

**EXHIBIT B
AMENDED AND RESTATED
BY-LAWS**

UNITED LOST LAKE PROPERTY OWNERS ASSOCIATION

ARTICLE I

Definitions

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

- (a) "Association" means the United Lost Lake Property Owners Association; an Illinois Not-For-Profit Corporation.
- (b) "Board" means the Board of Directors of the Association.
- (c) "By-Laws" means the By-Laws of the Association.
- (d) "Common Properties" means and refers to those areas and other parcels of property together with any building(s) or other improvements thereon or thereto owned, maintained or under the jurisdiction of the Association.
- (e) "Declaration" means the Protective Covenants or Declaration of Covenants, Conditions and Restrictions, imposed upon the Development, as duly recorded in the Recorder's Office of Ogle County, State of Illinois, and applicable as restrictions upon title to all properties within or without the Development.
- (f) "Development" means "Lost Lake," a recreational community developed by Lost Nation and New Landing of the Delta Queen, Inc., as the same may be shown on maps thereof recorded from time to time in Ogle County, Illinois.
- (g) "Lot" means any parcel within the Development as defined by Lot Number and Tract or Section Name and Number on the plat defining the Development. An improved lot is one with a dwelling house or outbuilding upon it. A vacant lot is considered an unimproved lot.
- (h) "Owner" means and refers to any person who purchases or otherwise is the title holder of record of one or more lots or tracts as well as those purchasing one or more of lots or tracts under so called "Land Contracts" or "Articles of Agreement for Warranty Deed", their successors or assignees.
- (i) "Dwelling House" means any building erected upon a lot or lots designed for a single-family residence. Modular homes, manufactured homes, and any structure meeting the definition of mobile home or manufactured housing, as found in the Illinois

Manufactured Housing and Mobile Home Safety Act, 430 ILCS 115/1, et seq. are prohibited, except those approved prior to September 21, 2002. All homes constructed shall be stick built, log or panelized. Pre-construction and construction must adhere to the Rules and Regulations set forth in the United Lost Lake Building Regulations.

- (j) "Uninhabitable House" means any house within the development that is not fit to live in due to unhealthy qualities within the home or structural damage that does not permit human habitation as determined by the Ogle County Health Dept., Ogle County Building Dept., or the United Lost Lake Building Inspector.
- (k) "Regulation" means the Rules and Regulations adopted and published by the "Board", as from time to time amended and then in effect after thirty (30) days of publication via website, newsletter, or gate posting. All Rules and Regulations are subservient to the By-Laws which are subservient to the Covenants.
- (l) "Active Member/Member in good standing" means a Member who is in compliance with Covenants, By-Laws, Rules and Regulations, and no outstanding fees, liens, dues and assessments.

ARTICLE II

Purpose

The general purposes of the Association are:

See Covenants, Section 8B (a, b, c & d).

ARTICLE III

Membership

Section 1. Class of Members. There shall be Members, Associate Members, and Temporary Members.

Section 2. Member. Each owner shall, by reason of ownership, become a Member of the Association. There shall be one vote per Member, regardless of the number of persons who may have ownership interest in such lot, or the number of lots owned. The voting Member shall be designated in writing at the request of the Board. If ownership of a lot is in multiple surnames, one person shall be designated as the "Member", with the remaining persons listed as "Associate Members". The names and addresses of all owners shall be filed with the Secretary.

Section 3. Associate Member. If not otherwise a Member, each of the following shall be entitled to Associate Membership in the Association; the spouse or children or legal wards who

have the same principal address as the Member. Associate Members shall be listed with the Secretary. Associate Members shall have no vote or right to notice of any regular or special meeting of Members. The privileges and duties of Associate Members shall be as those of Members unless otherwise established from time to time by the Board by resolution.

Section 4. Temporary Members/Renters. Invited guests are considered Temporary Members while accompanied by a Member or an Associate Member. Lessees/Renters are also considered Temporary Members but with all rights of a Regular Member except voting.

Section 5. Privileges of Members. Members, Associate Members, and Temporary Members shall have permission to use the Common Areas subject to the provisions of the appropriate Declaration and subject to such other rules and conditions as may be established by the Board.

