be entitled to recover from such member reasonable attorney's fees and costs incurred in enforcing the provisions hereof.

7.2 The rights and remedies of the Association provided for in this paragraph are cumulative and not intended to be exclusive of any other remedies which the Association may be entitled to at law or equity. The exercise by the Association of any right or remedy to which it is entitled hereunder shall not preclude or restrict the subsequent exercise of any other right or remedy available to the Association.