



# lake carroll

## ASSOCIATION

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# By-Laws

Approved December 5, 2004

**Changes Approved December 5, 2004:**

Article VI. Board of Directors, Section 5, Election of Directors, paragraph 2:

Article IX. Committees, Section 1, Standing Committees:

Article IX. Committees, Section 1, "Standing Committees," paragraph 3:

Article IX. Committees, Section 11, "Ski Hill Committee:"

Article IX. Committees, Section 12, "Steering Committee:"

Amend Article IX, Sections 2 – 12 rearranging the committee mission texts alphabetically by committee names.

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## **Lake Carroll Association By-laws**

### **PREAMBLE**

WHEREAS, the Lake Carroll Association is an Illinois not-for-profit corporation whose Membership is comprised of Owners of lots at Lake Carroll; and

WHEREAS, Lake Carroll is a private, four season, recreation oriented, residential community whose common ownership of amenities, facilities and common areas are for the use and enjoyment by Property Owners, their families and guests; and

WHEREAS, the Lake Carroll Association is governed by an elected Board of Directors; and

WHEREAS, the By-laws of the Lake Carroll Association sets forth certain rights and obligations of the Membership and the Board of Directors; and

WHEREAS, the Membership has adopted the following purposes and objectives

- \* Conduct the Association's affairs in keeping with the highest ethical, moral and legal standards.
- \* Enforce the Declaration equitably and uniformly.
- \* Adopt rules and regulations for the general welfare of Lake Carroll.
- \* Provide for the safety and security of Lake Carroll.
- \* Protect and preserve the eco-system of Lake Carroll.
- \* Maintain common properties, buildings, facilities, roads and other improvements within Lake Carroll.
- \* Communicate with Property Owners concerning decisions made in their behalf.
- \* Provide recreational activities and educational programs for the benefit of the Property Owners, their families and their guests.

NOW THEREFORE, the Members, based upon the foregoing Preamble, adopt the following By-laws of the Lake Carroll Association.

## ARTICLE I. GENERAL

### Section 1. Name

This Association is incorporated under the general Not-For-Profit Corporation Act of Illinois as Lake Carroll Association, hereinafter referred to as the "Association."

### Section 2. Location

The principal office of the Association shall be at such place as designated by the Board.

## ARTICLE II. DEFINITIONS

The following terms as used in these By-laws are defined as follows:

1. "AMENITY" means all Association owned common areas located at Lake Carroll and including but not limited to the following: beach area, campground, conference center, east and west marina areas, equestrian area, fish hatchery, golf course and clubhouse, (including pro shop and restaurant), lake, lodge, Pell Park, ski hill, swimming pool, tennis courts, trail system, and all the common areas, greenways, roadways and parking areas.
2. "ASSOCIATION" means the Lake Carroll Association, a corporation organized under the general Not-For-Profit Corporation Act of the State of Illinois.
3. "BOARD" means the Board of Directors of the Association.
4. "BY-LAWS" means the By-laws of the Association of which these definitions are a part.
5. "PRESIDENT", "Vice-President", "Secretary", "Treasurer" or other Officer designation of the Association as included in Article VIII of these By-laws shall be considered Officers of the Association and the Board with appropriate responsibilities in conjunction with the office to which elected.
6. "COMMITTEE" OR "COMMITTEES" means the standing Committees specified in the Declaration or a Committee established by the Board from time to time to govern and/or advise on operations of the Association.
7. "COMMON AREAS" means all property included within the definition of common areas set forth in the Declaration or as decreed by the Board and/or Membership of the Association in a duly called meeting.
8. "DECLARATION" OR "DECLARATIONS" means the Declaration of Covenants and Restrictions for Deer Run on Lake Carroll and related supplements dated to 1989 and/or the Declaration of Covenants for Lake Carroll dated the 15th day of May, 1972, as these may be supplemented, combined or amended from time to time by the Association Members.
9. "DESIGNATION" means formal notification to the Association for inclusion in

official records of the Association of the various rights, privileges, etc. of Owners.