Section 6. Annual Membership Charges of Assessments. All annual membership charges of assessments shall be determined by the Board of Directors and shall be the personal liability of the owner(s) of a lot or lots subject to these declarations.

The following format for establishment of the annual charges or assessments may be used as a guide to the Board of Directors and may be rescinded by the Board of Directors when it might become apparent that this format is not in the best interest of the Association. In the event that the format following or any portion thereof is rescinded, annual charges or assessments shall be made on the basis of each lot owned.

Prior to formulating the Annual budget of the Association, the Board of Directors shall develop a Budget/Finance Committee consisting of the Treasurer of the Association and at least five (5) Members at large. Their main objective is to:

-Gather information regarding the previous year's expenditures on fixed assets and ongoing maintenance of parks and roads.

-Project operational expenses of expenditures.

-Develop a financial plan for upcoming year's dues and assessment revenue.

Special Assessment

If the revenue does not meet the needs of the expenditures, the Board can levy a special assessment as needed. However, such action will require a 2/3 majority vote by the Board of Directors and will specify the duration of the special assessment. In addition, the Board must hold a special or regular meeting of the Membership to justify the increase and the duration of the assessment. Each Member will be equally assessed, regardless of the number of properties they own. If the special assessment is unpaid by the specified due date, a Member will be charged a late fee each month for a maximum of three (3) months until paid in full. After three (3) months, the Member will be referred to the ULLPOA attorney for collection.

FORMAT FOR ESTABLISHING ANNUAL CHARGES

In order to provide a General Fund to enable the Association to perform its duties and responsibilities, an annual budget will be established by the Board for the purpose of allocating the dues and assessments. There shall be a dues and assessments exemption for those persons on active military duty.

Each Member shall receive through a prescribed delivery method, at least thirty (30) days but not more than sixty (60) days prior to the adoption thereof 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.

Annual dues and assessments shall be levied and set by order of the Board at their Annual Meeting held in October of each year. In the event the Membership does not approve the operational budget for the upcoming year, the prior year's dues & assessments will be enforced until a new budget is passed/approved by the Membership.

Bills for dues and/or assessments shall be mailed to Members at their last known address and shall, if not paid by the 15th day past the due date, be considered delinquent.

Each delinquent member will be charged a \$50 late fee and will be responsible for all costs related to collection, including administrative fees, attorney's fees and court costs.

Annual dues and/or assessments, as established and approved in the assessment budget by the Board, shall be assessed against each Member on a "per lot basis". Any part/portion of a lot will be considered as an additional lot for the purpose of dues and assessments only.

The Association may, at its discretion, file certificates of non-payment of dues and/or assessments in the office of the Recorder of Deeds of Ogle County, Illinois, whenever any such dues are delinquent, in which case all fees and costs for recording or filing of such certificate shall also be a lien upon the real estate so described in said certificate. Such lien for delinquent dues and/or assessments, shall continue for a period of no more than five (5) years from the delinquent date, unless within such time suit shall have been instituted for the collection of same, in which case the lien shall continue until termination of the suit, and until the sale of the property under execution of the judgment shall be consummated. The Association may also in conjunction with or separately from a lien, obtain a personal judgment against any Member for dues and assessments, which are delinquent. Any Member will pay on demand all costs of collection, legal expenses, and attorney's fees incurred or paid by the Association in collecting or enforcing the By-Laws upon default of dues and assessments.

(A) The Board shall provide all Members with a reasonably detailed summary of the receipts, common expenses, and reserves for the preceding budget year. The Board shall (i) make

available for review to all Members an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Association.

(B) If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Association, upon written petition by Members with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Members within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

(C) If total common expenses exceed the total amount of the approved and adopted budget, the Association shall disclose this variance to all its Members and specifically identify the subsequent assessments needed to offset this variance in future budgets.

(D) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member approval or the provisions of subsection (B) or (E) of this Section. As used herein, "emergency" means a danger to or a compromise of the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the membership.

(E) Assessments for additions and alterations to the common areas or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of a simple majority of the total Members at a meeting called for that purpose.

(F) The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by subsections (D) and (E) of this Section, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

The Association shall use generally accepted accounting principles in fulfilling any accounting obligation under the Common Interest Community Association Act.

