



By-Laws of Shadow Lakes II Association

October 2023

PREFACE

This document contains the revised By-Laws of Shadow Lakes II Association. It supersedes all previous By-Laws. The purpose of this document is to provide a set of guidelines for the operation of the Association. It complements the Covenants and Restrictions. These By-Laws are for the benefit and protection of the rights of all the Members of Shadow Lakes II Association.

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SHADOW LAKES II ASSOCIATION

BY-LAWS

Revised and Approved: October, 2023

ARTICLE I

Definitions

The terms as used in these By-Laws are defined in Section I of the Amended and Restated Declaration of Covenants and Restrictions of Shadow Lakes dated October__, 2023.

ARTICLE II

Association Membership

Section A. General. The Association is an Illinois not-for-profit corporation as established under the “General Not for Profit Corporation Act of 1986” and a Common Interest Community Association. It is organized to further and promote the common interest of the Members of the Association. The Association shall have such powers in the furtherance of its purpose as set forth by the “General Not for Profit Corporation Act of 1986, 805 ILCS 105/101.01 et seq., the Common Interest Community Association Act, 765 ILCS 160/1-1 et seq., the Declaration of Covenants and Restrictions and these By-Laws.

Section B. Membership. Every person or entity who is an Owner of record of real property, including a contract purchaser entitled to possession of a Lot, shall be a Member of the Association. The forgoing is not intended to fully include persons or entities that hold an interest merely as security for the performance of an obligation. Each Lot shall have one designated Member. Property held jointly shall select one Owner as the Member; all other Owners shall be Associate Members.

Section C. Classes of Membership. There shall be three (3) classes of membership:

1. Member
2. Associate Member
3. Social Member

Section D. Privileges of Membership. Members, Associate Members and Social Members shall have the following privileges:

1. Members, Associate Members, and Social Members shall have the privilege of gate access, have the right to use the Common Properties, subject to the provisions of the Second Amended and Restated Declaration, and be subject to the Rules and Regulations as established by the Association.

2. Only Members shall have voting privileges, as stipulated in the Second Amended and Restated Declaration and these By-Laws, provided they are in good standing.
3. Associate Members shall have no voting privileges. Social Members shall only be granted voting privileges with respect to the election of the Members of the Board. Social Members shall have no other voting privileges.
4. The privileges and obligations of the Associate Members shall be as established from time to time by the Board.

Section E. Obligations of Membership. Each Member is obliged to the following:

1. Members and Social Members are obliged to pay all Association Fees and Assessments, as established by the Board when due.
2. All Members, Associate Members and Social Members are bound by and shall comply with the terms and provisions of the Second Amended and Restated Declaration of Covenants and Restrictions, these By-Laws, Rules and Regulations as published in "Property Owners Guidebook".
3. All Members and Associate Members are bound by and shall comply with the construction requirements as published in the "Architectural Guidelines".

Section F. Suspension of Membership. The Board may suspend the voting privileges of any Member or Social Member, or the right of any Member, Associate Member or Social Member to use the Common Properties and access to the gate system for any period during which any Association Fee or Assessment of such Member-remains delinquent.

Section G. Evidence of Membership and Transfer.

1. The Association shall maintain adequate records that show the names of the Members of the Association and their date of membership.
2. When a Member or Social Member ceases to be an Owner, such person's membership, and those associate memberships existing through relationships to such person shall lapse. Any person purchasing a Lot, including the Lot of a Social Member, from a Property Owner shall be liable for all Association charges due in connection with such property at the time of purchase. Upon transfer of title to real property in Shadow Lakes, the purchaser thereof shall become a Member or a Social Member, as the case may be.
3. If a property is sold under Contract for Deed, a copy of the Contract for Deed must be submitted to the Association Office within seven (7) days of occupancy.

Section H. Membership in Other Associations. Membership in this Association shall not preclude the Members from being members in other associations. (Reproduced from the Covenants IX.B.)

ARTICLE III

Assessments

Section A. Payment of Assessments. Any and all assessments levied by the Association as provided in the Second Amended and Restated Declaration shall be paid to the Association on or before the date fixed by resolution of the Board. Any and all assessments levied by the Association shall be solely utilized by the Association for purposes set forth in the Second Amended and Restated Declaration. Written notice of the charge and the date of payment shall be sent to each Member and Social Member at the address last given by such Member to the Association. It is the Member's responsibility to keep this address current.

Section B. Tiers. The dues are assessed as described in the following tiers:

- Tier 1.** This rate is assessed to lots that may be vacant or where water and sewer use is limited to six (6) consecutive months of the year. This is the base rate.
- Tier 2.** This rate is assessed to lots which have water and sewer available from January 1 to December 31 of any year, but which is not approved for full time occupancy for more than eight (8) consecutive months during this 12-month period. This rate shall be 1.33 times the base rate.
- Tier 3.** This rate is assessed to lots within Fossil Cover Phase II, which allows greater square footage of structures and full time occupancy. This rate shall be 2.50 times the base rate.
- Tier 4.** This rate is assessed to lots within all other Villages for Members who apply and are approved for full time occupancy in accordance with the Covenants. This rate shall be 2.00 times the base rate.
- Tier 5.** This rate is assessed to Social Members of Boardwalk Bay and Lighthouse Cove. This rate shall be 0.40 times the base rate.

