

# **BY-LAWS CANDLEWICK LAKE ASSOCIATION**

## **ARTICLE 1 Purposes**

- a) To promote pleasure, social recreation and sports activities for its members, their families and guests and to develop and maintain a recreationally oriented environment in the Candlewick Lake Subdivision, Boone County, Illinois, as shown on the plats thereof filed with the deeds for Boone County (referred to herein as subdivision);
- (b) To provide a means whereby the streets, and those areas within the subdivision designated as parks, lakes, recreational areas or other amenities on the plats thereof, and such other recreational facilities within the subdivision as may be conveyed to the Association or established by it, may be operated, maintained, repaired and replaced; and
- (c) To provide a means of the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets, parks, lakes, recreational facilities or other amenities and such other recreational facilities within the subdivision as may be conveyed to the Association.

## **ARTICLE II Powers**

The Association shall have power to do whatever is necessary, conducive, incidental or advisable to accomplish and promote its purposes, except carrying on a business or trade for profit for its members, and in connection therewith shall have but shall not be limited to, the following powers:

- (a) To acquire real or personal property by gift, purchase or other means;
- (b) To own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage, or otherwise encumber, or dedicate for public use, any real or personal property owned by it;
- (c) To exercise the powers and functions granted to it in the recorded Declaration of Restrictions, Agreements and/or deeds offering property in the subdivision.
- (d) To construct, maintain and operate recreational facilities of all kinds within the subdivision;
- (e) To care for vacant, unimproved or unkempt lots;
- (f) To maintain, rebuild, repair, beautify and otherwise care for all streets, project parks, pedestrian easements and drainage improvements within the subdivision not subject to maintenance by governmental authority;
- (g) To pay taxes and assessments, if any, levied by any governmental authority on property owned by it.
- (h) To enforce charges, easements, restrictions, covenants, conditions, and agreements existing upon or created for the benefit of the real property in the subdivision;
- (i) To appoint such committees as may be necessary to, or convenient in, and discharge of any of its obligations or powers;
- (j) To levy an annual charge upon its members and to declare the same a lien against the property

subject thereto in accordance with the recorded Declaration of Restrictions, Agreements and-or deeds affecting property in the subdivision;

- (k) To prescribe and enforce motor vehicle speed limits within the subdivision;
- (l) To sue to collect any charges not paid in connection therewith to foreclose any lien granted to it;
- (m) To borrow money, contract debts, and issue bonds, notes and debentures, and secure the payment or performance of its obligations:

### **ARTICLE III Definitions**

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

- (a) "Association" means the Candlewick Lake Association Inc., an Illinois not-for-profit corporation.
- (b) "Board" means the Board of Directors of the Association.
- (c) "By-Laws" means the By-Laws of the Association.
- (d) "Common Areas" means real estate owned or maintained by the Association.
- (e) "C.C.& R's" means the Covenants, Conditions, and Restrictions for the development, duly recorded in the Recorder's Office of Boone County, State of Illinois, and applicable as restrictions upon title to each residential lot in the development.
- (f) "Development" means Candlewick Lake, a recreational community developed by W.L. Belvedere Company, and its corporate successors as the same may be shown on maps thereof recorded from time to time.
- (g) "Lot" means any lot in the Development included from time to time within the definition of "residential lot" set forth in the declaration.
- (h) "Owner" means any person who acquires and holds the entire, or an undivided interest in, complete fee title or equitable fee title to one or more lots.
- (i) "Regulations" means the rules and regulations adopted and published by the Board, as from time to time amended and then in effect.

### **ARTICLE IV Association Membership**

**Section 1. Classes of Members** There shall be members and associate members.

**Section 2. Members** Each lot shall have one membership in the Association 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. For any lot, the members shall be designated in writing by the owner(s) at the request of the Association. Only a member shall be entitled to vote at an Association meeting.

**Section 3. Associate Members** If not otherwise a member, each of the following shall be entitled to associate membership in the Association.

- (a) The spouse and children of a member who are now members of the same family household and have the same principle residence of the member.

- (b) Persons whose written application for associate membership has been approved by the Board and who are tenants or regular occupants of residences situated within the development.
- (c) Persons whose written application for associate membership has been approved by the Board and who are co-owners of a lot situated within the development. The Board by regulation may limit the number of associate memberships issued to co-owners of a single lot.
- (d) Associate members shall have no vote or right to notice of any regular or special meetings of members. The privileges and duties of associate members shall be established from time to time by the Board by resolution. The privileges and duties of associate members need not be the same as those of members.