Section 7. Suspension of Privileges of Membership.

1. The Board may suspend the right to use the common properties of the Association, and may suspend the voting privileges of any Member for:

(a) Any period during which any Association charge (including fines or penalties, if any, assessed under the Declaration of Covenants) owed by the Member, Associate Member, or Temporary Member remains unpaid.

(b) The period of any continuing violation of the Declaration of Covenants, By-Law or Rules and Regulations after the existence of such violation has been declared by the Board and notice of such violation has been given to the Member in writing by the Board.

(c) For a period not to exceed thirty (30) days for any infraction of its published Rules and Regulations.

Membership shall be automatically reinstated upon satisfactory payment of any dues, debts, late charges and fines imposed on the delinquent Member. Assessments not paid when due shall result in a continuing lien upon the property as described in the Declaration of Covenants.

2. The Board of Directors or an individual so authorized (Security) by the Board may suspend the right to use the common properties of the Association by any Member or Associate Member or Temporary Member for any continuous infraction of any published Covenants, By-Laws, Rules and Regulations or for conduct abusive or in any way objectionable to other Members of the Association.

Suspensions shall not exceed twenty-four (24) hours without approval of the Board.

Section 8. Books & Records.

1. (a) The Board shall maintain the following records of the Association and make them available for examination and copying at convenient hours of weekdays by any Member or Owner, their mortgagees, and their duly authorized agents or attorneys:

(i) Copies of the recorded Declaration, other community instruments, other duly recorded covenants and By-Laws and any amendments, articles of incorporation, articles of organization, annual reports, and any rules and regulations adopted by the Board shall be available.

(ii) Detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Board shall be maintained.

(iii) The minutes of all meetings of the Board which shall be maintained for not less than 7 years.

(iv) With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Members, which shall be maintained for not less than one year.

(v) With a written statement of a proper purpose, such other records of the Board as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.

(vi) With respect to units owned by a land trust, a living trust, or other legal entity, the trustee, officer, or manager of the entity may designate, in writing, a person to cast votes on behalf of the Member or Owner and a designation shall remain in effect until a subsequent document is filed with the Association.

(b) A reasonable fee may be charged by the Board for the cost of retrieving and copying records properly requested.

2. Rules for Inspection: Notice to be given to the custodian of records (Board Secretary) by the Member requesting the inspection. The custodian shall make the requested records available for examination and copying at the Association's office, or respond to a request for records, within 30 days of the date of receipt of the Member's written request for records. At no time shall any original documents be removed from the Association office.

Within sixty (60) days of a monthly meeting, approved Board minutes shall be published and may be available to Members. All meetings will be recorded verbatim.

ARTICLE IV

Evidence of Membership and Transfer

Section 1. Transfer. When a Member ceases to be an Owner, such person's Membership, and those Associate Members existing through relationships to such person, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer an Owner.

ARTICLE V

Meetings of Members

Section 1. Place of Meeting. Any meeting of the Members of the Association shall be held in the State of Illinois at such place therein as may be stated in the notice of such meeting.

Section 2. The Annual Meeting. The membership shall hold an annual meeting. The Board of Directors may be elected at the annual meeting. The Annual Meeting of the Association will be held on the third Saturday of October. Written notice of the place, date and hour of the Annual Meeting and a copy of the proposed annual budget shall be delivered not less than thirty (30) days, nor more than ninety (90) days before the date of the Annual Meeting. All ballots returned by the beginning of the Annual Meeting will be counted. Elections shall be held in accordance with the community instruments, provided that an election shall be held no less frequently than once every twenty-four (24) months, for the Board of Directors from among the membership of the Association. If no election is held to elect Board members within the time period specified in the By-Laws, or within a reasonable amount of time thereafter not to exceed ninety (90) days, then twenty percent (20%) of the Members may bring an action to compel compliance with the election requirements specified in the By-Laws or operating agreement. If the court finds that an election was not held to elect members of the Board within the required period due to the bad faith acts or omissions of the Board of Directors, the Members shall be entitled to recover their reasonable attorney's fees and costs from the Association. If the relevant notice requirements have been met and an election is not held solely due to a lack of a quorum, then this provision does not apply.