The Association will require adequate proof of eligibility for Tier 2 annually. A driver's license or state identification card and a utility bill showing the existence of a primary residence outside of the Association shall be considered sufficient proof. The Association may consider other documentation as sufficient proof. The Association reserves the right to unilaterally modify a Member's Tier at any time if it deems appropriate.

It is the responsibility of the Member to notify the Association of any change in Tier, prior to the issuance of the Annual Assessment.

Section C. Dues and Fees. Each year, prior to the Annual Meeting, the Board of Directors adopts an operating budget. Each Owner shall receive through a prescribed delivery method, at least 30 days but not more than 60 days prior to the adopting by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes. The Board then levies an assessment to

each individual Lot and Social Member. Invoices for the assessments are sent to all Members and Social Members in early December.

There are two payment options:

Option 1 requires full payment on or before February 1st of each year.

Option 2 allows the first payment of ½ of the total assessment to be made on or before February 1st. The second payment is due on or before April 1st and includes a 3% interest charge on the balance. (1 ½% per month, for 2 months)

Section D. Collection and Lien. The amount of the assessment levied by the Association shall be paid to it on or before the date fixed by resolution of the Board. If a Member or Social Member does not make a payment in satisfaction of Option 1 or Option 2 in Section C above, the Association may send out a notice allowing the Member or Social Member to pay any past due Dues or Fees within (30) days of the notice. If the Dues and Fees remain unpaid at the end of the thirty (30) day period in the notice, the Association may turn off the water to the Member's Lot(s) and/or deactivate the gate card(s) issued to the Member or Social Member. The notice shall be sent, via certified mail, to the Member's or Social Member's Lot(s) or the mailing address on the record with the Association. In addition to the foregoing the Member or Social Member will be subject to an immediate 10% penalty and interest assessment of 1 ½% for each month the Annual Assessment remains unpaid; after 90 days a Notice of Lien will be mailed, after an additional 60 days a Lien will be filed with the Will County Recorder. The Board of Directors or the Board's assigned employee will work with the Association Attorney to begin any and all legal proceedings, including foreclosure proceedings, against the property. All attorney fees and associated costs shall be invoiced to the lot. Upon payment of said assessment and charges or other satisfaction thereof, the Board shall, within a reasonable time, cause to be recorded a further notice stating the satisfaction and release of said lien. Water and/or gate card privileges shall not be restored unless and until the Member or Social Member satisfies all past due amounts or enters into a satisfactory payment arrangement. If the Member is within the Tier 1 group, the water will not be turned back on at the beginning of the season, if at least, the first installment of the Annual Assessment, Dues and Fees are not paid by February 1st each year.

Section E. Priority of Lien. Conveyance of any Lot shall not affect any lien for assessments provided herein. Such lien shall be prior to all other liens recorded subsequent to said notice of assessment. (Reproduced from the Covenants XIII. B.)

Section F. Enforcement. The lien provided herein might be foreclosed by suit by the Association in like manner as a mortgage and, in such event, the Association may be a bidder at the foreclosure sale. The Association may also pursue any other remedy against any Member or Social Member owing money to it, which is available to it by law or equity for the collection of debt. Shadow Lakes shall be deemed a "Common Interest Community", as that term is defined in the Eviction Act, 735 I LCS 5/9-102, and the Association shall have all powers of such a Common Interest Community Association, as defined in said act, including the power of file an action for eviction. (Reproduced from the Covenants XIII. C.)

Section G. Proof of Payment. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due. (Reproduced from the Covenants XIII. D.)

Section H. Suspension. The Association shall not be required to transfer the membership on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Member or Social Member or to any person claiming them, unless or until all assessments and charges to which they are subject have been paid. (Reproduced from the Covenants XIII. E.)

ARTICLE IV

Violation Fines

Section A. Procedure of Issuing Fines. The following is the procedure for issuing violation fines:

1. A letter of notice of violation shall be sent to the Member or Social Member who is responsible for the violation. This letter shall identify the violation, set forth a time for the correction of said violation, and notify the Member or Social Member of his/her right to a hearing (or Appeal).
2. If compliance is not attained within the time set forth, a fine shall be assessed, according to the published amount shown in the "Property Owners Guidebook" as amended from time to time or Corporate Resolutions adopted by the Board, against the Member or Social Member.
3. If the fine is not paid within 14 days of the assessment, the gate cards issued to the subject Member or Social Member are to be voided from the access system.
4. New gate cards will be issued to the Member or Social Member only upon payment of the fine, and the current fee for replacement of gate cards.
5. If compliance is not attained and fines are not paid, a \$5.00 per day fine will be assessed until the violation is satisfied.
6. When the total fine reaches \$350.00, a lien will be recorded on the property.
7. The Board of Directors or the Board's assigned employee will work with the Association Attorney to begin any and all legal proceedings including foreclosure proceedings against the property. All attorney fees and associated costs incurred by the Association shall be invoiced to the Lot.

