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**AMENDED DECLARATION
AND
BY-LAWS**

**TOWER LAKES
IMPROVEMENT
ASSOCIATION**

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**This document prepared by and after
recording to be returned to:**

John H. Bickley III
Attorney at Law
175 N Archer Ave
Mundelein, IL 60060
847-547-0500

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DECLARATION AND BY-LAWS
TOWER LAKES IMPROVEMENT ASSOCIATION

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DECLARATION AND BY-LAWS
TOWER LAKES IMPROVEMENT ASSOCIATION

Article I

NAME

Section 1: The name of this Association shall be "Tower Lakes Improvement Association" ("TLIA").

Article II

OBJECT

Section 1: The object of this Association shall be to promote good will and mutual benefit, maintain good social and moral environment, and preserve the natural scenic and recreational resources of Tower Lakes for use of current and future residents.

Article III

MEMBERSHIP

Section 1: Every person now or hereafter being the owner of record, or the beneficial owner, or title in fee simple, individually or in joint tenancy, of a lot in Tower Lakes Estates, Units 1, 2, 3, 4, 5 or 6, or in Tower Lakes Park, subject to covenants and restrictions of record concerning membership rules and regulations of the Association, shall during the period of such ownership, be a member of this Association. Every person now or hereafter, being the owner of record, or the beneficial owner of title in fee simple, individually or in joint tenancy, of a lot in Tower Lakes Estates, Units 1, 2, 3, 4, 5 or 6, or in Tower Lakes Park, not subject to the aforesaid covenants and restrictions shall, during the period of such ownership, be a member of this Association by filing with any officer of the Association a written application for membership upon the approval of such application by the Board of Governors of this Association. Persons of record, now or hereafter being the owner of record or the beneficial owner in title fee simple, individually or in joint tenancy, of a lot located in the Subdivision located in the six acres northeast of Leon Drive, shall become a member of TLIA.

Section 2: Every person now or hereafter being the owner of record, or the beneficial owner of title in simple fee, individually or in joint tenancy, of a lot in Marian Hills subdivision shall, during the period of such ownership be a member of this Association.

Section 3: Every member of Tower Lakes Improvement Association shall pay all dues, assessments, and service charges due from or assessed against him, shall comply with all rules and regulations adopted by the Association, and be subject to its By-Laws. The Association (or a Trustee or Trustees for the Association) shall hold title to all parks, lakes, commons, driveways, roadways, easements, avenues, islands, or other lands of the Association which are not dedicated to or owned by, the public. The property of the Association shall be for the exclusive enjoyment and benefit of its members and their families, including their guests and for no other purposes whatsoever.

Section 4: Membership in the Association and membership privileges are not assignable or otherwise transferable except as occurs when the ownership of record or the beneficial ownership changes. However, a tenant who rents it member's house situated on the lot or lots on which such membership is based may request of the Board of Governors, and the Board of Governors may grant membership privileges to said tenant and his or her family. As a condition to receiving membership privileges, the tenant shall comply with Article III, Section 1, and all other By-Laws, Rules and Regulations of the Association as if he were a member, including the payment of dues and assessments. The granting of membership privileges to the tenant does not relieve the owner from his or her obligation to comply with Article III, Section 3, including the payment of dues and assessments, in the event his or her tenant does not comply with that section.

Article IV

OFFICERS

Section 1: The elective officers of this Association shall be: President, Vice-President, Secretary, Financial Secretary and Treasurer.

Section 2: The officers were originally elected for the following terms: The President and Treasurer for one-year terms, and the Vice-President, Financial Secretary and Secretary for two-year terms, all succeeding officers shall be elected in alternate years thereafter upon the expiration of the terms of their respective predecessors and shall serve for two-year terms. They shall assume their duties immediately following the meeting at which they are elected.

Section 3: The Financial Secretary and Treasurer and any employed clerical employee shall be bonded in an amount and by a bonding company as specified by the Board of Governors. The premium for said bonds shall be paid by the Association.

Section 4: Persons, who are appointed by the President and are approved by the Board, shall serve in the position of Assistant Vice Presidents of the Association.

Article V

DUTIES OF OFFICERS

Section 1: The President. Shall be the chief officer of the Association and shall at all times be informed of the general and financial affairs of the Association. Shall preside at all meetings of the Association and the Board of Governors, and shall, with the approval of the Board, appoint members to all standing committees. The President shall appoint the Chairman of a Standing Committee and such other responsible persons, with the approval of the Board, to the position of being an Assistant Vice President of the Association. The President may appoint any special committee as is deemed necessary to carry on the work of the Association. Shall, with the Secretary, sign contracts as authorized by the Board and shall countersign checks and vouchers in accordance with the By-Laws.

Section 2: The Vice-President. Shall assist the President at all times, and in case of absence, disability, death or resignation, assume the president position and perform those duties. Shall be ex-officio member of all committees and keep the President informed of all Committee activities.

Section 3: The Secretary. Shall record and preserve the proceedings of Association and Board meetings. Shall keep all Surety bonds for the protection of the Association, be custodian of the Corporation Seal and be responsible for the prompt payment of the Corporation Fee by the Treasurer. Shall send notices for Board meetings and a notice of appointment to all committee members. Shall carry on the official correspondence of the Association and the Board. Shall send all notices for Association meetings in accordance with the By-Laws.

Section 4: The Treasurer. Shall be custodian of all monies of the Association. Shall be advised of all monies collected by the Financial Secretary. Shall disburse funds only after expenditures have been approved in accordance with the By-Laws. Shall keep an accurate account of expenditures and shall make a detailed report at each monthly meeting to the Board of Governors. Shall submit a detailed written report to the Annual Meeting.