Section 3. Special Meetings of the Association. Special meetings of the membership may be called by the President, the Board, twenty percent (20%) of the membership, or any other method that is prescribed in the community instruments.

Section 4. Notice of any membership meeting shall be given detailing the time, place, and purpose of such meeting no less than ten (10) and no more than thirty (30) days prior to the meeting through a prescribed delivery method. Such notice shall be deemed delivered when deposited in the United States mail, addressed to the person at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among the Members of the Association. At a Special Meeting, no business shall be conducted except that stated in the notice of said Meeting.

Section 5. Quorum. Twenty percent (20%) of the membership shall constitute a quorum.

ARTICLE VI

The Directors

The United Lost Lake Property Owners Association shall be governed by a representative form of government which is made up of no less than seven (7) and no more than nine (9) Board Members. The members of the Board shall serve without compensation.

Qualifications of a Director: must be a Member in good standing, at least 21 years of age, and will not be eligible to serve as a ULLPOA Board of Director while simultaneously serving on the Lost Lake Utility District (LLUD), River Conservancy District (RCD), or any local township Board serving the jurisdiction of ULLPOA, or any paid employee of ULLPOA. If there are multiple Owners of a single Unit, only one of the multiple Owners shall be eligible to serve as a member of the Board at any one time, unless the Owner owns another Unit independently.

Section 1. Powers.

(a) The Board shall manage and control the affairs of the Association. The Association may engage the services of a manager or management company.

(b) The Board shall adopt a Corporate Seal as the seal of the Association.

(c) The Board shall designate a banking institution or institutions as depository for the Association's funds; and the officer or officers and agents authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.

(d) The Board shall perform other acts, the authority for which has been granted herein or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowing, and they may pledge or assign future revenues of the Association as security thereof, not to exceed twenty percent (20%) of the current budget without Membership approval of two-thirds (2/3) of ballots cast.

(e) The Board shall adopt such Rules and Regulations, (herein called Regulations), relating to the use of Association property, and sanctions for noncompliance therewith, as it may deem reasonable and necessary for the best interests of the Association and its Members. The Board may also establish and levy reasonable fees for the issuance of building permits or the use of Association property. The Board shall also employ a sufficient number of persons to adequately maintain Association property. The Board may adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted. The Board, by resolution, has adopted Robert's Rules of Order (RRO) as a guide for the conducting of all meetings.

(f) Before the budget shall be adopted, the Members of the Association shall have had an opportunity to review the same and to comment thereon, either at hearings held thereon or through such other means as the Board may direct.

(g) The Board shall, prior to the Annual Meeting of the Association in each year commencing with the year 2008, adopt an operating budget to be presented for approval by the Members at such meeting. Upon approval, the Board shall, taking into consideration other sources of income that the Association may have, levy the annual assessment, as defined in the Declaration of Covenants, for each Lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by same and shall not authorize expenditures which may exceed the total amount budgeted as aforesaid by more than fifteen percent (15%) without having called a Special Meeting of the Association to approve such variations.

(h) The Board of Directors may appoint committees of the Association. Such committees may be temporary or standing. They shall have such powers and responsibilities as the Board may by resolution direct.

Standing Committees. There shall be the following permanent committees:

- (a) Security
- (b) Covenants, By-Laws and Rules & Regulations
- (c) Architectural Control Committee/Environmental Control Committee (ACC/ECC)
- (d) Roads
- (e) Properties, Parks & Maintenance
- (f) Finance

Each Standing Committee Chairman shall serve a minimum of one (1) year, commencing at the time of their appointment. All Chairpersons shall be Members of the Board and shall be appointed by the President with the approval of the Board. Each Chairperson may enlist and appoint Members other than Board Members to their respective Committee & Committees may be reappointed for succeeding years.

Each Committee shall be responsible to the Board and shall make such reports as the Board may direct.

Special Committees: Temporary Committees may be appointed by the Board or the President, and approved by the Board and they shall perform such duties as may be defined in their creation. Any Members in good standing shall be permitted to participate.

- (i) The Board shall not have the power to loan money to any person or business.