Section B. Procedure for Requesting an Appeal. The following is the procedure for appealing a fine violation.

1. A Member or Social Member may request, in writing or by phone to the Association Office, an Appeal from a fine before the Appeals Committee, prior to the date set for the payment of the fine. The Member or Social Member must complete a

“Request for Appeal” form for an appeal hearing to be scheduled. The form can be picked up at the Association office, or can be emailed to the member or Social Member for completion and return to the office. If an appeal is requested, invoicing of the fine will be held in abeyance, until after the Appeals Committee ruling.

2. Architectural Guideline fines may only be appealed through a hearing with the Board of Directors not the Appeals Committee.
3. The decision of the Board of Directors is final.

ARTICLE V

Construction Variances

You must request a Variance from the Architectural Committee of the POAC, for plans that are not in compliance with the Architectural Guidelines. If the Architectural Committee denies the appeal, a second appeal may be made before the Board of Directors. The decision of the Board of Directors is final.

ARTICLE VI

Meetings of Members

Section A. Place of Meetings. All meetings of the Members of the Association shall be held at such a time and place as may be determined by the Board.

Section B. Annual Meeting. The Annual Meeting of the Association shall be held on the third or fourth Saturday in October each year, unless otherwise provided by the Board.

Section C. Special Meetings of the Association. The Board or the President may call Special Meetings of the Association at any time, in the manner provided herein. A Special Meeting may also be called upon the written petition of 20% of the Members of the Association who have the right to vote at such meeting. Such petition shall set forth the purpose of the Special Meeting.

Section D. Notice of Meetings of the Association. There shall be a written notice of the place, date, and hour of the meeting given to members through a prescribed delivery method not less than ten (10) nor more than thirty (30) days prior to the date of the meeting. In the case of a Special Meeting, the purpose or purposes for which the meeting is called shall be included. At a Special Meeting, no business shall be conducted except that stated in the notice of said meeting.

Section E. Quorum. A quorum at a regular meeting, special meeting or Annual Meeting of the members shall be twenty percent (20%) of the Members entitled to vote at such meeting in person, by Association-issued ballot, or by proxy. The vote of the majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law, the Declaration or these By-Laws.

ARTICLE VII

The Board of Directors

Section A. Powers. The Board shall have the following powers:

1. Manage and control the affairs of the Association.
2. Adopt a corporate seal as the seal of the Association.
3. Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers authorized to make withdrawals there-from and to execute obligations on behalf of the Association.
4. Perform other acts the authority for which has been granted hereby or by law, including the borrowing of money for Association purposes. The Board may, if it determines the same shall be reasonably necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowing. The Board may also pledge future revenues of the Association therefore.
5. Adopt such Rules and Regulations relating to the use of the real estate identified on Exhibit A of the Covenants, including without limitation, the Rules and Regulations, as may be amended from time to time, and sanctions for noncompliance as the Board may deem reasonably necessary for the best interest of the Association and its Members. (Reproduced from the Covenants X. B.)
6. Establish and levy reasonable fees for the issuance of permits for erecting or placing improvements on any Lot, and also for the use of Association Property.
7. Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.
8. Adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final.
9. Each year the Board shall select a director to serve as President, Secretary and Treasurer which the Board, in its discretion may determine to be in the best interest of the Association. The President may establish committees of the Association and appoint the members thereof. The President may assign to such committees such responsibilities and duties consistent with the provisions of these Bylaws or with law as the President may deem appropriate.
10. In order to facilitate the business of the Association and to further the interests of the Members of the Association, the Board may enter into agreements with any Developer relating to the orderly transfer of Common Properties from the Developer to the Association. Such agreements may contain such provisions as the Directors may in their judgment feel are appropriate and in the best interests of the

Association and its members. However, the existence of such agreements and provisions and terms thereof shall be made known to the general membership in such manner as may be deemed appropriate by the Board, but not later than the Annual Meeting following the creation of such contract or agreement.

11. Shall, prior to the Annual Meeting of the Association in each year, adopt an operating budget to be presented to the Members at such annual meeting. A majority vote of the entire Board is required for the approval and adoption of the annual operating budget. Prior to presentation, the Board shall, taking into consideration other sources of income that the Association may have, establish the Annual Assessment for each Lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same and shall not vary there-from by more than fifteen percent (15%) of the total amount without calling a Special Meeting of the Association to explain such variations. The budget shall be adopted only after Members of the Association shall have had a reasonable opportunity to review the same and to comment thereon, either at open hearings held thereon or through such other means as the Board may direct. The Board may, by resolution, fix the time for payment of the Annual Assessments. (Reproduced from the Covenants XI.)
12. Assume such duties as the Board might deem to be essential for the operation of the Association and the wellbeing of the Members, Associate Members and Social Members.
13. Acquire property, either through purchase or other means, for dedication as Common Property. (Reproduced from the Covenants II.C.4.)
14. Have the authority to purchase and sell property that is not designated as “Common Property”.
15. Allow the Association to become a member of another association.