10. "DEVELOPMENT" means Lake Carroll as the same may be shown on the development maps thereof, recorded from time to time.
11. "GENERAL MANAGER" means the individual charged with the responsibility of seeing that the policies, directives, and resolutions of the Board are carried out. The General Manager shall have the general powers and duties of management as may be prescribed by the Board and these By-laws.
12. "LAKE" means the body of water, approximately 640 acres located on the development and constituting one of the amenities at Lake Carroll.
13. "LAKE CARROLL" means the same as "Development" and encompasses the geographic area considered the real property of the Association.
14. "LOT" means a recorded parcel of real property located in Lake Carroll that is subject to assessments (as hereinafter defined).
15. "MANUAL" means standard operating procedures and rules of the Association for the Development as published and distributed to the Members from time to time. Such publications may include building and construction regulations, security and safety regulations, golf course rules, lake use rules, personnel policies or similar regulations duly approved by the Board.
16. "MEMBERS" means categories of persons or entities defined and detailed herein and recorded as such on the records of the Association for voting and/or other purposes; provided further, the terms Member and Owner may be used interchangeably except as may be further delineated in these By-laws.
  - a) "FAMILY MEMBERS" means spouses, significant others and children not exceeding the age of twenty-four (24) living at the same principal address. They shall have rights to all amenities.
  - b) "PRIMARY MEMBER" means a Lot Owner, either a person or other legal entity, owning fee simple title interest to any lot at Lake Carroll, individually, or together with others either as joint tenants with rights of survivorship, tenants by the entirety, or as tenants-in-common. Said Primary Member is entitled to cast a vote for a specific lot in his/her singular behalf, or who has been designated by the Owners who collectively own the lot.
  - c) "ASSOCIATE MEMBER" means family members (father, mother, brother, sister, son or daughter exceeding the age of 24) of a Member who may become Associate Members of the Association upon notification by the Member and paying the appropriate membership dues. Associate Members have the rights to use all amenities, but have no vote. Associate Members may not be Directors. The Board may grant Associate Membership in special cases.

- d) "CO-MEMBERS" means all persons owning an interest in a lot at Lake Carroll as evidenced by a recorded deed or other recorded legal instrument including contract purchaser, containing the names of such Co-members and paying Co-members dues. Co-members shall not be more than three (3) unrelated adults. Co-members sharing the ownership of a parcel of real estate at Lake Carroll may designate a Co-member of said parcel to act as a representative with powers of voting in behalf of the Co-members. Family members of Co-members may become Associate Members if such family members meet the requirements of Art. II, 16c.
- e) "COMMERCIAL MEMBER" means the Owner of a commercial lot (whether an individual, partnership or corporation) who shall be entitled to designate an individual to represent the Commercial Member's interests and execute privileges as a voting Member on issues relevant to the affairs of the Association; provided further, said representative's family members may become Associate Members if such family members meet the requirements of Art. II, 16c. The Owner of a commercial lot shall be responsible for at least such dues and assessments as may be established for residential lots unless otherwise established differently by the Board of Directors.
- If the aforesaid Commercial Member fails to designate an individual to represent the Commercial Member's interests, then no person shall be regarded as having said Commercial Member's voting rights nor permission to use Lake Carroll amenities.
- f) "GUESTS OF MEMBERS" A Guest is a Member invitee. (Ref. Art. III, Sec. 3)

17. "OWNERS" means those who hold fee simple title to any lot, or any person or legal entity (e.g. land trusts) who has contracted to purchase fee simple title, bears the responsibility and expense of ownership of property at Lake Carroll and have designated voting rights. See also, Art. II, 16d, "Co-members" above. The terms "Owner" and "Member" may be interchangeably used terms except as may be further delineated in these By-laws.
18. "P.O.A." OR "POA" means the Lake Carroll Property Owners Association and such term may be used in connection with Association documents and publications.
19. "RULES AND REGULATIONS" OR "ASSOCIATION RULES" means and refers to the current manual definition, Art. II, 15, above.
- a) All Rules and Regulations are subservient to the Association By-laws and Declaratory Statement of Covenants and Restrictions.