(j) The Board shall have the power, after notice and an opportunity to be heard, to levy and collect reasonable fines from Members or Owners for violations of the Declaration, By-Laws, operating agreement, and rules and regulations of the Association.

Section 2. Number of Directors. The number of Directors shall be no less than seven (7) and no more than nine (9) Directors. No Director shall receive a salary for services performed. Directors and officers may be reimbursed for reasonable expenses incurred while so acting (no mileage reimbursement for POA meetings, planning meetings, committee meetings and Executive Sessions).

Section 3. Term. No member of the Board or officer shall be elected for a term of more than four (4) years, but officers and Board members may succeed themselves. Beginning in 2020, the term for elected Directors will transition from two (2) years to three (3) years. This transition will be accomplished by the following schedule:

2020 Election - Two (2) candidates receiving the highest vote totals will serve a term of three (3) years. The remaining candidates will serve a term of two (2) years. If no election is held in 2020, two (2) Directors will be determined by lottery to serve three (3) year terms.

2021 Election - Three (3) candidates receiving the highest vote totals will serve a term of three (3) years. The remaining candidates will serve a term of two (2) years. If no election is held in 2021, three (3) Directors will be determined by lottery to serve three (3) year terms.

2022 Election and subsequent years thereafter - All elected Directors will serve a term of three (3) years.

Section 4. Election of Directors.

The United Lost Lake Board of Directors shall be elected from Members in good standing within the community.

(a) When petitioners for Directors do not exceed the number of vacancies as outlined in Article VI, Section 3, there need not be an election. The petitioners are automatically appointed Directors and assume office January 1. In lieu of the ballot, notification of the appointment(s) will be included in the Annual Meeting Packet.

(b) Written notification of candidacy and a satisfactory completion of an Affidavit of Candidacy to the Board of Directors by Members in good standing must be in the office by the close of business on the first business day in August. Copies of the Affidavit of Candidacy are available on our website and at the ULLPOA Office. The notification may be mailed by U.S. mail, emailed, faxed, or hand delivered. The Affidavit of Candidacy shall disclose if the candidate is related, (to mean spouse, children and their spouses, sibling and first cousins) to anyone on the Lost Lake Utility District (LLUD), River Conservancy District (RCD), United Lost Lake POA (ULLPOA) or any local township Board serving the jurisdiction of ULLPOA.

(c) All elections to the Board shall be made on written ballot which shall set forth the names of those persons who have become candidates for the office of Director in alphabetical order with the Secretary of the Association. Each ballot shall be embossed with the United Lost Lake Property Owners Association Corporate Seal. Such ballots shall be prepared and mailed by the Secretary to each owner entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association.

(d) Each Member entitled to a vote shall receive one (1) ballot. Where there is more than one owner of a Unit and there is only one Member vote associated with that Unit, if only one of the multiple Owners is present at a meeting of the membership, he or she is entitled to cast the Member vote associated with that Unit. A Member may vote:

(1) 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. Unless the community instruments or the written proxy itself provide otherwise, proxies will not be valid for more than eleven (11) months after the date of its execution; or

(2) by submitting an Association-issued ballot in person at the election meeting; or

(3) by submitting an Association-issued ballot to the Association or its designated agent by mail or other means of delivery specified in the Declaration or By-Laws; or

(4) by any electronic or acceptable technological means.

Votes cast under any paragraph of this subsection are valid for the purpose of establishing a quorum.

(e) Each such ballot shall be placed in the enveloped marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot and each voting Member shall be advised that the inclusion of more than one (1) ballot in any one "Ballot" envelope shall disqualify all ballots in the envelope. The ballots shall be returned to the United Lost Lake Association Office, or at the opening of the United Lost Lake Annual Meeting.

(f) Upon receipt of each ballot, the Secretary shall immediately place it in the safe or other locked place until the day fixed by the Board for the counting of such "Ballot" envelopes which shall be turned over, unopened, to an Election Committee consisting of three (3) Board Members who are not up for re-election and two (2) Community Members that are in good standing.

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 (1) ballot, all ballots contained therein shall be disqualified. The Election Committee shall certify the results of

the count at the Annual Meeting, and the terms of office of the Directors so elected shall commence in January following the election.

