

By-Laws
of
Fyre Lake Association, Inc.
Sherrard, Illinois

AS ADOPTED

MARCH 15, 1973

AND LAST AMENDED

NOVEMBER 12, 2014

BY-LAWS OF FYRE LAKE ASSOCIATION, INCORPORATED

ARTICLE I

Purposes

The purposes of the Corporation as stated in its Certificate of Incorporation are to own, maintain, buy and sell real estate, including parks, lakes, recreational areas, roads and other amenities as a Property Owners' Association at Fyre Lake Development in Mercer County, Illinois, said development being residential property; and to conduct business incidental to being a Property Owners' Association.

The Corporation also has such powers as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois.

ARTICLE II

Offices

The Corporation shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board of Directors from time to time determine.

ARTICLE III

Members

SECTION 1. CLASSES OF MEMBERS. The Corporation shall have two classes of Members. The designation of such classes are either Class A or Class B and are determined by the class of lot owned.

Class A lots are those platted lots in Fyre Lake transferred by either legal or equitable title from the developer. Once originally transferred from the developer a lot will always remain Class A.

Class B lots are those platted lots in Fyre Lake that have never been transferred either by legal or equitable title from the developer.

Class A Members are those persons who own Class A lots and persons owning an assessment-paying unit on lots where multiple assessment-paying units are located on the same lot. Multiple owners of a Class A lot shall be considered as one Class A Member. Class A

Members shall also include those persons leasing property from a lot-owning member who shall comply with Article XIII.”

Class B members are those persons who own Class B lots.

SECTION 2. VOTING RIGHTS. Each Class A member in good standing shall be entitled to only one vote per lot on each matter submitted to a vote of such members. Class B Members shall only vote in a vote to change any covenants which affect their rights as lot owners. Class A Members may require the Board of Directors to take certain action by presenting to the Board a petition signed by Class A members in good standing, where such Members constitute at least forty (40) percent of all Class A Members. Within ninety (90) days of receipt of a qualified petition, the Board of Directors shall either have taken the action specified in the petition or put the matter to a vote of the Class A Members. Each matter submitted to a vote of the Members shall be by written mailed ballot. Such ballot shall be prepared and mailed by the Secretary to the Members at least twenty (20) days and not more than forty (40) days in advance of the date set therein for return of the ballots, and which shall be a date not later than ninety (90) days after receipt of the petition. Voting procedures to be conducted in a manner consistent with those prescribed in Article V, Section 3. ELECTION OF DIRECTORS.

SECTION 3. SUSPENSION OF MEMBERSHIP PRIVILEGES. The Board of Directors by majority vote may suspend the privileges of a Member for cause in accordance with 8 (e) of the Restrictive Covenants.

SECTION 4. RESIGNATION. Any Member who shall sell their lot at Fyre Lake shall be deemed to have resigned from this Association. However, such resignation shall not relieve the Members so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

SECTION 5. TRANSFER OF MEMBERSHIP. Class A Membership in this Corporation is not transferable or assignable, except upon verified sale of the lot(s) from which membership is derived, payment in full of all charges, and acknowledgement of Membership for the new owner except as provided by Article XIII .

ARTICLE IV

Meetings of Members

SECTION 1. ANNUAL MEETING. An annual meeting of the Members shall be held on the first Wednesday of April in each year, at the hour of 7:30 o'clock, p.m., for the purpose of electing Directors and receiving reports from the President, Treasurer, Secretary, other officers and committees. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the

election to be held at a special meeting of the Members called as soon thereafter as conveniently may be.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members may be called either by the President, the Board of Directors, or by the Members per Article III, Section 2., of these By-laws.

SECTION 3. PLACE OF MEETING. The Board of Directors shall designate any place, within the State of Illinois, as the place of meeting for any annual meeting or for any special meeting.