Section B. Numbers of Directors. The number of Directors shall be five (5). There shall be only one Director per household.

Section C. Term. The Board shall be elected to three-year terms that commence and expire on the third Sunday of August. The terms of two members of the Board shall expire annually, except that the term of one member of the Board shall expire every third year, and all members of the Board shall be elected at large.

Section D. Qualifications of Directors.

1. Must be at least 21 years of age.
2. Must be a Member of the Shadow Lakes II Association.
3. Must be in good standing with the Shadow Lakes II Association with all lots owned by the Director/ Director Candidate being up to date on their dues or have a written

payment agreement signed by the majority of the Board Members which they are in compliance with.

4. There may be no outstanding fines owed to the Association for the Board Member Candidate(s) lot(s).
5. A Board Member, relative (i.e. in Illinois, a relative is defined as a person who is related to another person by blood, marriage, civil union, or adoption. This includes: Parents, grandparents, great-grandparents, siblings, aunts, uncles, nieces, nephews, stepparents, stepsiblings, and step-grandparents. The spouse of any aforementioned relatives. A person related to a child's sibling, even if they are not related to the child.) or household member of a Board Member or a Candidate for the Board of Directors may not have any current legal litigation / action against the Association.
6. No Board Member, relative (as defined above) or household member of a Board Member, with the exception of temporary, seasonal help, may receive or be receiving any monetary compensation or benefits from the Shadow Lakes II Association.

Section E. Election of Directors. The election procedure for Directors shall be as follows:

1. Election of Directors shall be by written ballot as is hereinafter provided. In all elections of Directors, each Member and Social Member entitled to vote, as is set forth in Article II, Section D.2 shall cast as many votes as shall equal the number of votes which he is entitled to cast on any matter. If more than one Director position is vacant, each Member shall cast votes for the number of candidates equal to the number of Director positions open. The persons receiving the largest number of votes shall be elected.
2. Any Member, in good standing, may file a statement of his or her candidacy for election as a Director of the Association, with the Secretary of the Association. Such filing must be made between the first (1st) and the thirtieth (30th) day of May of each year. The filing shall include endorsements of his or her candidacy signed by ten (10) voting Members in good standing and a brief biographical statement. The Secretary of the Association or the Secretary's assigned shall cause notice of each Candidacy and the brief biographical statement of each candidate to be included in the Notice of Election.
3. All elections to the Board shall be made on written ballot, which shall:
 - a. Describe the vacancy to be filled including the length of term
 - b. Set forth the names of those persons who have become candidates for the office of Director in the order in which they filed their statements and endorsements of candidacy with the Secretary of the Association.

4. Such ballots shall be prepared and mailed by the Secretary to each person entitled to vote, by the fifteenth (15th) of June, indicating the date the ballots must be returned.
5. Write-in votes will be allowed.
6. Each Member or Social Member entitled to vote shall receive one ballot for each Lot for which he is the voting Member.
7. The completed ballots shall be returned to a P.O. Box that has been rented on behalf of the Association by the Chairman of the Election Committee.
8. The keys to the P.O. Box will be entrusted to the Chairman of the Election Committee and the Secretary of the Association unless the person holding that position is up for re-election. In this case, the keys shall reside with the Chairman of the Election Committee and an officer on the Board of Directors who is not running for election until the set date to pick the ballots up from the Post Office.
9. Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way except for a single designated check mark or "X" in the corresponding box to a Candidate(s) name. A ballot which shows any other markings other than a check or an "X" on the page shall be disqualified. Each such "Ballot" envelope shall contain only one ballot and each voting Member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name of the Member, his/her Lot Number, mailing address, and the P.O. Box number address where the ballots shall be mailed. The ballots shall be returned by U.S. Mail to the P.O. Box address provided on the outside mailing envelope no later than the date specified in the Notice of Election.
10. The Chairman of the Election Committee and the Secretary of the Association shall designate a day for the counting of the "Ballots". On the day designated for the "Ballot" counting, a delegation made up of a minimum of three (3) people, including the representative of the Board of Directors that has been entrusted with the P.O. Box key, a representative of the POAC and the Chairman of the Election Committee entrusted with the P.O. Box key shall redeem the ballots from the P.O. Box at the Post Office. The Chairman of the Election Committee shall then transport the ballots to the Association Office where they will be counted by the Election Committee. The Secretary of the Association and the Chairman of the Election Committee shall determine the size of the Election Committee required for the counting of the ballots. Each candidate shall be entitled to have one representative to observe the proceedings. The Election Committee shall then adopt a procedure which shall establish:
 - a. That the outer envelope containing the P.O. Box mailing address and the Member's return address on it has a valid, dated Post Office stamp on it.