(g) In case of a tie between two candidates vying for the final position, the Board shall go into immediate Executive Session and shall, by a 2/3 vote, choose the candidate to serve.

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

(i) A list of the un-elected Candidates will be kept by the Board Secretary or his/her agent and may be used as the basis of appointments until the next regular election.

(j) The Association may, upon adoption of the appropriate rules by the Board, conduct elections by electronic or acceptable technological means. If the Board adopts such rules, Members may not vote by proxy in Board elections. Instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less than ten (10) and not more than thirty (30) days before the election meeting. The instruction notice must include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Board rules shall provide and the instructions provided to the Member shall state that a Member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that Member.

(k) A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

(l) Upon proof of purchase, the purchaser of a Unit from a seller other than the developer pursuant to an installment contract for purchase shall, during such times as he or she resides in the Unit, be counted toward a quorum for purposes of election of members of the Board at any meeting of the membership called for purposes of electing members of the Board, and shall have the right to vote for the members of the Board of the Association, and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of such rights.

Section 5. Member Proxy. Except in connection with the election of Directors, every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such Member or his/her duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, the person executing it specifies therein the length of time for which such proxy is to continue in force, in

no event shall exceed three (3) years from the date of execution. A copy of said proxy will be retained in the Member's file.

Section 6. Removal of Directors. Two-thirds (2/3) of the membership may remove a Board member as a Director at a duly called special meeting.

Section 7. Meeting of the Board of Directors.

REGULAR MEETINGS: The Board shall meet at least four (4) times annually. The Board shall hold regular meetings on a monthly basis as such place in the State of Illinois as the required public call or notice of the meeting shall designate. These monthly board meetings are held for the sole purpose of conducting business for the ULLPOA and therefore - to properly and professionally administer the matters facing the board - all association members in attendance will observe in silence during the meeting unless recognized by the President for comment. However, to comply with state statute #765ILCS 160/1-40(6), a portion of every regular monthly meeting shall be set aside for member comments. (See meeting rules for specific policy.) Regular board meetings will be held on the third Saturday of every month except for the October annual meeting whose date will be announced by the President at the prior month's meeting. Meetings will be cancelled for a lack of a quorum and notices will be posted in a public place for the date, time, and place as such.

SPECIAL MEETINGS: Special meetings of the board may be called via regular or electronic mail by the President or by a majority of board members provided notices of such meetings are mailed - either by regular postal or electronically not less than 10 days prior to the meeting date - and shall be held at such place in the State of Illinois as the required public call or notice of the meeting shall designate. Prior said notice can be waived by the unanimous vote of the board members in writing - either traditionally or electronically.

HOMEOWNER FORUM: The Board must reserve a portion of the meeting of the Board for comments by Members; provided, however, the duration and meeting order for the Member comment period is within the sole discretion of the Board.

Section 8. Action Without Meeting. Unless prohibited by law, any action taken at a meeting of the Board or taken without a meeting if authorized in writing signed by all of the Directors who would be entitled to vote upon said action at a meeting and filed with the Secretary of the Association. Any action taken in this manner must be voted on at the next monthly meeting.

Section 9. Quorum. Simple majority of Directors shall constitute a quorum to transact business on the Board, and the act of the Quorum present at any meeting shall be deemed to be the act of the Board.

Section 10. Vacancies. If there is a vacancy on the Board, the remaining members of the Board may fill the vacancy by a two-thirds (2/3) vote of the remaining Board members until the

next annual meeting of the membership or until Members holding twenty percent (20%) of the votes of the Association request a meeting of the Members to fill the vacancy for the balance of the term. A meeting of the Members shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Members holding twenty percent (20%) of the votes of the Association requesting such a meeting.

Section 11. Attendance. Board members are expected to be in personal attendance for all meetings, however, each member is allowed to attend and be considered present at all planning meetings and special meetings via teleconferencing, as well as up to two (2) regular board meetings per year. Due to the nature and sensitivity of matters discussed at executive sessions, teleconferencing remotely by board members is not allowed. Board members who are absent for 3 consecutive regular meetings - either in person and/or by teleconferencing - are required to submit a letter of resignation to the POA office within one week of the last missed meeting.