**Section 4. Privileges of Members** Members shall have a license to use the Common Areas subject to the provisions of the CC&R's and subject to such other rules and conditions as may be established by the Board.

**Section 5. Suspension of Privileges of Membership** The Board may suspend the voting privileges (if any) and the right to use the facilities of the Association of any member or associate member for:

- (a) Any period during which any Association charge including fines, if any, owed by the member or associate member remains unpaid;
- (b) During the period of any continuing violation of CC&R's, these By-Laws, or rules and regulations adopted by the Board, after the existence of such violation shall have been declared by the Board and notice of such violation has been given to the member involved.
- (c) Any voting member must be in good standing as of the date the ballot is mailed or the date the vote is taken at any meeting of the entire membership.

## **ARTICLE V Evidence of Membership and Transfer**

**Section 1. Membership Certificates** Certificates of membership in the Association may be issued to members and associate members. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued by authority of the president or other officer of the Association. Such certificate shall indicate the lot the ownership of which gives rise to membership. Adequate records shall be maintained at the registered office of the Association showing the names of the members and associate members of the Association, the type of membership and the date of membership.

**Section 2. Transfer** 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 VI Meetings of Members**

**Section 1. Place of Meetings** Any meeting of the members of the Association shall be held in Boone County, Illinois at such place therein as may be stated in the notice of such meeting.

**Section 2. The Annual Meeting** The Annual Meeting of the Association shall be held on the third Sunday in March of each year commencing with the year 1977.

**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 also be called upon the written petition of thirty percent (30%) of the members of the Association who would have the right to vote at such special meeting. Such petition shall set forth the purpose of the special meeting. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

**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 five (5) days nor more than forty (40) days before the date of the meeting, either personally or by mail, to each person entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the person at his address as it appears on the records of the Association, with postage prepaid, or 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 twenty-five percent (25 per cent) of the members entitled to vote at such meeting in person or 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.

## **ARTICLE VII The Directors**

**Section 1. Powers** The Board of Directors shall:

- (a) Manage and control the affairs of the Association.
- (b) Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers and agents authorized to make withdrawals therefrom 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) The Board shall adopt such rules and regulations, (herein called Regulations), relating to the use of Association property, and sanctions for noncompliance, therewith, as it may deem reasonably necessary for the best interests of the Association and its members. The Board may also establish and levy reasonable fees for the issuance of building permits or the use of Association property. The Board shall also employ a sufficient number of persons to adequately maintain Association property. Further, the Board may adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the feeling of the Chairman of the meeting shall be final.
- (e) The Board and-or any of its designated committees has the authority to levy fines and-or penalties for violations of By-Laws CC&R's and Rules and Regulations.
- (f) The Board shall, prior to the Annual Meeting of the Association in each year commencing with the year 1977, adopt an operating budget to be used to determine annual assessments. The Board shall, taking into consideration other sources of income that the Association may have, levy the annual assessment for each lot for the following year. The Board shall be bound by the same and shall not authorize expenditures which may exceed the total amount budgeted as aforesaid by more than fifteen percent (15 per cent) without having called a special meeting of the Association to

approve such variations. The budget shall be adopted only after the members of the Association shall have had an opportunity to review the same and to comment thereon, either at hearings held thereon or through such other means as the Board may direct.

- (g) The Board of Directors may by resolution appoint committees of the Association. Such committees may be temporary or permanent. They shall have such powers and responsibilities as the Board may by resolution direct.
- (h) The Board of Directors shall levy an annual charge upon its members and shall declare the same a lien against the property subject thereto in accordance with the recorded ownership of the lot as set forth herein. Said sum to be solely at the discretion of the Board of Directors. That the term of the year, for assessment of levying purposes, shall commence the day of the Association's fiscal year and shall continue until the date of the next fiscal year.

**Section 2. Number of Directors** The number of Directors shall be seven (7). Directors shall be Association Members or associate members.