Section 5: The Financial Secretary. Shall collect all dues and assessments, and deposit same with reasonable promptness in the banking institution approved by the Board of Governors, and keep an accurate accounting of these deposits. Shall submit to the Board at each meeting, a list of all delinquent residents. Shall provide a register for the signature of all voting members in attendance at any regular or special meeting. Shall submit a detailed written report at the annual meeting.

Section 6: Assistant Vice-President. A person, holding this position, shall be an individual who serves as the Chairman of a standing or special Committee or otherwise has sufficient authority to decide, act or serve on behalf of and for the benefit and best interests of the Association.

Article VI

BOARD OF GOVERNORS

Section 1: The Board of Governors shall consist of the elected officers and four elected members at large. At the initial election two members at large were elected for two year terms and one member was elected for a one-year (1) term. Succeeding members at large shall be elected every second year thereafter to fill the expiring Terms of their respective predecessors and shall serve for two-year (2) terms. All Governors shall be Owners.

Section 2: Recommendations may be made in writing to the Board of Governors by any member of the Association.

Section 3: The Board of Governors shall meet at least once a month. Notice of the meeting shall be sent to all Owners no less than forty-eight (48) hours prior to the date thereof.

Section 4: A special meeting of the Board of Governors may be called by the President or at the request of three (3) members of that body.

Section 5: Any Board Member may be removed from office for cause by two-thirds vote of the entire membership of the Board, providing intent of said action is conveyed in writing to the full membership of the Board at least ten days prior to the meeting of the Board at which said action is to be voted upon.

Section 6: Vacancies occurring in the Board of Governors shall be filled by the President with the approval of the remaining members of that Board. A majority of members in attendance at any meeting of the Board shall constitute such approval.

Section 7: No Board Member shall receive any compensation for services rendered in connection with his or her office.

Section 8: All meetings of the Board, whether regularly scheduled or specially called, shall be open to all Unit Owners, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Board and/or Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent; (ii) to consider information regarding appointment, employment or dismissal of an employee; or (iii) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of common expenses. Any vote on the matters listed in clauses (i), (ii) and (iii) above, shall be taken at a Board meeting or portion thereof open to any Unit Owner.

Section 9: The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member or a member of

the Board member's immediate family has twenty-five percent (25%) or more interest, unless notice of intent to enter the contract is given to Owners within twenty (20) days after a decision is made to enter into the contract and the Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Owners, for an election to approve or disapprove the contract; such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition; for purposes of this Section, a Board member's immediate family means the Board member's spouse, parents, and children.

Article VII

DUTIES OF THE BOARD OF GOVERNORS

Section 1: The Board of Governors shall conduct the business of the Association between meetings of the Association and shall prepare a report of all such business which shall be delivered at the Annual Meeting of the Association.

Section 2: The Board of Governors shall hold its first meetings not later than thirty days after the Annual Meeting. At this meeting the President shall appoint the Standing Committees, with the approval of the Board.

Section 3: The Board of Governors shall be responsible for the maintenance and care of all property of the Association and shall have full authority to fulfill this obligation.

Section 4: The Board shall give notice to the membership in the Association newsletter or by direct mail at least seven (7) days prior to final action upon any material change in the usage or configuration of any of the Association's property.

Section 5: The Board of Directors shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) institute lien foreclosure, collection or other legal proceedings against an owner with respect to any assessment delinquent for more than thirty (30) days;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, or the Articles of Incorporation;

(d) employ a manager, independent contractor or contractors, or such other employees as deemed reasonable or to fulfill the obligations of the Directors hereunder.

(e) to impose charges for late payment of a Owner's assessments, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, to levy reasonable fines for violation of the Declaration, By-Laws, and the Rules and Regulations of the Association.

(f) unless agreed at any regular or special meeting by a two-thirds (2/3) vote of those Members, in person or by proxy present, or and eligible to vote, the Board may not sell or otherwise dispose of any parcel of land or major assets in its possession.

Section 6: Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot; and

(2) send written notice of each assessment to every owner subject thereto on or before December 1 of each calendar year.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

- (g) cause the Common Area to be maintained.

Section 7: Board's Determination Binding. In the event a disagreement arises between any Owners relating to the Property or the interpretation and application of this Declaration, the review and resolution thereof by the Board shall be final and binding upon any and all such Owners.

Section 8: Governing Law. In all other respects, the Association, its directors, officers and Members shall be governed by the Illinois Common Interest Community Act and the Illinois General Not-For-Profit Corporation Act. The Association shall, at all times, be a duly organized and authorized Illinois Not-For-Profit corporation, operating under the Illinois General Not-For-Profit Corporation Act.

Article VIII

STANDING COMMITTEES

All members of the following described committees shall be persons who are either members of Tower Lakes Improvement Association or who reside in Tower Lakes with a member of the Association as part of his or her family. All Standing Committees shall have a minimum of three (3) members including the Chairman unless otherwise stated herein. In the absence of an approved Standing Committee, the responsibilities for the duties of the Committee remain with the Board.

Section 1: Auditing Committee. Duties shall be inspection and verifying the Treasurer's and Financial Secretary's books and records. A written report of their findings shall be submitted at the Annual Meeting. The committee shall inspect the books and records whenever requested by the Board.