Section 12. Notice. Except to the extent otherwise provided by the Common Interest Community Association Act, the Board shall give the Members notice of all Board meetings at least forty-eight (48) hours prior to the meeting by sending notice by using a prescribed delivery method or by posting copies of notices of meetings in entranceways, elevators, or other conspicuous places in the common areas of the common interest community at least forty-eight (48) hours prior to the meeting except where there is no common entranceway for seven (7) or more Units, the Board may designate one or more locations in the proximity of these Units where the notices of meetings shall be posted. The Board shall give Members notice of any Board meeting, through a prescribed delivery method, concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment within ten (10) to sixty (60) days prior to the meeting, unless otherwise provided in Section 1-45(a) or any other provision of the Common Interest Community Association Act.

Section 13. Open Meetings. Meetings of the Board shall be open to any Owner, except that the Board may close any portion of a noticed meeting or meet separately from a noticed meeting: (i) 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, (ii) to discuss third party contracts or information regarding appointment, employment, engagement, or dismissal of an employee, independent contractor, agent, or other provider of goods and services, (iii) to interview a potential employee, independent contractor, agent, or other provider of goods and services, (iv) to discuss violations of rules and regulations of the Association, (v) to discuss a member's or Owner's unpaid share of common expenses, or (vi) to consult with the association's legal counsel. Any vote on these matters shall be taken at a meeting or portion thereof open to any Member.

ARTICLE VII

The Officers

Section 1. Officers. All officers shall enter upon their official duties at the time of their election each year and shall serve for a term of one (1) year or until their successors shall be duly elected. The officers of the Association shall be the President, one or more Vice-Presidents, the Secretary, the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board.

Section 2. President. There shall be an election of a President from among the members of the Board, who shall preside over the meetings of the Board and of the membership. A President shall be the executive officer and may be the Registered Agent of the Association, or at the President's discretion the Registered Agent may be an employee of the Association. He/She shall be an ex-officio Member of all committees except the By-Laws Committee. He/She shall conduct the affairs of the Association in accordance with these By-Laws and those policies promulgated by the Board of Directors. He/She shall be responsible for the preparation of a full and true report as to the prior year to be submitted to the Annual Meeting and shall file said report with the Secretary where it shall be available for inspection by the Membership.

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

Section 4. Secretary. There shall be an election of a Secretary from among the members of the Board, who shall keep the minutes of all meetings of the Board and of the membership and who shall, in general, perform all the duties incident to the office of Secretary. He/She shall have the custody of the Corporate Seal and records and maintain a list of the Members and their addresses and perform all other duties incident to the office of the Secretary. Recording and correspondence may be performed by an employee of the Association at the discretion of the Secretary.

Section 5. Treasurer. There shall be an election of a Treasurer from among the members of the Board, who shall keep the financial records and books of account. He/She shall mail, or cause to be mailed, all notices required under the By-Laws. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer. Certain accounting and financial duties of the Treasurer may be performed by an employee of the Association at the discretion of the Treasurer.

All checks shall be signed by the Treasurer and countersigned by the President, or the Vice-President or Secretary in the absence of the President, unless otherwise specifically authorized by the Board. The Directors shall designate such persons as are authorized to countersign checks, and such signature shall be on record at the bank where Association funds are held.

The Treasurer, and such other officers as may be designated by the Board of Directors, shall be bonded in an amount by each surety as determined by the Board. Indemnity bond premiums shall be paid by the Association.

The Treasurer shall present a written statement of all receipts and disbursements for the previous accounting period at each Director's Meeting, showing an accurate balance in each account.

Following the end of each calendar year, the Treasurer shall present to the Board for approval the services of an accounting firm or an independent accountant for an annual review of the Association's previous year's finances. A report of this review and any recommended adjustments will then be presented to the Board for approval. The Board may, at its discretion, request a full financial audit if deemed appropriate. The Treasurer will then present this report at the Annual Meeting in October.

Section 6. Removal of Officers. Any officer may be removed when, in the judgment of the Board, the best interest of the Association will be served by such removal. A vote for removal from office by five (5) Members of the Board of Directors shall remove the individual from his/her officer duties.