## **ARTICLE III. MEMBERSHIP OBLIGATIONS**

### **Section 1. Categories of Membership**

There shall be Members, Family Members, Co-members, Primary Members, Commercial Members and Associate Members.

### **Section 2. Privileges**

All Members shall be entitled to the use of the amenities subject to the provisions of the Declaration, these By-laws, and such other rules and regulations as may be established by the Board. Renters of property/homes shall not be entitled to these privileges unless they are Members.

### **Section 3. Responsibilities**

Each Member shall agree to and be aware of the Declaration, By-laws and Rules and Regulations of the Association and shall be subject to them. All Members are responsible for the actions of their family members, Associate Members, and guests whether or not the Member is present on Lake Carroll environs during the duration of the guests visit.

Commercial Members are responsible for the actions of their representatives, their representative's family members, any Associate Members, and guests.

### **Section 4. Suspension of voting privileges and Member privileges**

- a) The Board shall suspend voting privileges of any Member, and the privilege of any Member to use the Association's amenities for any period during which Association dues, assessments or other charges remain unpaid.
- b) The Board may suspend any and all privileges of any member for a single egregious act, any continuing or repeated violation(s) of the provisions of the Declaration, these By-laws and/or the Rules and Regulations of the Association after the existence thereof shall have been declared by the Board. Prior to the suspension of a Member's privilege to use the common area, the Board will give the offending Member an opportunity for a hearing. The hearing will be conducted by the Board, and the offending Member will be afforded an opportunity to be represented by an attorney and allowed to question any witnesses or review statements relative to the violation giving rise to the possible suspension.
- c) Suspension of Member privileges shall be enforced by the Board and require action by 2/3 vote of the Board of Directors.

### **Section 5. Voting Rights**

There shall be one vote and one voting Member for each lot regardless of the number of persons who may have an ownership interest in such lot, or the manner in which title is held by them. The Owners for each lot shall designate the

Primary Member entitled to cast a vote for the lot. The Association shall be provided with the name of the Member so designated.

Each Member shall be entitled to one vote for each lot in which they are the designated voting member. The Owner(s) of a set of lots designated in a contiguous lot agreement between the Owner(s) and the Association is eligible for only one vote.

**Section 6. Certificate of Membership**

Certificates of Membership and/or amenity cards as proof of membership in the Association may be issued to Members in accordance with By-laws Art. II, Definitions, para.16. Records, (including names, addresses, and telephone numbers) of all Members shall be maintained by the Association .

**Section 7. Termination**

When a Member ceases to be an Owner, such person's Membership and those Associate Memberships existing through relationships to such person shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer an Owner.

**ARTICLE IV. MEETINGS OF MEMBERS**

**Section 1. Place of Meetings**

Any meeting of the Members of the Association shall be held in the State of Illinois at such place therein as may be stated in the notice of such meeting.

**Section 2. Annual Meeting**

The Annual Meeting of the Association shall be held on the first Sunday of December each year.

**Section 3. Special Meetings of the Association**

Special meetings of the Association may be called by the Board at any time in the manner herein provided. A special meeting may be called by a written request to the Board of Directors of no less than fifty (50) Members who would have a right to vote at such meeting. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Notice of the special meeting shall set forth the purpose of such meeting. If the stated purpose of the special meeting will not serve any legitimate purpose, as determined by a vote of 2/3rds of the then constituted Board of Directors, the request for such special

meeting may be dishonored and in that event, the purpose for which said special meeting was requested shall be placed on the agenda of the next Annual Meeting of the Association.

#### **Section 4. Notice of Meetings of the Association**

Written notice of the place, date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) days nor more than forty (40) days before the date of the meeting by mail to each Member entitled to vote at such meeting. 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. Provided further, 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.

#### **Section 5. Quorum**

A quorum at either a special meeting or the Annual Meeting shall be ten (10) percent 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.

#### **Section 6. Proxies**

Every Member entitled to vote or execute consents shall have the right to do so either in person or by a written proxy executed by such Member and filed with the Secretary of the Association. Proxies shall be valid only for the meeting or the adjourned meeting (to a date and time certain) for which they are issued.