- b. That the name, address, Lot number on the envelope are valid
- c. That the Member or Social Member is in good standing and eligible to vote
- d. Such procedure shall be taken in such a manner that the vote of any Member shall not be disclosed to anyone, including the Election Committee
- e. 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 ballots contained in such envelope shall be disqualified. Any ballot which shows any other markings other than one (1) check or "X" next to a Candidate's name on the page, shall be disqualified.
- f. The Election Committee shall certify the results of the count to the Board of Directors.
- g. All envelopes, ballots and statements of candidacy shall be retained for a minimum one year period.

Section F. Proxies. Every Member entitled to vote shall be entitled to vote by proxy executed in writing by the Member or by his or her duly authorized attorney in fact, provided, however, that the proxy bears the date of execution. No proxy shall be valid after the expiration of eleven (11) months from the date of execution.

Section G. Meetings of the Board of Directors. The Board shall meet at least four (4) times annually. Special meetings of the Board may be called by the President or by 40% or more of the members of the Board. The Board shall give the Members of the Association notice of all Board meetings at least 48 hours prior to the Board meeting by posting at refuse depository boxes, at the Amenity Center and by posting on the Association website.

Section H. Meetings of the Board. Meetings shall be open to any Member or Social Member, except that the board may close any portion of a noticed meeting or meet separately from a noticed meeting: (1) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Association finds that such an action is probable or imminent, (2) to discuss third-party contracts or information regarding appointment, employment, or dismissal of an employee, independent contractor, agent, or other provider of goods and services, (3) to interview a potential employee, independent contractor, agent, or other provider of goods and services, or (4) to discuss violations of rules and regulations of the Association, (5) to discuss a Member or Social Member's unpaid assessments, fines, fees or expenses, (6) to consult with the association's legal counsel. Any vote on these matters shall be taken at a meeting or portion of a meeting open to any Member or Social Member.

Section I. Action Without a Meeting. Any action which may be taken at a meeting of the Board may be taken without a meeting if a unanimous consent in writing, setting forth the action so taken, shall be approved in writing by all the Directors entitled to vote with respect to the subject matter thereof. The consent shall be delivered to the Secretary to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent, unless the

consent specifies a different effective date. Any such consent approved in writing by all the Directors shall have the same effect as a unanimous vote and may be stated as such in any document filed with the Secretary of State under the General Not for Profit Corporation Act.

Section J. Quorum. A majority of the Directors (3 or more) shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board. Each Director shall have one vote on all matters before the Board.

Notwithstanding the foregoing, any vote on non-emergency, non-budgeted expenditures exceeding one thousand dollars (\$1000.00) or the borrowing of money, other than usage of a credit card up to five thousand dollars (\$5000.00), for Association purposes, shall require the approval of a majority of the entire Board. The approval of eighty (80) percent of the entire Board shall also be required to assign, pledge, mortgage, or encumber any Association Property as security for borrowing money.

Section K. Vacancies. Vacancies in the Board shall be filled by a two thirds (2/3) vote of the remaining Directors. Any person so appointed as a Director, shall serve the remaining term of the existing vacancy.

Section L. Removal of a Director. Any Director may be removed from the Board, with or without cause, by a vote of sixty percent (60%) of the total votes of all of the Members. Upon removal of a Director, a successor shall then and there be elected by the Members and Social Members to fill the vacancy for the remainder of the term of such Director.

Section M. Appointment of a Director. In the event there are no candidates for the election of a Director, the Board may appoint a Director to fill the vacancy. The term of the appointed Director shall be until the next annual meeting of the membership or until Members holding twenty percent (20%) of the votes of the Association require a meeting of the Members and Social Members to fill the vacancy for the balance of the term.

Section N. Insurance. The Association shall have an insurance policy protecting the Directors from “errors and omissions”.

Section O. Execution of Consents. The Association may from time to time be required to have the consent of the Members for an action, i.e. approval of a change in the Covenants or the approval of the sale of Common Property. The procedure for obtaining consents is as follows:

1. Consents shall be by written ballot as is hereinafter provided. In all Consents, each Member entitled to vote, as is set forth in Article II, Section D.2, shall cast as many votes as shall equal the number of votes which he is entitled to cast on any matter.
2. All Consents shall be made on written ballot, which shall clearly describe the issue requiring approval. Ballot shall include member name and lot number, and shall include a signature line for member consent.
3. Such ballots shall be prepared and mailed by the Secretary of the Association or the Secretary's assigned to each person entitled to vote. The ballot shall indicate the

date by which the ballots must be returned. The completed ballots shall be returned as follows: Each ballot shall be placed in the enclosed Ballot return envelope which shall bear on its face the name of the member; his/her lot number, mailing address, and the P.O. Box number address where the ballots shall be mailed. Each such "Ballot" envelope shall contain only one ballot, and each voting Member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. The Ballot envelope shall be returned to the P.O. Box address provided on the outside mailing envelope no later than the date specified in the Notice of Election which has been rented on behalf of the Association by the Chairman of the Election Committee.