Section 2: Youth Activities Committee. The committee shall have charge of all Playground and Winter Sports facilities, the maintenance and equipage and/or enlargement of same, the supervision of any and all employees hired by the Board of Governors solely for the purpose of maintaining or attending to such facilities, and the supervision of all sports and recreational activities held upon the Playground and/or Winter Sports facilities. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 3: Beach Committee. The committee shall have charge of all Beach facilities, the maintenance and equipage and/or enlargement of same, the supervision of any and all employees hired by the Board of Governors solely for the purpose of maintaining or attending to such facilities, and the supervision of all sports and recreational activities held upon the Beach facilities. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 4: Tennis Committee. The committee shall have charge of all Tennis facilities, the maintenance and equipage and/or enlargement of same, the supervision of any and all employees hired by the Board of Governors solely for the purpose of maintaining or attending to such facilities, and the supervision of all sports and recreational activities held upon the Tennis facilities. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 5: Finance Committee. The current Treasurer shall serve as the Chairman, and the Members shall also include immediate past Treasurer, if available, the Financial Secretary and one other Board member. The duties of this committee shall be to supervise current expenditures, negotiate settlements of back dues, and to present a written report consisting of a proposed Budget to the Annual Meeting after submission to and approval by the Board.

Section 6: Grounds Committee. The committee shall be responsible for the maintenance and general care of grounds and parks. The following two Sub-Committees shall consist of a combined minimum of six (6) Members.

- (a) Grounds Maintenance Committee. This Committee shall be responsible for the maintenance and general care of the grounds and parks. The Committee shall also be in charge of all Association Boat Docking facilities, including maintenance, equipment and expansion. The Chairman shall submit a written report covering the year's activities at the Annual Meeting.
- (b) Grounds Beautification Committee. This Committee shall be responsible for flowers, decorations and general beautification of the Tower Lakes Improvement Association properties. The Chairman shall submit a written report covering the year's activities at the Annual Meeting.

Section 7: Legal Committee. The duties of this committee shall be to advise the Board of Governors on such matters as may be submitted to the committee by the Board. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 8: Communications Committee. It shall keep the Board of Governors and the membership of the Association informed of matters pertaining to the public interest. This committee shall be responsible for welcoming new members of the Association and acquainting them with the Rules, Regulations and Government of the Community. It shall be responsible for the monthly publication of the "Tower Lakes Improvement Association Newsletter" and an annual resident directory. One member of this Committee shall be appointed "Communications Officer" and will be responsible for all forms of external communication. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 9: Events Committee. The function of the Social Committee shall be to organize and direct a varied program of community social activities for both adults and children and including, but not limited to, dances, dinner parties, bridge marathons, Fourth of July celebrations and children's parties. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 10: Long Range Planning Committee. This Committee shall meet on at least two (2) occasions per year. The function of this Committee shall be to develop long term plans and goals for the future well-being of the Association, its membership and assets and to perform such other planning studies as requested by the President of the Board of Governors. The authority of this committee shall be for recommendation only with resultant action from proposed plans being administered by the Board of Governors in regular business procedure. All plans must receive ratification by the Board before being accepted by the Association as official.

Section 11: Lake Committee. The committee shall be responsible for the maintenance and general care of the lakes. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 12: Boating Committee. The committee shall be in charge of all Association Boat Docking facilities, including maintenance, equipment and expansion. The committee shall be responsible for supervision of all boating activities of the Association. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Article IX

MEETINGS

Section 1: All meetings of the Association shall be held at Tower Lakes, or at such other place in the vicinity thereof as the Board of Governors may designate.

Section 2: An Annual Meeting of the Association shall be held within the first three (3) weeks of January. Written notice of each meeting of the Association shall be sent to each member by the Secretary not less than ten (10) days prior to the date of the meeting. The date of such meeting may be advanced or postponed by the Board of Governors for a period not to exceed two (2) weeks. If a regular Annual Meeting shall be rescheduled, then notice of such rescheduled meeting shall be sent to each Member not less than ten (10) days prior to the date of the meeting.

Section 3: Special meetings of the members may be called at any time by the president of the Association or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 4: A written proxy ballot shall be sent to each member by the Secretary not less than ten (10) days prior to the date of the meeting. The mailing of

such notice by United States mail, postage prepaid addressed to the member at his or her last known address as shown on the records of the Association, shall constitute sufficient service thereof effective as of the date of the mailing. Notice of a special meeting shall state the purpose of the meeting. A proxy ballot is defined to be a vote on the written agenda as scheduled by the Board of Governors for action by the membership.

Section 5: All persons wishing to vote at any regular or special meeting shall sign the register provided by the Financial Secretary at the meetings or file their proxies with him so that their eligibility to vote may be checked by the Financial Secretary.

Section 6: The agenda for all meetings of the Association shall be:

1. Roll call of Officers
2. Reading of the Minutes
3. Board of Governors' Report
4. Officers' Reports
5. Committee Reports
6. Old business
7. New business
8. Adjournment

Article X

QUORUM AND VOTING

Section 1: A quorum for the Annual or a Special meeting of the Association shall be such number of members in good standing and personally present as are required to represent ten percent (10%) of the total eligible votes of all members in good standing of the entire Association and at least three Board members.

Section 2: Six members personally present shall constitute a quorum for any meeting of the Board of Governors.

Section 3: Voting at all meetings of the Association shall be on the basis of ownership of land parcels as defined in Article XIII, Sections 1 and 2. A parcel assessed for dues as a residential parcel shall have two votes; a parcel assessed for dues as a vacant parcel shall have one vote. No member of the Association shall be entitled to voice or vote while he is not in good standing as provided in Article XI, Section 3.

Section 4: On all matters other than elections of officers, voting shall be by ballot when requested by any two members entitled to vote at the meeting.