The basis on which proxy voting will take place shall include a "yes", "no", or "abstain" option for each item presented to the Membership.

#### **Section 7. Rules of Order**

Robert's Rules of Order Revised shall prevail.

### **ARTICLE V. DUTIES OF MEMBERS**

#### **Section 1. Payment of Assessments**

The charges or assessments levied by the Association shall be paid to it on or before the date or dates fixed by resolution of the Board. If not so paid, the amount of such assessment, plus any other charges thereon, including interest at the maximum limit provided by law per annum from date of delinquency and costs of collection, including attorneys' fees, if any, shall constitute and become a lien on the lot so assessed when the



Board causes to be recorded in the office of the appropriate County Recorder of Deeds, a notice of assessment which shall state the amount of such assessment and such other charges and a description of the lot which has been assessed. Such notice shall be signed by the Secretary of the Association on behalf of the Association.

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 the release of said lien.

**Section 2. 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 assessment.

**Section 3. Enforcement**

The lien provided herein may be foreclosed by the Association by suit, in like manner as a mortgage and, in such event, the Association may be a bidder at the foreclosure sale. The Association shall be entitled to collect in such proceedings all expenses of foreclosure including, but not limited to, reasonable attorney's fees, the costs of documentary evidence, abstracts and other title reports. The Association may also pursue any other remedy against any Owner owing money to it which is available to the Association by law or in equity for the collection of debt.

**Section 4. 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.

**Section 5. Transfer of Membership**

The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Owner or to any person claiming under them unless or until all assessments and charges to which they are subject have been paid.

**ARTICLE VI. BOARD OF DIRECTORS**

**Section 1. Powers**

Without limiting the general powers that may be provided by law, the Declaration, or these By-laws, the Board of Directors shall govern the affairs of the Association which shall include, but not be limited to, the following:

- a) Retain a corporate seal as the seal of the Association.
- b) 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.

- c) Perform other acts the authority for which has been granted herein or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any Association property as security for such borrowing, and they may pledge or assign future revenues of the Association as security therefore.
- d) Adopt policies for the Association which will consist of such resolutions adopted by the Board of Directors that fulfill the purposes of the Association.
- e) Adopt and publish Rules and Regulations governing the use of amenities, facilities and common areas and the personal conduct of Members and their guests; and adopt sanctions for violations. After notice and an opportunity to be heard, the Board of Directors may levy reasonable fines and/or sanctions for violations of the Declaration, By-laws, or Rules and Regulations of the Association.
- f) By resolution, collect dues, fees, and any assessments for each year and fix time of payment.
- g) Send to each Member notice of annual and special meetings.
- h) Develop with the Finance Committee and the General Manager an annual budget.
  - 1. A preliminary proposed budget will be provided to all Property Owners prior to budget hearings.
  - 2. At least two (2) open hearings within ten (10) days of each other will be scheduled and conducted for membership input.
  - 3. Subsequent to the open hearings a meeting of the Board, General Manager and the Finance Committee will be conducted to finalize a proposed budget.
  - 4. The finalized proposed budget shall be submitted to the Board for concurrence and a recommendation that it be forwarded to the Membership for approval at the Annual Meeting.
  - 5. Upon approval of the annual budget, the Board shall manage and control both income and expenditures of the Association's operating fund and its fixed asset funds throughout the year. Provided further, if deemed necessary, the Board may exceed said approved budget by no more than ten per cent (10%) without having to call a special meeting of the Membership.