SECTION 4. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, whether personally or by mail, or by e-mail, to each Member not less than ten (10) nor more than forty (40) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers. In case of a special meeting or when required by statute or by these by-laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Member at their address as it appears on the records of the Corporation, with postage thereon prepaid. If such notice is sent by e-mail, the notice of meeting shall be deemed delivered when it is sent to the e-mail address provided to the Corporation by the Member.

ARTICLE V

Board of Directors

SECTION 1. GENERAL POWERS. The affairs of the Corporation shall be managed by its Board of Directors, subject to the requirements that certain matters be submitted to the membership pursuant to Article III hereof.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of Directors shall be five. In even-numbered years, three (3) Directors shall be elected for two year terms of office; and in odd-numbered years the remaining two (2) Directors shall be elected for two year terms of office. Each Director shall serve until their successors shall have been elected and qualified. Directors need not be residents of Illinois, but must be Members in good standing of Fyre Lake Association, Inc.

SECTION 3. ELECTION OF DIRECTORS.

Sub-Section 1. Election to the Board shall be by written ballot as hereinafter provided. At such election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article III, Section 2., of these By-laws. The name(s) receiving the largest number of votes shall be declared elected.

Sub-Section 2. All elections to the Board shall be made on written ballot which shall:

- (a) Describe the vacancies to be filled;
- (b) set forth the names of those petitioning for such vacancies;
- (c) contain a space for write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Members at least twenty (20) days and not more than thirty (30) days in advance of the date set forth therein for return of ballots (which shall be a date not later than the day before the annual or special meeting called for elections).

Sub-Section 3. Each Member shall receive as many ballots as they have votes. Notwithstanding that a Member may be entitled to several votes, they shall exercise on any one ballot only one vote for each vacancy shown thereon. 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. However, any such additional markings shall not be reason to disqualify such ballots. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that, because of the verification procedures, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member, or signature of at least one Member if there are multiple owners of one lot, and that lot is entitled to only one vote, the number of ballots being returned, and such other information as the Board may determine will serve to establish their right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address stated in the ballot transmittal.

Sub-Section 4. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of three (3) Members in good standing appointed by the Board. The Election Committee shall not include any current Directors, or any Members who are candidates for the election for which the Election Committee is being seated. The Election Committee shall then adopt a procedure which shall:

- (a) Establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member identified on the outside envelope containing them; and
- (b) that the signature of the Member on the outside envelope is a Member in good standing.

Such procedure shall be taken in such a manner that the vote of any Member shall not be disclosed to anyone, even 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" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. After the announcement of the results, unless a review of

the procedure is demanded at such meeting by the majority of the Members present, the ballots and the outside envelopes shall be destroyed within a reasonable time.

SECTION 4. REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held without other notice than this by law, after the annual meeting of Members. The Board of Directors may provide by resolution the time and place within the State of Illinois for holding of additional regular meetings of the Board without other notice than such resolution.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place within the State of Illinois as the place for holding any special meeting of the Board called by them.

SECTION 6. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail or e-mail to each Director at their address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with the postage thereon prepaid. If notice be given by e-mail, such notice shall be deemed to be delivered when the e-mail is sent to the e-mail address provided by the Director. Any Director may waive notice of any meeting. The attendance of any Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of waiver of notice of such meeting, unless specifically required by law or by these By-laws.

SECTION 7. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 8. MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these By-laws.

SECTION 9. VACANCIES. Any vacancy occurring in the Board of Directors of any Directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A vacancy created by the resignation, removal or death of a Director may be filled by election of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office.

SECTION 10. COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of

attendance, if any, may be allowed for attendance at each regular or special meeting of the board; provided, that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 11. INDEMNIFICATION. The Corporation shall indemnify any and all of its Directors or Officers, or former Directors or Officers, or any person who may have served at its request or by its election as a Director or Officer of another Corporation, for expenses actually and necessarily incurred by them in connection with the defense or settlement of any action, suit or proceeding in which they or any of them are made parties, or a party, by reason of being or having been Directors or a Director or Officer of the Corporation, or of such other Corporation, except in relation to matters as to which any such Director or Officer or former Director or Officer or person shall be adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability.