Section 5: At the Annual Meeting of members three tellers shall be appointed from the voting body by the President for the purpose of counting the votes cast in any

election or upon any other matter which is voted on by ballot. None of the tellers appointed for an election shall be a candidate for office at such election. The results of the vote shall be reported to the President during the meeting and the actual ballots turned over to the Secretary.

Section 6: Any member entitled to vote at a meeting of the Association may vote either in person or by proxy ballot. A proxy ballot shall be the proxy ballot mailed by, the Secretary which may be either mailed or hand delivered in person or by a spouse to the Financial Secretary for validation. No proxy ballot shall be valid after eleven (11) months from the date of its execution. An undated proxy ballot shall be deemed to be more than thirty (30) days old. A member or spouse attending any meeting of the Association may vote as the proxy for his or her absent spouse with the same force and effect as if a written proxy had been given by the absent spouse.

Article XI

NOMINATIONS AND ELECTIONS

Section 1: Nominating Committee. A nominating Committee shall be elected by the members of the Association at the Annual Meeting of the Association. Nominations and elections for the members of the Nominating Committee shall be for 1) Chairman; 2) four other members. The Nominating Committee shall select one or more candidates for each of the various offices of the Association as set forth in these By-Laws whose names shall be presented to the members at the Annual Meeting of the Association.

Section 2: The list of nominees selected shall be filed with the Secretary and shall be presented to the Annual Meeting as nominations for the several offices for which such nominees have been designated. Additional nominations may be submitted from the floor by any member entitled to vote at the meeting. Only members in good standing in the Association shall be eligible to hold office.

Section 3: Voting shall be by ballot for each office to be filled, and election shall be determined by plurality vote; if there is but one candidate for office, the vote may be by voice.

Article XII

ASSESSMENTS, DUES AND SERVICE CHARGES

Section 1: The Association shall have the power to levy any special assessments which might be necessary from time to time. Special assessments shall only be made for specific projects and monies so obtained should not be used for normal expenses of this Association. Approval of the special assessment shall be by a majority of the members present and voting at any regular meeting or a special meeting called for that purpose. Notice of the reason for, and the amount and methods of the

levy of the proposed special assessment shall be sent with the notice of the meeting to each member at his or her last known address as shown on the records of the Association.

Section 2: For the purpose of this section –

(a) a "residential parcel" is defined to be a single parcel of land, made up of whole or partial lots or both, under one ownership and improved with a dwelling; and

(b) a "vacant parcel" is defined to be a single parcel of land, made up of whole or partial lots or both, under one ownership, not improved with a dwelling, provided only that not to exceed three lots which are not contiguous and which are under one ownership, shall be treated as one vacant parcel.

Annual dues on residential parcels for each Fiscal year shall be assessed in a uniform amount for all residential parcels. Annual dues on each vacant parcel shall be assessed in a uniform amount equal to one half the amount fixed as the assessment on each residential parcel. Annual dues on each parcel, wherein at least one (1) of the owners is a resident in the property is turning 65 or over 65 years of age during the current Tower Lakes Improvement Association fiscal year, shall be assessed at eighty percent (80%) of the amount fixed as the assessment on each residential parcel. If required by the Board, proof of age must be provided in the form of government identification or a suitable attestation.

A copy of the proposed budget for the coming fiscal year as approved by the Board of Governors for submission to the membership shall be sent no less than thirty (30) days prior to the date of the Annual Meeting along with the notice of the Annual Meeting, to each member and shall be accompanied by the recommendation of the Board of Governors as to the amount of annual dues to be assessed on residential parcels by vote of the members at the Annual Meeting.

- 2a. The Board of Governors shall include in the proposed budget an allocation for the Capital Fund an amount not to exceed the revenue produced by twenty percent (20%) of the proposed annual dues. The Capital Fund shall be accumulated for capital improvements and capital maintenance of extraordinary nature and shall not be used for routine maintenance or operation of the Association's properties.
- 2b. Expenditures from the Capital Fund shall require a two-thirds (2/3) majority vote of the Board of Governors; provided however, that expenditures for any one project from the Capital Fund for additions, improvements and alterations to the community Areas which exceed \$10,000.00, shall require approval of a majority of the Association Members voting at a meeting of the Association wherein the written notice of such meeting shall have set forth the amount and purpose of the proposed expenditure.

- 2c. The Board of Governors upon recommendation of the finance committee and with two-thirds (2/3) majority of those in attendance at a regular or special Board Meeting may transfer other funds of the Association to the Capital Account. The Board shall not have the authority to transfer funds from the Capital Account to the regular operating fund or any other fund of the Association.
- 2d. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Property specifying and itemizing the maintenance and repair expenses of the Property and any other expenses incurred. Such records shall be available for inspection by any Owner or first mortgagee of record, at such reasonable time or times during normal business hours as may be requested by the Owner or mortgagee. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

Section 3: The fiscal year shall end on December 31st. The annual assessment shall be invoiced to the homeowner of record on January 1 and due April 1 and if not paid by April 1 a \$100 late charge will automatically be imposed. The lien for assessments as herein provided, and any fees, fines, interest, late charges or penalties levied in connection with unpaid assessments, shall be subordinate to the lien of any first mortgage (or equivalent security interest) on any Lot, provided that such subordination shall apply only to assessments provided for herein which have become due and payable prior the time a sale or transfer of such property by foreclosure the lien of the first mortgage against such Lot has occurred any other transfer in lieu of foreclosure as so certified by the transferor. 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.