6. Should the Membership not approve a proposed annual budget, the prior year's dues and fees will continue into the next budget year, collecting same dues and fees as in the prior year and expending only that portion of monies allocated to the prior year's operating budget, until a new budget is passed within the first quarter of the new fiscal year.
  - i) Elect Officers of the Association as stated in Article VIII of these By-laws, and appoint Committees as stated in Article IX.
  - j) Hire a General Manager.
    1. Develop with the general manager an annual operational plan.
    2. Review operational plan with the general manager quarterly.
  - k) Keep a complete record of all its actions and apprise the Membership about the Association's corporate affairs at regularly scheduled board meetings.
  - l) Develop and maintain a multi-year financial plan to include the following:
    - 1) A replacement schedule for all existing fixed assets of the Association.
    - 2) A plan for new and future major fixed asset expenditures.
    - 3) A projection of estimated operational expenditures, fixed asset expenditures and dues assessments.
  - m) Establish and maintain a fixed asset reserve fund for the purpose of replacing fixed assets and funding of future major fixed asset expenditures.
    1. Each year a planned percentage of dues collected would be budgeted to fixed asset replacements and major fixed asset expenditures allocations. All funds not allocated in a given year will be transferred to the fixed asset reserve fund.
    2. The use of funds from the fixed asset reserve fund is limited by:
      - (a) The Board may authorize an amount each year not to exceed ten percent (10%) of the total amount in the fund at the prior fiscal year end.
      - (b) Any amount in excess of ten percent (10%) must be approved by a majority vote of the Membership.

## **Section 2. Number of Directors**

The Board of Directors shall be comprised of seven (7) members.

### **Section 3. Term**

Directors shall serve for a term of three (3) years on a staggered term basis. No Director shall serve more than two (2) consecutive three-year terms. Appointees serving more than half of an unexpired term shall be considered as having served a full term. A former Board Member shall be eligible for re-election to the Board on the expiration of one year from the last two consecutive terms served.

### **Section 4. Qualifications of Directors**

A Director shall be at least twenty-one (21) years of age and a Member of the Association in good standing. Only one Member of the same family shall be eligible to serve on the Board at the same time.

### **Section 5. Election of Directors**

Election to the Board shall be by a ballot as hereinafter provided. At such election, each Member, entitled to vote, may cast as many votes as they are entitled to exercise under the provisions of these By-laws.

Any Member in good standing may obtain a candidacy endorsement form on or after August 1st and may file with the Secretary of the Association, or designate, by the end of August, a statement of their candidacy for election as a Director of the Association together with an endorsement of his/her candidacy signed by at least fifty (50) voting Members in good standing.

All elections to the Board shall be made on a ballot which shall:

- a) Describe the vacancies to be filled.
- b) Set forth the names of those standing for election.

Each Member entitled to vote shall receive one (1) ballot for each lot for which he/she is the voting Member.

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 (1) ballot, and each voting Member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one (1) 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, the Member's lot number and such other information as the Board may determine will serve to establish the 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 or a designated recipient at such time and address as the Board may determine.

Upon receipt of each return, the Secretary 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 a committee consisting of the Secretary, the then existing Board and a representative of each candidate for the office of Director. The committee shall then adopt a procedure which shall establish:

- a) That the signature of the Member is on the outside envelope, that such Member is a Member in good standing; and
- b) That committee shall proceed to the opening of the ballot envelopes and the counting of the votes. A candidate may not participate in the counting process. If any ballot envelope is found to contain more than one (1) ballot, all ballots contained in such envelope shall be disqualified. Immediately following the tabulation of the results, unless a review of the procedure is demanded by the members present, the election results shall be made public. In case of a tie, the winner will be determined through the drawing of names. All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one (1) year.

Said term to begin immediately following the adjournment of the Annual Meeting.

#### **Section 6. Removal**

No Director may be removed except as covered under the State of Illinois Statutes.

#### **Section 7. Vacancy**

If any vacancy exists on the Board of Directors, the person receiving the next highest number of votes in the most recent election who was not elected to the Board shall fill such vacancy. If the list of Board of Director candidates who ran for the Board in the most recent election is exhausted, the Board, by 2/3 majority vote of the remaining Members, shall fill the vacancy within sixty (60) days of the date of the vacancy from a list of interested members. A Director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

#### **Section 8. Code of Ethics**

Prior to adjournment of the Annual Meeting, or as soon as feasible thereafter, new Board Members shall sign the following code of ethics: "As a Member of this Board, I will consider myself a "trustee" of this organization and do my best to ensure that it is well-maintained, financially secure, growing and always operating in the best interests of those we serve."