4. The keys to the P.O. Box will be entrusted to the Chairman of the Election Committee and the Secretary of the Association. The Chairman of the Election Committee and the Secretary of the Association shall designate a day for the counting of the "Ballots" On the day designated for the "Ballot" counting, a delegation made up of a minimum of three (3) people, including the Secretary of the Association, a Representative from the POAC and the Chairman of the Election Committee shall redeem the ballots from the P.O. Box at the Post Office. The Chairman of the Election Committee shall then transport the ballots to the Association Office where they will be counted by the Election Committee. The Secretary of the Association and the Chairman of the Election Committee shall determine the size of the Election Committee required for the counting of the ballots. The Election Committee shall then adopt a procedure which shall establish:
 - a. That the outer envelope containing the P.O. Box mailing address and the Member's return address has a valid, dated Post Office stamp on it.
 - b. That the name, address, Lot number and signature on the envelope are valid.
 - c. That the Member is a Member in good standing
 - d. Such procedure shall be taken in such a manner that the vote of any Member shall not be disclosed to anyone, including the Election Committee.
 - e. The Election Committee shall proceed in the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" is found to contain more than one ballot, all ballots contained in such envelope shall be disqualified. Any ballot which shows any other markings than the acceptable "X" or check mark shall be disqualified.
 - f. The Election Committee shall certify the results of the count to the Board of Directors.
 - g. All envelopes and ballots shall be retained for a minimum one year period.

Section P. Conflict of Interest.

1. No Board Member for the Association shall hold a paying position with the Shadow Lakes II Association.
2. No relative (as defined above) or member of a Board Members' household, with the exception of temporary, seasonal help, shall hold a paying position within the Shadow Lakes II Association.

ARTICLE VIII

The Officers

Section A. Officers. The officers of the Association shall be the President, the Secretary, and the Treasurer. Officers shall serve at the will of the Board. Any Director, with the exception of the Office of the President, may hold any two or more offices. The President shall hold no other office unless approved by the majority vote of the remainder of the Board.

Section B. Selection of Officers. The officers of the Association shall serve for a one year term which shall end and commence on the fourth Saturday of August. Each year, the Board shall meet to elect the officers of the Association. The Board shall fill any officer vacancy from among its members no later than its next meeting following the date the office becomes vacant.

Section C. President. The President shall preside over the meetings of the Board and of the membership as Chairman and shall, in general, perform the duties incident to the office of President. At the time the Board meets to elect the officers of the Association, the Board shall also select a Director who is not elected an officer of the Association to act as President in the President's absence or in the event of the President's inability to act.

Section D. Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the membership, shall be responsible for posting or mailing of the required notices of Board and membership meetings, shall maintain custody of the Corporate seal, records and Member lists, and shall, in general, perform all duties incident to the office of Secretary.

Section E. Treasurer. The Treasurer shall keep the financial records and books of the Association, shall pay the obligations of the Association out of its funds, shall provide a report detailing income and expenses of the Association to the Board and Members at each Board and Member meeting, and shall, in general, perform all duties incident to the office of Treasurer.

Section F. Removal of Officers. Any officer may be removed when, in the judgment of the Board, the best interests of the Association will be served by such removal. Removal shall require a majority vote of the other Board Members.

Section G. Committees. The President may establish as many committees, and define their duties, as he/she deems necessary for the operation of the Association. Members of all committees shall be as appointed by the President. In the event that the Board Members disagree with the President in either the establishment of a committee or the selection of individual members of a committee, a majority vote of the Board Members may veto his/hers selection. Committees and

individual committee members can be removed in a manner similar to the establishment of committees and the appointment of committee members. All individual committee members shall be members of the Association in good standing.

ARTICLE IX

Property Owner Association Committee

Section A. General. The Property Owners Association Committee (POAC) is an advisory body to the Board of Directors.

Section B. Meetings of the Committee. The POAC shall meet in open session, as posted by the Association, for the purpose of discussing the business of the Association and making recommendations to the Board. Each year the POAC shall establish a schedule of meeting and this shall be published in the Fossil Footprints.

Section C. Responsibilities. The POAC shall have responsibilities as delegated by the Board. The POAC shall establish committees for rules and regulations, review of architectural variances, review of appeals, and preparation of the annual budget. The Chairperson of the POAC may establish ad-hoc committees as necessary for the specific tasks to be undertaken. The POAC shall not be responsible for issuing any violations, but should make an effort to cause potential violations to be corrected prior to the issuance of a fine.