Section 4: A member whose dues and service charges are not paid by January 1st of said year, or a member who is in arrears for a period of more than three months for any additional charges or assessments under the By-Laws, rules and regulations of the Association, shall be considered not in good standing and in default until such default is cured. All privileges and services of the Association, including use of the parks and lakes, shall be denied a member who is not in good standing until such time as the Member's account is brought current. Any tenant of a member of the Association who is not in good standing shall be denied all privileges and services of the Association until such time as the Member's account is brought current. Any Member may request to pay dues by a payment plan. The Financial Secretary may approve any plan which would result in payment in full within the fiscal year. Such a payment plan, if the Member remains fully compliant, will result in the Member deemed to being in "Good Standing" throughout the fiscal year. Any Member may request to pay back dues and service fees from prior years by means of a payment plan. Such plans require approval

by the Board by a two-thirds (2/3) majority and the Member will be deemed to not be in good standing until such time as all arrears are paid up to date. Any time after such a default, the Board may file a lien against any lots owned by such member and take such other legal steps as it deems necessary to collect any arrearage. In the event of any default by any owner in the performance of his or her obligations under this Declaration, By-Laws, or rules or regulations of the Board, the Board, or its agents, shall have such rights and remedies in addition to those provided or permitted by law, including the right to take possession of such Owner's interest in the Property for the benefit of all other owners by an action for possession in the manner prescribed in the Forcible Entry and Detainer Act (Illinois Revised Statutes, Chapters 57 and 110).

Section 5: Any and all expenses including attorney's fees incurred by the Association in connection with the collection of delinquent accounts shall be chargeable to the account of the delinquent member.

Section 6: The Board reserves the right to pursue for payment any Member who is deemed to be in arrears. Such action may include the application of a lien against the Member's property and/or the reporting of such arrears to an appropriate credit or collection agency. In any event, any Member deemed to be in arrears more than twelve (12) months past the due date as defined in Section 4, will be escalated and a lien applied and other appropriate action taken.

Article XIII

FINANCES

Section 1: Authorization to prepare checks shall be made by signature of committee chairman or officer and counter-signed by an officer not authorizing the check or any other Board authorized electronic funds transfer. No money of the Association shall be paid out except by check. Checks for amounts greater than \$500.00 shall be signed by any two of the following: Treasurer, President, Vice President, and one member at large designated by the Board as an authorized signature. If authorized payments are to be made by electronic funds transfer; a memo of approval signed by one of the above noted Board members must authorize the payment and be noted in the association's books.

Section 2: At the close of each fiscal year, all books of the Association shall be turned over to the Auditing Committee to audit and prepare a report.

Section 3: The committee chairman or officer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures

to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Article XIV

RESALES AND RECORDS

Section 1: Resale. In the event of any sale of a Lot by an Owner, such Owner shall obtain from the Board and shall make available for inspection to the prospective purchaser, upon demand the following:

- (a) A copy of the Declaration, By-Laws and any Rules and Regulations.
- (b) A statement of any liens, assessments due or other charges due and owing.
- (c) A statement of any capital expenditures anticipated by the Association within the current or succeeding two fiscal years.
- (d) A statement of the status and amount of any reserve or replacement fund or any portion of such fund earmarked for any specified project by the Board.
- (e) A copy of the statement of financial condition of the Association for the last fiscal year for which such statement is available.
- (f) A statement of the status of any pending suits or judgments in which the Association is a party.
- (g) A statement setting forth what insurance coverage is provided for all Owners by the Association.

The President of the Association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing and within thirty (30) days of the request. A reasonable fee covering the direct out-of-pocket cost of providing such information and copying maybe charged by the Association or the Board to the seller for providing such information.

Section 2: Records of the Association.

A. The Board shall keep and maintain the following records or true and complete copies of these records, at the Association's principal office:

- (a) the Association's Declaration, By-Laws, and plats of survey, and all amendments of these;

- (b) the Rules and Regulations of the Association, if any;
- (c) the Articles of Incorporation of the Association and all amendments to the Articles of Incorporation;
- (d) minutes of all meetings of the Association and the Board of Directors for the immediately preceding seven (7) years;
- (e) all current policies of insurance of the Association;
- (f) all contracts, leases, and other agreements then in effect to which the Association is a party or under which the Association or the Unit Owners have obligations or liabilities;
- (g) a current listing of the names and addresses of all members entitled to vote;
- (h) ballots and proxies related to ballots for all matters voted on by the members of the Association during the immediately preceding twelve (12) months, including but not limited to the election of members of the Board of Directors; and
- (i) the books and records of account for the Association's current and ten (10) immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts and expenditures.

B. Any member of the Association shall have the right to inspect, examine, and make copies of the records described in subdivisions (a), (b), (c), (d), and (e) of Subsection A of this Section 2, in person or by agent, at any reasonable time or times, at the Association's principal office. In order to exercise this right, a member must submit a written request to the Board of Directors or its authorized agent, stating with particularity the records sought to be examined.

C. Except as otherwise provided in Subsection D of this Section 2, any member of Association shall have the right to inspect, examine, and make copies of the records described in subdivisions (f), (g), (h), and (i) of Subsection A of this Section 2, in person or by agent, at any reasonable time or times but only for a proper purpose, at the Association's principal office. In order to exercise this right, a member must submit a written request, to the Board or its authorized agent, stating with particularity the records sought to be examined and a proper purpose for the request.

D. The actual cost to the Association of retrieving and making requested records available for inspection and examination under this Section shall be charged by the Association to the requesting member. If a member requests copies of records

requested under this Section, the actual costs to the Association of reproducing the records shall also be charged by the Association to the requesting member.