#### **Section 9. Oath of Office**

After signing the code of ethics, new Board Members will recite the following oath of office: "I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Illinois, the By-laws and Declaratory Statement of Covenants

and Restrictions of Lake Carroll and the duties of Director to the best of my ability."

## **ARTICLE VII. MEETINGS OF DIRECTORS**

### **Section 1. Meetings**

The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or any two Directors and shall be held at such place as the call or notice of the meeting shall designate. The notice of a special meeting shall be given by the President in writing or orally to each Member of the Board at least three (3) days prior to the date of said special meeting. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required. In case of emergency, the 3-day notice period may be waived.

### **Section 2. Quorum**

A majority of the Directors 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.

### **Section 3. Open Meetings**

Board meetings shall be open to all Members of the Association in good standing. A majority of the voting Directors can call for a closed meeting to discuss litigation, to consider information regarding appointments, employment or dismissals, and to discuss violations of rules and regulations of the Association by a Member. Notwithstanding the foregoing, the Board shall be empowered to conduct workshops whenever deemed appropriate. No official vote may be taken at these workshop meetings.

### **Section 4. Rules of Order**

Robert's Rules of Order Revised shall prevail.

## **ARTICLE VIII. OFFICERS**

### **Section 1. Enumeration of Officers**

The Officers of the Association shall be President, Vice-President, Secretary, and Treasurer and such other Officers as the Board may from time to time by resolution create. Officers appointed by the Board that are not Directors have no voting privileges.

### **Section 2. Election of Officers**

All officers shall be elected immediately following the Annual Meeting.

### **Section 3. Term**

The Officers shall serve one year terms. The President and Treasurer shall be limited to three (3) successive one (1) year terms. Other Officers may be re-elected annually.

#### **Section 4. Duties**

The duties of the Officers are as follows:

- a) The President shall be the principal executive Officer of the Association, except as otherwise determined by the Board, and shall be vested with the powers and duties generally incident to the office of President of a not-for-profit corporation.
- b) In the absence of the President, the Vice-President is temporarily empowered to act and shall be vested with the powers and duties of the President.
- c) The Secretary shall keep the minutes of the business and other matters transacted at the meetings of the Board and Members. The Secretary shall mail, or cause to be mailed, all notices required under the By-laws. The Secretary shall have the 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.
- d) 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. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

#### **Section 5. Removal of Officers**

Any Officer may be removed from office when, in the judgement of the Board, the best interests of the Association will be served by such removal. The act to remove any officer must be by a 2/3 vote of all Board Members.

### **ARTICLE IX. COMMITTEES**

#### **Section 1. Standing Committees**

The standing committees of the Association shall be:

- 1) Architectural/Environmental
- 2) By-laws
- 3) Campground
- 4) Clubhouse
- 5) Finance
- 6) Golf
- 7) Infrastructure

- 8) Lake Conservation
- 9) Safety
- 10) Ski Hill
- 11) Steering

Each Committee shall consist of chairperson and two or more members. The chairperson will be elected by the committee members at the first committee meeting of the year. If a chairperson gives up the chair due to resignation or other cause, a new chairperson will be elected at the next meeting. The election results must be included in the minutes of the committee meeting. The Board will assign members of the Board of Directors to serve on each Committee as liaison. The Board President and General Manager shall be ex-officio members on all Committees. The liaison Board Member shall have no vote.

The Board may appoint other Committees as it deems desirable. The Board shall seek Committee nominees and make appointments. Committee member appointments and removals are by majority vote of the Board of Directors.

It shall be the duty of each Committee to receive comments from Members involving Association functions, duties and activities within its field of responsibility. Committees may propose conjoined activities with other cognizant committees when a proposed project or activity exceeds an individual committee's capabilities or its mission statement. It shall dispose of such comments, as it deems appropriate or refer them to other Committees or the Board.

Each standing Committee will make recommendations to the Board. Such recommendations will be in writing. Rejection, acceptance, or modifications by the Board will be announced at regular Board meetings.