SECTION 12. Notwithstanding any language in this Article, no Lessee shall be eligible to serve on the Board of Directors; nor shall any Lessee vote in any election for Board of Directors or any other election or question presented by the Board of Directors.

ARTICLE VI

Officers

SECTION 1. OFFICERS. The Officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more assistant Secretaries and one or more assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of the President and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The Officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each Officer shall hold office until their successor shall have been duly elected and shall have qualified.

SECTION 3. REMOVAL. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the

Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. PRESIDENT. The President shall be the principal executive Officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. They shall preside at all meetings of the Members and of the Board of Directors. They may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing or execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other Officer or agent of the Corporation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE PRESIDENT. In the absence of the President or in the event of their inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to them by the President, or by the Board of Directors.

SECTION 7. TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of their duties in such sum and with such surety or sureties as the Board of Directors shall determine. They shall have charge and custody of and be responsible for all funds and sureties of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VIII of these By-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

SECTION 8. SECRETARY. The Secretary or a recording secretary appointed by the Board shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all necessary documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-laws; keep a register of the post office address,

and e-mail address, where possible, of each Member which shall be furnished to the Secretary by such Member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

SECTION 9. ASSISTANT TREASURER AND ASSISTANT SECRETARIES. If required by the Board of Directors, the assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant Treasurers and assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VII

Committees

SECTION 1. COMMITTEES OF DIRECTORS. The Board of Directors by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or them by law.

SECTION 2. OTHER COMMITTEES. Other Committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such Committee shall be Members of the Corporation, and the President of the Corporation shall appoint the Members thereof. Any Member thereof may be removed by the person or persons authorized to appoint such Member whenever in their judgment the best interests of the Corporation shall be served by such removal.

SECTION 3. TERM OF OFFICE. Each Member of a Committee shall continue as such until the next annual meeting of the Members of the Corporation and until their successor is appointed, unless the Committee shall be sooner terminated, or unless such Member shall cease to qualify as a Member thereof.

SECTION 4. CHAIRMAN. One Member of each Committee shall be appointed chairman.

SECTION 5. VACANCIES. Vacancies in the Membership of any Committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 6. QUORUM. Unless otherwise provided in the resolution of the Board of Directors designating a Committee, a majority of the whole Committee shall constitute a quorum

and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Committee.

SECTION 7. RULES. Each Committee may adopt rules for its own government not inconsistent with these By-laws or with rules adopted by the Board of Directors.

ARTICLE VIII

Contracts, Checks, Deposits and Funds

SECTION 1. CONTRACTS. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an assistant Treasurer and countersigned by the President or Vice President of the Corporation.

SECTION 3. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4. GIFTS. The Board of Directors may accept on behalf of the Corporation, a gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE IX

Charges

SECTION 1. ANNUAL CHARGE. The Board of Directors shall have the power to levy against every Member an annual charge or assessment which is uniform per lot except for lots that have been granted contiguous lot status and, as such, are treated as a single lot for assessment and voting purposes. In addition, the Board shall also levy an annual charge against each Member who owns an assessment-paying unit where more than one unit is located on the same lot. These charges shall be determined in accordance with what is necessary in respect to current maintenance needs and future needs of this Association as set forth in its Certificate of Incorporation. The Board of Directors shall fix the amount of the annual charge per lot by the first day of January each year, and written notice of the charge so fixed shall be sent to each Member. No such charge shall be made against, or be payable by this Association itself.

SECTION 2. PAYMENT OF CHARGES. Every such charge so made shall be paid by the Member to the Property Owners' Association on or before the first day of March of each year, for the ensuing year.