E. Notwithstanding the provisions of Subsection C of this Section 2, unless otherwise directed by court order, the following records are not available to inspection, examination, or copying by members:

(i) documents relating to appointment, employment, discipline, or dismissal of Association employees;

(ii) documents relating to actions pending against or on behalf of the Association or its Board of Directors in a court or administrative tribunal;

(iii) documents relating to actions threatened against, or likely to be asserted on behalf of, the Association or its Board of Directors in a court or administrative tribunal;

(iv) documents relating to common expenses or other charges owed by a member other than the requesting member; and

(v) documents provided to an association in connection with the lease, sale, or other transfer of a unit by a member other than the requesting member.

Article XV

PARLIMENTARY AUTHORITY

Robert's Rules of Order, Revised shall govern in all cases not in conflict with these By-Laws.

Article XVI

AMENDMENTS

These By-Laws may be amended at any regular or special meeting by a two-thirds vote of those present, eligible to vote and voting. Proposed amendments offered in writing and signed by five members in good standing may be submitted to the Chairman of the Legal Committee at any time during the year, but not later than thirty days prior to the meeting at which a vote upon such amendment is to be taken. A copy

of proposed amendments shall be sent with the notice of the meeting to each member at his or her last known address as shown on the records of the Association. The mailing of such notices to members at their last known address shall be deemed the legal notice.

Article XVII

RULES AND REGULATIONS

At any meeting of the Association and subject to the same notice requirements for amendment of Association By-Laws, reasonable rules and regulations may be adopted, amended or repealed respecting the use and enjoyment of the property of the Association by its members and their families. The Board of Governors of the Association shall also have the authority to adopt, amend or repeal rules and regulations provided that it shall not have the power to amend or repeal any rule or regulation adopted by the members of the Association nor shall it have power to adopt a rule or regulation in conflict with or in consistent with any rule or regulation adopted by the members of the Association.

All rules and regulations adopted by the Association or the Board of Governors shall be for the purpose of assuring to all members their maximum use and enjoyment of the property of the Association consistent with the protection and enjoyment of their individual residence parcels or vacant parcels. Power to adopt rules shall include reasonable provisions for their enforcement including suspension of privileges at the discretion of the Board of Governors.

Members or tenants of members who are in default in the payment of dues and assessments, and their families, while such default continues shall not have the right to use and enjoy Association property and shall be trespassers in the event they enter thereon. Persons having the privilege of using Association property who while using such property shall violate the Rules and Regulations of the Association respecting such use and who shall not leave such property when requested to do so shall be trespassers and may be removed.

Article XVIII

RESTRICTIONS ON THE PROPERTY

Section 1: Motorboats and motorized vehicles other than those engaged in authorized maintenance activities shall not enter upon or be operated upon the property of the Association except to the extent of auto parking for members and their guests in areas designated for that purpose. The members of the Board of Governors and of the committee having jurisdiction of the areas in which any boats or vehicles shall enter in

violation of this rule shall have authority to cause such boats or vehicles to be removed from the Association property.

Section 2: Except on special occasion designated in advance by the Board of Governors, picnics on Association property shall be prohibited.

Section 3: The Association property adjacent to the lake front, commonly referred to as the lake front easement, shall not be used in any manner which shall constitute a nuisance to the adjacent lake front homeowners.

Section 4: A guest is defined as anyone who is not a TLIA member. All guests should be accompanied at all times by their host or a TLIA member when using TLIA facilities. If a TLIA member is unable to accompany their guests, they may temporarily furnish their TLIA tags to their guests for identification purposes. Letters of authorization to guests from TLIA members ARE NOT acceptable.

Section 5: Automobiles. If traveling by auto to a TLIA facility, the host's auto should be used and the guests auto left at the host's home.

Section 6: Flags. (i) An American Flag shall be defined as a flag made of fabric, cloth, or paper displayed from a flagpole or in a window. An American Flag shall not include a depiction or emblem of the American flag made of lights, paint, or roofing, siding, or paving material, flora or balloons, or any other similar building, landscaping, or decorative component. (ii) A Military Flag shall be defined as a flag of any branch of the United States Armed Forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flagpole or in a window. A Military Flag shall not include a depiction or emblem of a military flag made of lights, paint, or roofing, siding, or paving material, flora or balloons, or any other similar building, landscaping, or decorative component.

In the interests of the health, safety, and welfare of the Association, the Board has adopted the following Rules and Regulations governing the display of American and Military Flags:

(i) The display of the American Flag shall be subject to the provisions of Title 4 of the United States Code, Chapter 1 (The Flag), Sections 4 through 10.

(ii) A flag or mount may not be installed by the unit owner on a portion of the Common Area. A flag or mount may be installed on that portion of the property that is under the exclusive use and control of an Owner.

Section 7: Disabilities. Until determined by federal or state legislation, administrative agency or court of law, the Common Area shall not be subject to the public facility regulations of the Americans With Disabilities Act. In order to conform to

the Fair Housing Amendments Act of 1988, any Owner or Resident may make reasonable modification to his or her Lot, subject to the following:

- (a) All requests for modification to the Lot must be in writing per Association Property Improvement Proposal guidelines.
- (b) The Board may request copies of plans, specifications, drawings, certifications and other reasonable documentation for its review.
- (c) The Board may establish reasonable guidelines for construction of any addition, improvement or modification.
- (d) All work must be approved by the Board prior to commencing construction.
- (e) The Board of Directors shall have the authority to establish a fee for administration, supervision and documentation associated with Residents moving in and out of the premises, including a security deposit for damages to the Common Area.