### **Section 3. Term**

- (a) The term of office of members of the Board of Directors shall be three (3) years as follows. Of the four (4) positions to be elected in 1994, two (2) shall be for a three (3) year term and two (2) shall be for a two (2) year term. The terms of the other three (3) positions expire in 1995. Commencing with all elections after 1994 all seven (7) positions shall be elected to three (3) year terms.
- (b) Each Director shall remain in office until they are unable to serve because of death, disability, incarceration, resignation, removal, or a successor is elected and qualifies. (rev.3/21/93)

### **Section 4. Election of Directors**

- (a) Election of Directors shall be by written ballot as is hereinafter provided. In all elections of Directors, each member is entitled to vote as is set forth in Article IV, Section 2. Members must be in good standing as of the date ballots mailed. Members in good standing shall be entitled to cast one (1) vote per vacancy per lot. The persons receiving the largest amount of votes shall be elected. There shall be no prohibition against the renomination and reelection of any particular Director to serve two (2) or more terms.
- (b) Between the first and fifteenth day of January of each year any member or associate member in good standing may file with the Secretary of the Association a statement of his or her candidacy for election as a Director of the Association for the term beginning immediately following the first Annual Meeting of the Association held after the filing of such statement. This statement shall not exceed the number of words specified by the Board of Directors and shall be published in the Candlewick Lake Newsletter. In addition, the candidate shall have a written response to questions as formatted by the Board of Directors. This response shall not exceed the number of words specified by the Board of Directors and shall accompany the statement of candidacy.
- (c) All elections to the Board shall be made on written ballot which shall: Set forth the names of those persons who have become candidates for the office of Director in the order in which they have filed their statements and endorsements of candidacy with the Secretary of the Association. Such ballots shall be prepared and mailed by the Secretary to each person entitled to vote simultaneously with the mailing of the notice of the Annual meeting of the Association.
- (d) Each member entitled to vote shall receive one (1) ballot for each Lot for which he is voting member.
- (e) 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 procedure hereinafter set forth, the inclusion of more than one (a) ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelopes 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 ten (10) days prior to the Annual Meeting.

(f) 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 an Election Committee consisting of the Secretary, the then existing Board of Directors, and a representative of each candidate for the office of Director. The Election Committee shall then adopt a procedure which shall establish:

1. That the signature of the member on the outside envelope is genuine; and,
2. That such member is a member in good standing.

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

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" envelopes are found to contain more than one (1) ballot, all ballots contained in such envelope shall be disqualified. The election Committee shall certify the results of the count at the Annual Meeting, and the terms of office of the directors so elected shall commence immediately following such Annual Meeting.

(g) All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one (1) year.

**Section 5. 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 a member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (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 which in no event shall exceed three (3) years from the date of execution.

That any proxy sent out shall contain a provision that the Board of Directors shall have the power to vote any proxies mailed whether for amendment of the By-Laws or amendment of provisions of Declarations of Covenants, Conditions and Restrictions if said proxy is not received by the date of the membership meeting and if the member does not attend meeting.

**Section 6. Meetings of the Board of Directors** The Board shall meet at least quarterly. Special meetings of the Board may so be called by the President or by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or 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.

**Section 7. Action without Meeting** Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in writing signed by all the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association.

**Section 8. 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 9. Vacancies** If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining Directors might be less than a quorum. Any person so elected a Director shall serve until the next regular election of Directors. At that time, the remaining portion of the term of the Directorship in which such vacancy occurred shall be filled by election in the manner provided in Section 4 of these By-Laws for Election of Directors. The person elected to the unexpired portion of a term shall be that person receiving the least number of votes of those persons elected at such election; for example, if one full term and one unexpired portion of term are to be filled at any election, the person receiving the highest number of votes shall be deemed elected to the full term and the person receiving the second highest number of votes shall be deemed elected to the unexpired portion of term.

In the event a vacancy shall occur after January 1<sup>st</sup> of a given year, then the remaining portion if any of the term of Directorship becoming vacant shall be filled by election at the second election succeeding the date such vacancy occurs.

### **Section 10. Censure of Directors**

(a) JUST CAUSE: Causes for removal of Directors may include but not necessarily be limited to the following:

- (1) a pattern of absence from scheduled meetings
- (2) lack of performance of assigned duties such as committee liaison
- (3) failure to abide by the CC&R's, By-Laws, Rules and other policies of the Association
- (4) failure to reveal any personal relationship, financial gain, or other benefit resulting from Board action or any other conflicts of interest
- (5) use of Corporation information that is confidential or not authorized by Board action
- (6) conduct injurious to the organization, hamper it in its work, or disturbs its well being
- (7) defamation of character, slander
- (8) conviction of fraud or other criminal charge.