Section D. Membership. Membership in the POAC is limited to Members or Associate Members of the Association in good standing. Membership in the POAC shall consist of at least one representative from each village, except Lighthouse Cove, Boardwalk Bay and other similar communities, which collectively may have one non-voting liaison representative. Vacancies on the POAC are filled as follows:

1. Candidates wishing to be Members of the POAC shall present their qualifications before the existing Members of the POAC.
2. The Members shall review the qualifications in closed session and vote to elect the successful candidate(s). A majority vote of the POAC Members is required for the election to the POAC.

Section E. Terms of Membership. The term of the POAC Members shall be three (3) years. POAC Members must stand for re-election upon the expiration of their term; following the voting process described in Section D above. There is no limit as to the number of terms a POAC Members may serve. In the event of a POAC vacancy, the Chairman shall nominate a candidate and follow the voting process described in Section D above.

Section F. Removal of a Member. A vote of the majority of the Members of the POAC shall be required to remove a Member from the POAC. Removal shall not be without just cause and shall require the approval of the Board.

Section G. Chairman of the POAC.

1. Any POAC Member may apply for the position of POAC Chairman by submitting a letter of intent and qualifications to each POAC Member for review. The POAC will hold a vote for the POAC Chairman position no later than at its meeting in July each year. The POAC Chairman Candidate receiving the most votes shall be elected.
2. The term of the POAC Chairman shall commence and expire on the fourth Saturday of August.
3. In the event the POAC Chairman position becomes vacant, the POAC shall vote to select a POAC Member to complete the remainder of the term. Such selection shall be made no later than the POAC open meeting immediately following the vacancy. The POAC Chairman Candidate receiving the most votes shall be elected.
4. If the POAC does not select a Chairman as provided for in paragraphs 1 or 3 above, the POAC Chairman shall be selected by a majority vote of the Board of Directors.
5. The Chairman of the POAC shall vote only in the event of a tie.
6. The Chairman of the POAC is not a representative of any specific village.
7. The Chairman of the POAC may be elected to no more than three (3) successive terms, unless no POAC Member other than the current Chairman applies for the position.
8. The Chairman of the POAC must be in good standing in the Shadow Lakes II Association.
9. All lots owned by a POAC Chairman Candidate, within the Shadow Lakes II Association must be up to date on their dues or be in compliance with a written payment agreement signed by a majority of the Board Members.
10. There may be no outstanding fines owed to the Association for a POAC Chairman Candidate's lot(s).
11. The POAC Chairman Candidate, his/her relative(s) or household members may not currently be a party to any legal action pending against the Association.

Section H. Removal of the Chairman.

A majority vote of the POAC Members and the Board of Directors is required to remove the Chairman of the POAC and shall not be without just cause.

Section I. Secretary. The Secretary may or may not be a Member of the POAC, if not a Member the Secretary shall have no vote. The Secretary shall keep the minutes of the POAC meetings.

ARTICLE X

Amendments

These Bylaws may be amended by an eighty percent (80%) majority vote of the Board. Such amendment shall not be in conflict with the current Declaration of Covenants and Restrictions, the Common Interest Community Association Act of Illinois or the General Not For Profit Corporation Act of Illinois or their successors.

ARTICLE XI

The Audit Committee

Section A. Selection. The President will cause to have a posting for a minimum of two volunteer Audit Committee positions posted in the community notice boxes and in the Amenity Center each year. The applicants must submit a letter of intent and a brief biographical statement to the Association Office for review by the Board of Directors. The Board of Directors will select a minimum of two Audit Committee Members by majority vote. The Audit Committee Members will be appointed to their positions by the Board of Directors annually.

Section B. Qualifications. The qualifications for the Audit Committee positions are as follows:

1. The applicant must be a Member or an Associate Member of the Shadow Lakes II Association in good standing.
2. The applicants may not be a current member of the Board of Directors, the Property Owners Association Committee (POAC), the Chairman of the Election Committee, an employee or a relative of a current Board Member.
3. The applicant should have basic knowledge of computer skills, banking, and contracts as they will be reviewing the Associations finances on a monthly basis.

Section C. Access to Records. The Audit Committee Members will have access to all financial records with the exception of our Property Owners personal records. The Audit Committee Members must make an appointment with the Association Office monthly to review these records in the Office. If any additional time is needed to review these records the Audit Committee Members may ask the Treasurer or the President for an appointment to provide additional information necessary for their position.

Section D. Report. The Board of Directors may ask the Audit Committee Members to give a brief report of their reviews at the open Association Board of Directors Meetings.

ARTICLE XII

The Election Committee

Section A. Selection of Chairman. The President and the Secretary of the Association on the Board of Directors shall choose an Election Committee Chairman.

Section B. Terms. The Chairman of the Election Committee shall hold this position until he/she submits a letter of resignation to the Board of Directors or until the Board of Directors establishes just cause to remove the Chairman of the Election Committee and removes him or her by majority vote of the Board of Directors.