Article XVIII

INDEMNIFICATION

Section 1: Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she, or a person of whom he or she is an heir or legal representative, is or was a governor, officer, committee member, member or agent of the Association or is or was serving at the request of the Association as a governor, officer, committee member, member or agent of another corporation, partnership, joint venture, trust or other enterprise, whether the basis of such proceeding is alleged action or official capacity as a governor, officer, committee member, member or agent or in any other capacity while serving as a governor, officer, committee member, member or agent, shall be indemnified and held harmless by the Association to the fullest extent authorized by the Illinois General Not For Profit Corporation Act, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than said Act permitted the Association to provide prior to such amendment) against all expenses, liability and loss (including attorneys' fees, judgments, fines, or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that the Association shall indemnify any such person seeking indemnity in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) was authorized by a majority of a quorum of the disinterested Governors of the Association or a quorum of disinterested governors if a majority is not available. Such

right shall be a contract right and shall include the right to be paid by the Association expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, the payment of such expenses in advance of the final disposition of such proceeding shall be made only upon delivery to the Association of an undertaking, by or on behalf of such governor, officer, committee member, member or agent, to repay all amounts so advance if it should be determined ultimately that such governor, officer, committee member, member or agent is not entitled to be indemnified under this By-Law.

Section 2: Right of Claimant to Bring Suit. If a claim under paragraph (a) is not paid in full by the Association within ninety days after a written claim has been received by the Association, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has not met the standards of conduct which make it permissible under the Illinois General Not For Profit Corporation Act for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its board of governors, independent legal counsel or its members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Illinois General Not For Profit Corporation Act, nor an actual determination by the Association (including its board of governors, independent legal counsel, or its members) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant had not met the applicable standard of conduct.

Section 3: Non-Exclusivity of Rights. The rights conferred on any person by paragraphs (a) and (b) shall not be exclusive of any other right which such person may have or hereafter acquire under any Directors and Officers liability insurance policy, statute, provision of the articles of incorporation, by-law, agreement, vote of members or disinterested governors or otherwise.

Section 4: Insurance. The Association may maintain insurance, at its expense, to protect itself and any such governor, officer, committee member, member or agent of the Association or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Illinois General Not For Profit Corporation Act.

[remainder of page left blank intentionally]

Signed and acknowledged this 16 day of January, 2018.

[Signature]

James A Steffen

Mike Mitchell

Tracy

Mary B. Mays

D. J. Hill

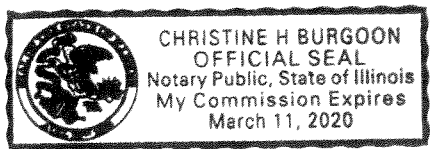
KMS

Kathy Patterson

being at least two-thirds of the Board of Directors of Tower Lakes Improvement Association

Subscribed and Sworn to before me this 16 day of January, 2018.

Christine H. Burgoon
Notary Public



LEGAL DESCRIPTION

THAT PART OF LOT 76 DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 76, RUNNING THENCE WEST ON THE SOUTH LINE OF SAID LOT, 106 FEET TO LAKE SHORE DRIVE; THENCE NORTHERLY ALONG WEST LINE OF SAID LOT 76, 16 FEET AND THENCE EAST TO THE POINT OF BEGINNING AND ALL OF LOTS 77 AND 78 IN TOWER LAKE PARK, BEING A SUBDIVISION OF PART OF SECTION 2, TOWNSHIP 43 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 25 1925 AS DOCUMENT 258018 IN BOOK "M" OF PLATS, PAGE 204, IN LAKE COUNTY, ILLINOIS.

Subject to (a) covenants, conditions and restrictions of record; (b) public and utility easements and road and highways, if any; (c) installments not due at the date hereof of special assessments for water system improvements; (d) association dues/payments; and (e) general taxes for the year 2001 and subsequent years.

PIN: 13-02-302-003-0000

Amendment #1: Committee Name Changes

THIS AMENDMENT WAS APPROVED BY THE MEMBERSHIP AT THE 2017 ANNUAL MEETING

VOTE TALLY:

AMENDMENT #1	YAY	NAY
VOTE TALLY	164	9

Amended portion is ~~striketrough~~ -
the amended portion is *in bold italic*.

Article VIII

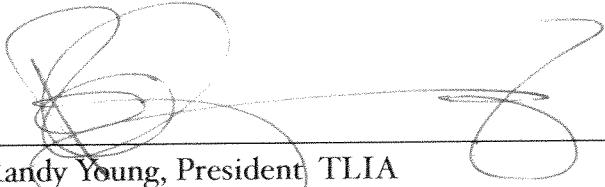
Section 8: ~~Public Relations~~ **Communications** Committee. It shall keep the Board of Governors and the membership of the Association informed of matters pertaining to the public interest. This committee shall be responsible for welcoming new members of the Association and acquainting them with the Rules, Regulations and Government of the Community. It shall be responsible for the monthly publication of the "Tower Lakes Improvement Association Newsletter" and an annual resident directory. One member of this Committee shall be appointed "Communications Officer" and will be responsible for all forms of external communication. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

Section 9: ~~Social~~ **Events** Committee. The function of the ~~Social~~ **Events** Committee shall be to organize and direct a varied program of community social activities for both adults and children and including, but not limited to, dances, dinner parties, bridge marathons, Fourth of July celebrations and children's parties. The Chairman shall submit a written report covering the year's activities to the Annual Meeting.

CERTIFIED BY BALLOT COUNT:



Kathy Pattengale, Recording Secretary TLIA



Randy Young, President TLIA

Amendment #2: TLIA Board Capital Spending Limit

THIS AMENDMENT WAS APPROVED BY THE MEMBERSHIP AT THE 2017 ANNUAL MEETING

VOTE TALLY:

AMENDMENT #2	YAY	NAY
VOTE TALLY	152	26

Amended portion is ~~striketrough~~ -
the amended portion is *in bold italic*.