### **Section 2. Architectural/Environmental Committee**

The Architectural/Environmental Committee reviews and approves plans for proposed construction, rip rap, septic systems and other improvements to lots, recommends building code rules and regulations to the Board for approval and enforces such rules and regulations. The Committee has authority to institute fees and fines in accordance with Board approved schedules. A qualified member of one of the allied physical design professions (civil engineer, architect, land planner, etc.) is included in its membership. The Lake Carroll building inspector shall work with the A/E Committee.

### **Section 3. By-laws Committee**

The By-laws Committee shall receive all requests for revisions and additions to the By-laws. It shall review requests to determine that the issue is relevant to By-laws. It shall combine requests where appropriate, forward all requests to be reviewed by the Board's counsel, and submit them to the Board of Directors for review prior to their presentation to Membership. This Committee shall also review Covenants and Restrictions and recommend changes.



**Section 4. Campground Committee**

The Campground Committee concerns itself with the campground environs. The committee reviews the use and maintenance of the campground and recommends to the Board on such issues as rules of camping, length of stay, fee structure, and other matters pertaining to the campground area. The campground host shall serve as an integral part of this committee and may use the committee as a source of information.

**Section 5. Clubhouse Committee**

The Clubhouse Committee shall promote the preservation and enhancement of the Clubhouse environment including the ambience of both internal and external areas of the facility. It shall promote both the social and business enterprise by way of recommendations to the Board of Directors. The Clubhouse Manager and Golf Professional shall be an integral part of this committee.

**Section 6. Finance Committee**

The Finance Committee will oversee the compilation of the annual operating and fixed asset budgets, provide revenue generation and/or cost containment recommendations, investigate variances to the budget and perform special projects related to financial issues of the Association as assigned by the Board of Directors.

**Section 7. Golf Committee**

The Golf Committee shall promote the preservation and enhancement of the golf course environment including the golf course proper. The committee shall encourage golf course management practices which promote the health of the golf course. The Golf Committee also recommends to the Board rules of play, fee structures and other matters pertaining to the Golf Course. The Golf Professional and the Golf Course Superintendent shall be an integral part of this Committee.

**Section 8. Infrastructure Committee**

The Infrastructure Committee shall plan for the preservation, maintenance and enhancement of all buildings, roads, parks and common areas and any other amenities not herein defined. The maintenance manager shall be an integral part of this Committee.

**Section 9. Lake Conservation Committee**

The Lake Conservation Committee shall promote the preservation of the lake environment, including the dam, shoreline, beaches and docks. It shall review the lake management practices concerning the health of the lake, and encourage proper watershed and lake use management to help guarantee the proper lake water quality for the future. The lake manager shall be an integral part of this Committee.

**Section 10. Safety Committee**

The Safety Committee reviews the safety rules and regulations of the Association and recommends appropriate revisions to the Board. The Committee is responsible for monitoring security in its enforcement and public service duties, particularly as it pertains to controlling vehicular safety on the Association's roads, trails and the lake's waterways,

and fire safety in Lake Carroll's environs. It presents relevant matters to the Board. The security chief shall be an integral part of this committee.

The Committee shall establish and maintain the hearing panel selected from its members. This panel may deliberate concluded testimony and questioning in closed session upon a motion duly made, seconded and approved by a majority of the panel's members.

#### **Section 11. Ski Hill Committee**

The Ski Hill Committee shall promote the preservation and enhancement of the ski hill environment, encouraging ski hill management practices, which promote the health of the ski hill. The Ski Hill Committee also recommends to the Board rules of ski hill usage and other matters pertaining to the ski hill. The manager of the ski hill and the maintenance supervisor shall be an integral part of this committee.

#### **Section 12. Steering Committee**

The Steering Committee develops and examines the long-term needs for the future of Lake Carroll. The committee in conjunction with other standing committees will research, prioritize, and recommend strategies to meet the needs identified. The Committee may establish public relations programs with local townships, villages, towns and counties as approved by the Board.