Section C. Selection of the Election Committee. The Chairman of the Election Committee along with the Secretary of the Association will determine the size of the Election Committee.

Section D. Chairman Powers. The Chairman of the Election Committee shall have these powers:

1. To choose the Election Committee volunteers each year providing that the volunteers have no conflict of interest in accordance with the election.
2. To rent a P.O. Box on behalf of the Association for the Board of Directors election's ballots; be entrusted with a key to the P.O. Box at the Post Office holding the ballots and to transport the ballots to the Association Office where the ballots can be counted by the Election Committee.
3. To preside over and guide the Election Committee during the counting of the ballots process.
4. To oversee that all of the rules for qualifying or disqualifying ballots are adhered to. The decision of the Chairman of the Election Committee regarding ballot qualification is final.
5. To certify the results of the count to the Board of Directors.

ARTICLE XIII

The Appeals Committee

Section A. The Appeals Committee Chairman Qualifications.

1. The position opening shall be posted at the community notice boxes and the Amenity Center.
2. The applicants / Appeals Committee Chairman must be a member or an associate member in good standing with no outstanding invoices or fines due to the Association
3. The applicants / Appeals Committee Chairman may not have any current litigation / legal action against the Association.
4. The applicants / Appeals Committee Chairman may not be an employee of the Association or receiving unemployment benefits from the Association.
5. The applicant / Appeals Committee Chairman may not be a POAC Member or a Board Member.
6. Must be at least 21 years old.
7. Majority vote of the POAC Members will determine the Appeals Committee Chairman.

Section B. Appeals Committee Chairman Term.

The Chairman of the Appeals Committee shall hold this position until he/she resigns or the POAC establishes just cause to remove the Chairman of the Appeals Committee and removes him or her by majority vote of the POAC members.

Section C. Responsibilities of the Appeals Chairman.

1. To Schedule fines/ violation appeals.
2. To call or have the office call volunteers for the Appeals Committee.
3. To follow up with the office with the required Appeals paperwork.
4. Make sure that the Appeals volunteers read and understand the rule(s) that were violated.
5. To make sure that any witnesses to the offense are called to either appear in person or can provide a letter or documentation as to what they witnessed. Anonymous witnesses are not allowed.
6. The Chairman of the Appeals Committee does not get to vote.

ARTICLE XIV

The Budget Committee

Section A. General. The responsibility of the Budget Committee is to review budget projections submitted by the Association Manager and Treasurer, draft a plan for the next year's budget as well as an ongoing 5 year plan; and to present their suggestions to the Board of Directors for the next year's and future years budget.

Section B. Membership. The Budget Committee shall be appointed by the Chairman of the POAC. The committee shall have 4-5 members; and it is preferable to have one representative from each village of Shadow Lakes. The POAC Chairman will select one member to be Chairman of the Budget Committee. The Chairman of the POAC may also perform as the Budget Committee Chairman.

Section C. Meetings. The Budget Committee shall begin their work the first week of June. The initial meeting will be a presentation to the committee by the Association Manager and Treasurer, of the Manager's administrative budget projections and input from each Department head on their budget needs for the upcoming year.

The Chairman of the Budget Committee may have as many meetings as deemed necessary to prepare the committee's proposed budget and 5 year plan. The Association Manager, Treasurer, and Maintenance Director will consult with the Budget Committee as needed throughout the process.

The Budget Committee shall present their proposed budget and 5 year plan to the Board of Directors for review no later than mid-July. The committee's initial suggestions will be reviewed by the Board and any refinements/modifications made prior to the end of July.

The Budget Committee shall present the reviewed proposed budget for Membership Q&A during the month of August.

A final draft of the budget will be prepared during September so it can be presented at the October annual Association all member meeting.

ARTICLE XV

The Architectural Committee

Section A. General. The responsibility of the Architectural Committee is to assist the Association Manager to conduct Plan Reviews for each construction permit request submitted to assure that all plans are in compliance with the Association's Covenants, Bylaws, and Architectural Guidelines. Architectural variances are also the responsibility of the Committee.

Section B. Selection & Qualifications. The Architectural Committee shall be appointed by the Chairman of the POAC. The committee shall have 3-5 members, with the positions being applied for each year.

The qualifications for Architectural Committee positions are as follows:

1. The applicant must be a Member or an Associate Member of the Shadow Lakes II Association in good standing.
2. ~~The applicants may not be a current member of the Board of Directors, the Property Owners Association Committee (POAC), the Chairman of the Election Committee, an employee or a relative of a current Board Member.~~
3. The applicant should have a good understanding of the Association's Architectural Guidelines. Applicants with skilled trade and/or construction background would make ideal applicants, but is not necessary for the position.

Section C. Meetings. Applicants should be available to view plans and properties individually, as needed; and will meet as a Committee to review any Variance Requests for any plans that are not in compliance with the Architectural Guidelines.