SECTION 3. DEFAULT. If any charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate set by the Fyre Lake Declaration of Restrictive Covenants, plus a late payment charge to be set annually by the Board of Directors. The Association may publish the name of the delinquent Member in a list of delinquent Members, or by any other means of publication; and the Association may file a notice that it is the owner of a lien to secure payment of the unpaid charge, plus costs and reasonable attorneys' fees, which lien shall encumber the lot or lots in respect of which the charge shall have been made, and which notice shall be filed in the office of the Recorder of the County in which the lot or lots so encumbered shall lie. Every such lien may be foreclosed by equitable foreclosure at any time after the date of which the notice thereof shall have been filed. In addition to the remedy of lien foreclosure, this Association shall have the right to sue for such unpaid charges, interest, costs and reasonable attorneys' fees, in any court of competent jurisdiction as for a debt owed by the delinquent Member or Members of the Association.

ARTICLE X

Seal

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois".

ARTICLE XI

Waiver of Notice

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

ARTICLE XII

Amendments to By-Laws

These By-laws may be altered, amended or repealed and new By-laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, provided that at least five (5) days' written notice is given to the Board of intention to alter, amend or repeal or to adopt new By-laws at such meeting. Provided further:

Sub-Section 1. That those provisions of these By-laws which are governed by the Articles of Incorporation may not be amended except as provided therein or by applicable law;

Sub-Section 2. that the rights of Class B Membership shall not be diminished without approval of such Members;

Sub-Section 3. that any matter stated herein to be or which is in fact governed by the Covenants applicable to Fyre Lake may not be amended except as provided in such Covenants.

ARTICLE XIII

By-Laws Relating to Residential Leases in Fyre Lake

1. Each member who desires to lease a residence and transfer their “rights to access association amenities” shall notify the Board in writing by completing the “Home Lease Agreement Form” (Form). Such Form shall be drafted by the Board and approved at a regular meeting. The form may be changed from time to time by simple majority of the Board.

2. Association amenities as used in this section shall mean use of the Association’s three lakes for fishing, boating, swimming or any other purpose. It shall also include the right to use the Association park shelters, boat ramps, tennis courts and any other recreational facilities.

3. The form shall specify, at a minimum, the following:

a. The name, address, phone number and email address of the homeowner Lessor, including a current address where the Lessor will be living while the residence is leased.

b. The name, address, phone number and email address of the Lessee, including a current address where the Lessee will be living while the residence is leased.

c. An affirmation that the lessor has reviewed a copy of the current By-Laws and Covenants of the Association.

d. Whether the rights to access association amenities shall be transferred from the Lessor to the Lessee.

e. An acknowledgement by both parties that this form will be updated at the beginning of each lease term.

f. The form shall be signed by the Lessor and Lessee.

4. Each form shall have attached to it the following:

- a. A true and correct copy of the lease.
- b. Proof that the residence is insured by both the Lessor and Lessee.

5. Each lease must be in writing, signed by all parties and contain the following provisions:

- a. The term of the lease shall be for no less than one year.
- b. Every adult who will be residing in the residence must be a party to the lease
- c. That the Lessors and Lessees shall be joint and severally liable for any damage done to the Association property.

6. Damage to Association property shall be joint and severally assessed to the lessor and lessee. Any determination of damage shall be at the sole discretion of the Board. If such damage assessment shall be unpaid after thirty days of such assessment, the assessment shall become a lien on the property.

7. Only one set of rights to access association amenities shall exist for each residence in the Association. Lessor and Lessee agree that they may not both exercise these rights to access association amenities simultaneously. The decision as to which party shall maintain the rights to access association amenities shall be at the time the lease is executed and shall be binding for the duration of the lease.

8. The Lessor shall maintain their rights to vote on any issue presented by the Board to the membership for a vote including a vote to elect Board Members. However, no Lessor who has executed a Form, as set out above, may serve on the Board of Directors while not physically living the Subdivision.

9. Lessee shall not be able to vote in any election or issue presented by the Board to the membership for a vote.