#### **Section 12. Clubs**

The Board recognizes various clubs serving specific Member interests.

- a) Officers of clubs shall be Association members in good standing.
- b) Clubs shall submit a current list of officers to the Association office each year immediately following their election.
- c) When applicable, by-laws of clubs or statement of purpose shall be kept on file at the Association office.
- d) Club by-laws shall be subservient to Association By-laws and Declaratory Statement of Covenants & Restrictions.

### **ARTICLE X. MISCELLANEOUS**

#### **Section 1. Indemnification of Directors, Officers and Employees**

- a) Indemnification of Officers and Directors. Neither the Members of the Board, nor the Officers, shall be liable for any mistake of judgment or for any other acts or omissions of any nature whatsoever as Board Members and Officers, except for any acts or omissions found by a court to constitute willful misconduct in performance of their duties. The Association shall indemnify and hold harmless each of the Members of the Board and each of the Officers against all contractual and other liabilities arising out of contracts made by, or other acts of, the Board and Officers when acting in their official capacity as Board Members or Officers

of the Association.

- b) Indemnification of Employees of the Association. Every employee of the Association shall not be liable for any mistakes of judgment or for acts or omissions of any nature whatsoever when acting during the course of their employment or when following the directions or policies as promulgated by the Board of Directors or Officers of the Association.
  
- c) Extent of Indemnification. It is intended that the foregoing indemnifications shall include indemnification against all costs and expenses (including, but not limited to, attorneys fees, amounts of judgment paid and amounts paid in settlement) incurred in connection with the defense of any claims, actions, suits or proceedings whether civil, criminal or administrative. Such indemnification by the Association shall not be operative with respect to any person that was adjudged to be liable for any acts or omissions found by a court to constitute willful misconduct in the performance of their duties or any matter settled or compromised for which there is no reasonable ground for such settlement or compromise.

## **Section 2. Books and records**

- a) Inspection by Members. The Membership register (including names, mailing addresses, and voting rights), financial records (excluding personnel records), and minutes of meetings of the Members, the Board of Directors and of Committees shall be available for inspection and copying by any Member of the Association, or by duly appointed representative, at any reasonable time and for a purpose reasonably related to the interest as a Member, at the office of the Association.
  
- b) Rules for inspection. The Board shall establish reasonable rules with respect to:
  - 1) Notice to be given to the custodian of records by the Member desiring to make the inspection;
  
  - 2) Hours and days of the week when such an inspection may be made;
  
  - 3) Payment of the cost of reproducing copies of documents requested by a Member.
  
- c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

- d) Board minutes shall be available to Members and published in the Lake Carroll newspaper within forty-five (45) days of the meeting. Minutes shall be recorded as recommended by Robert's Rules of Order Revised.

### **Section 3. Dissolution**

Upon dissolution of the Association, the assets of the Association remaining after payment of its liabilities shall be distributed in accordance with a plan of distribution adopted by the Board of Directors and approved by the Members pursuant to the Illinois Not-For-Profit Corporation Act.

If a plan of distribution is not adopted by the Board of Directors within six (6) months after the Members adopt a resolution approving the dissolution of the Association, the assets of the Association not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic entities, societies or organizations engaged in activities substantially similar to those of the Lake Carroll Association, pursuant to a plan of distribution adopted by the Members.

### **Section 4. Amendments**

These By-laws may be amended by a majority vote of the Members eligible to vote, either in person or by proxy, at the Annual Meeting or a special meeting of the Membership called for the purpose of considering the same.

By-law amendments must be submitted to the By-laws Committee which shall review the amendment(s) proposed and submit its report to the Board of Directors. The Board shall review any proposed By-law amendment(s) prior to presentation to the membership. Notice of proposed amendment(s) shall be mailed to all Members in good standing not less than thirty (30) days nor more than forty (40) days before the date of the meeting during which said amendment(s) may be considered.

This revision is dated with the effective date as specified in the resolution approving these By-laws, voted upon by the Membership at a special meeting convened for said purpose, and shall supersede and replace all previous By-laws of Lake Carroll.