(b) CHARGES:

- (1) Any Director may bring charges against another Director along with a request for removal.
- (2) Any member may bring charges against a Director by filing them with the Secretary of the Corporation together with a petition signed by 10% of the Corporation requesting removal.
- (3) The question of removal of such officer or Director shall be presented to a meeting of the Directors. A majority vote of those Directors present at a scheduled Board meeting is required to establish a hearing at a membership meeting for consideration of removal of a Director.

(c) HEARING:

- (1) No Director shall be removed at a meeting of members entitled to vote unless the written notice of such meeting is delivered to all members entitled to vote on removal of Directors. Such notice shall state that the purpose of the meeting is to vote upon the removal of one or more Directors named in the notice. Only the named Director or Directors may be removed at such meeting.
- (2) Such Director shall be notified of the meeting and of the specific charges against him at least 120 days prior to the meeting.
- (3) At said membership meeting the causes for removal shall be announced. The accused Director shall be allowed to respond. Such Director may appear in his own person or by attorney and may present witnesses.

(d) REMOVAL:

- (1) The accused Director may only be removed from office for cause at said hearing by vote of 2/3 of the members present in quorum, in person or by proxy.
- (2) Such removal shall be effective immediately.

## **ARTICLE VIII** **The Officers**

**Section 1. Officers** The officers of the Association shall be the President, one or more Vice-Presidents, the Secretary, the Treasurer and such officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will for the Board. Any two (2) of more offices may be held by the same person, except the offices of President and Secretary.

**Section 2. President** The President shall be the general managerial office of the Association, except as otherwise determined by the Board, and he shall be vested with the power sand duties generally incident to he 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 By-Laws.

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

**Section 4. Secretary** The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Board. He shall mail, or cause to be mailed, all notices required under the By-Laws. He 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 as are incident to the Office of Secretary.

**Section 5. Treasurer** The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of treasurer. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

**Section 6. 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.

## **ARTICLE IX** **Duties of Members**

**Section 1. Payment of Assessments** Any charge levied by the Association shall be paid, within 30 days, to the Association. Written notice of the charge and the date of payment shall be sent to each Owner at the address last given by such Owner to the Association. If any charge levied or assessed against any Lot shall not be paid when due, it shall then ipso facto become a lien upon the Lot or Lots owned by the persons owing such charges or charge, and shall remain a lien against said Lot or Lots until paid in full, together with interest at the rate of seven percent (7 per cent) per annum until paid in full. If, in the opinion of the Board, such charges have remained due and payable for an unreasonably long period of time, they may, on behalf of the Association, institute such procedures, either in law or in equity, either by way of foreclosure of such lien or otherwise, to collect the amount o said charge in any court of competent jurisdiction. The Owner of the Lot or Lots subject to the charge, shall, in addition to the amount of the charge at the time legal action is instituted, be obliged to pay any expense or cost, including attorney's fees, incurred by the Association in collecting the

same.

**Section 2. Obligation to Comply with Rules and By-Laws** Each member and associate member of the Association shall abide by the provisions of these By-Laws as well as any regulation adopted by the Board of Directors of the Association pursuant to these By-Laws. Failure to do so shall justify the Board in imposing sanctions upon such member or associate member as is herein provided.

**Section 3. Association's Lien Subordinated to Mortgages** The lien for assessments as herein provided, and any fees, interest, late charges or penalties levied in connection with unpaid assessments, shall be subordinate to the lien of any first mortgage on any Unit, provided that such subordination shall apply only to assessments provided for herein which have become due and payable prior to a transfer of such Unit pursuant to a decree of foreclosure or any other proceedings in lieu of foreclosure. Such sale or transfer shall not relieve such property and the transferee from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

## **ARTICLE X Miscellaneous**

**Section 1. Inspection of the Records** The membership register or duplicate membership registrar, the books of account and minutes of the proceedings of the members, and the Board of Directors and the Executive Committee, if any, shall be open to inspection upon the written demand of any member at any reasonable time for a purpose reasonably related to his interest as a member.

**Section 2. Annual Accounting** An annual report and account, including a statement of income and disbursements, shall be sent to the members not later than sixty (60) days after the close of the association's fiscal year.

**Section 3. Inspection of By-Laws** The Association shall keep in its principal office for the transaction of business the original or a copy of the By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times.

## **ARTICLE XI Amendments**

These By-Laws may be amended by affirmative action of thirty percent (30 per cent) of the voting members of the Association.