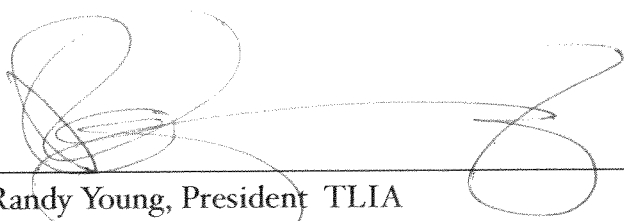
Article XII

Sec: 2 sub(b) 2b: Expenditures from the Capital Fund shall require a two-thirds (2/3) majority vote of the Board of Governors; provided however, that expenditures for any one project from the Capital Fund for additions, improvements and alterations to the community Areas which exceed ~~\$5,000~~ ***\$10,000*** shall require approval of a majority of the Association Members voting at a meeting of the Association wherein the written notice of such meeting shall have set forth the amount and purpose of the proposed expenditure.

CERTIFIED BY BALLOT COUNT:



Kathy Pattengale, Recording Secretary TLIA



Randy Young, President TLIA

Amendment #3: Check Signing Authority Limit

THIS AMENDMENT WAS APPROVED BY THE MEMBERSHIP AT THE 2017 ANNUAL MEETING

VOTE TALLY:

AMENDMENT #3	YAY	NAY
VOTE TALLY	156	16

Amended portion is ~~strikethrough~~ =
the amended portion is *in bold italic*

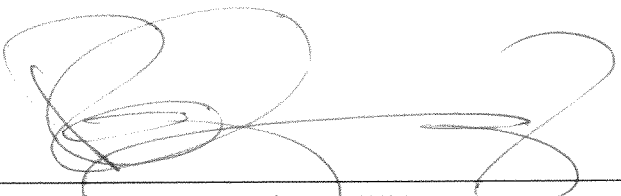
Article XIII FINANCES

Section 1: Authorization to prepare checks shall be made by signature of committee chairman or officer and counter-signed by an officer not authorizing the check. No money of the Association shall be paid out except by check *or any other Board authorized electronic funds transfer*. Checks for amounts greater than ~~\$250.00~~ **\$500.00** shall be signed by any two of the following: Treasurer, President, Vice President, and one member at large designated by the Board as an authorized signature. *If authorized payments are to be made by electronic funds transfer, a memo of approval signed by one of the above noted Board members must authorize the payment and be noted in the associations books.*

CERTIFIED BY BALLOT COUNT:



Kathy Pattengale, Recording Secretary TLIA



Randy Young, President TLIA

Amendment #4: Fiscal Year Change

THIS AMENDMENT WAS APPROVED BY THE MEMBERSHIP AT THE 2017 ANNUAL MEETING

VOTE TALLY:

AMENDMENT #4	YAY	NAY
VOTE TALLY	151	23

Amended portion is ~~strike through~~ =
the amended portion is *in bold italic*

Article IX MEETINGS


Section 2: An Annual Meeting of the Association shall be held within the first ~~two (2)~~ **Three (3)** weeks of ~~November~~ *January*. Written notice of each meeting of the Association shall be sent to each member by the Secretary not less than ten (10) days prior to the date of the meeting. The date of such meeting may be advanced or postponed by the Board of Governors for a period not to exceed two (2) weeks. If a regular Annual Meeting shall be rescheduled, then notice of such rescheduled meeting shall be sent to each Member not less than ten (10) days prior to the date of the meeting

Article XII ASSESSMENTS, DUES AND SERVICE CHARGES

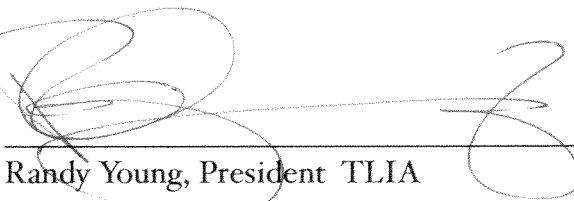
Sec. 2: Annual dues on residential parcels for each Fiscal year shall be assessed in a uniform amount for all residential parcels. Annual dues on each vacant parcel shall be assessed in a uniform amount equal to one half the amount fixed as the assessment on each residential parcel. Annual dues on each parcel, wherein at least one (1) of the owners is a resident in the property and *is turning 65 or over 65 years of age on November 1st of* ~~on November 1st of~~ *during the* current Tower Lakes Improvement Association *fiscal* year, shall be assessed at eighty percent (80%) of the amount fixed as the assessment on each residential parcel. If required by the Board, proof of age must be provided in the form of government identification or a suitable attestation.

Sec. 3: The fiscal year shall end on ~~October 31st~~ *December 31*. The annual assessment shall be *invoiced to the homeowner of record on January 1 and* due ~~December 1~~ *April 1* and if not paid by ~~March 1~~ *April 1* a \$100 late charge will automatically be imposed. The lien for assessments as herein provided, and any fees, fines, interest, late charges or penalties levied in connection with unpaid assessments, shall be subordinate to the lien of any first mortgage (or equivalent security interest) on any Lot, provided that such subordination shall apply only to assessments provided for herein which have become due and payable prior the time a sale or transfer of such property by foreclosure the lien of the first mortgage against such Lot has occurred any other transfer in lieu of foreclosure as so certified by the transferor. 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.

CERTIFIED BY BALLOT COUNT:



Kathy Pattengale, Recording Secretary TLIA



Randy Young, President TLIA