ARTICLE VIII

Distribution of Assets After Termination

Section 1. No Member of this Association shall have, as an individual, any interest in or title to the assets of United Lost Lake Property Owners Association, and such assets shall be devoted exclusively to the purposes of the Association.

Section 2. In the event of dissolution or other termination of the Association, all of its assets shall be assigned to an institution that qualifies for tax exemption (under the Internal Revenue Code of 1986 as provided in Section 501(c) or any amendments thereto) as selected by the Board of Directors.

ARTICLE IX

Obligation to Comply with By-Laws/Rules & Regulations

Each Member, Associate Member, or Temporary Member/Renter of the Association shall abide by the provisions of these By-Laws as well as any Regulation adopted by the Board of Directors of the Association pursuant to these By-Laws. Failure to do so shall justify the Board in imposing sanctions upon said individuals as is herein before provided.

ARTICLE X

Indemnification of Directors, Officers and Employees

Any person who is involved without his/her consent in any legal action due to the fact that he/she is or was a Director, officer, or employee of the Association shall be indemnified by the Association against all expenses reasonably incurred by him/her in connection with or resulting from such legal action. Such expenses shall also include amounts paid by its Board of Directors in reasonable settlement of such actions except for those matters as to which it shall be determined that such person was derelict in the performance of his/her duties to the Association. This right of indemnification shall apply to matters arising, both before and after the time of adoption of this By-Laws and shall not exclude any other legal right of indemnification to which such person may be entitled.

ARTICLE XI

Code of Conduct for the United Lost Lake Property Owners' Board of Directors

Either at the time of appointment or election, the ULLPOA Code of Conduct Policy must be signed before taking an active position as a Director.

1. Shall represent all Members of the ULLPOA honestly, equally, and not allow my responsibilities to be influenced by special interests or partisan groups.
2. Shall avoid any conflicts of interest or the appearance of improprieties, which could result from my position. Shall not use my Board Membership for personal gain.
3. Shall recognize that a Board Member has no legal authority as an individual and that decisions regarding financial & policy can be made only by a majority vote at a Board Meeting.
4. Shall take no private action that might compromise the Board, Administration, and shall respect the confidentiality of privileged information.
5. Shall abide by the majority decision of the Board, while retaining the right to seek changes in the decision through ethical and constructive channels.
6. Shall encourage and respect the free expression of opinion of my fellow Board Members and others (Members) who seek a hearing before the Board. Shall be required to act with respect and dignity and focus on issues, not personalities, and conduct themselves with courtesy toward each other.
7. Shall notify the ULLPOA office manager or board secretary in writing via email or by telephone that I will be unable to attend a meeting at least one day prior to the meeting date. In

the event of an emergency, I will notify the ULLPOA office manager or another director of my absence. Upon missing three (3) consecutive regular board meetings either in person and/or by teleconferencing methods, I will resign my position within one week of the missed meeting.

Failure to comply with the above policies may result in censure, removal, or request of resignation from the Board.

ARTICLE XII

Duties of Members

The Charges levied by the Association as provided in the Declaration of Covenants, By-Laws and Rules and Regulations shall be paid to the Association as provided therein. Written notice of the charge and the date of payment shall be sent to each Owner at the address last given by such Owner to the Association. If any charge levied or assessed against any Lot shall not be paid when due, it may then ipso facto become a lien upon the Lot or Lots owned by the persons owing such charge or charges and shall remain a lien against said Lot or Lots until paid in full, together with interest as is hereinafter provided, and other charges or costs which might become due as a result of nonpayment, or as is hereinafter provided. Such Charges as are provided for in the above stated Declarations shall bear interest at the per annum until paid in full. If, in the opinion of the Board, such charges have remained due and payable for an unreasonably long period of time, they may, on behalf of the Association, institute such procedures, either in law or in equity, either by way of foreclosure of such lien or otherwise, to collect the amount or said charge in any court of competent jurisdiction. The Owner of the Lot or Lots subject to the charge, shall, in addition to the amount of the charge at the time legal action is instituted, be obliged to pay any expense or cost, including attorney's fees, incurred by the Association in collecting the same.

ARTICLE XIII

Amendments

The By-Laws Committee should present the proposed By-Laws amendment(s) changes to the Board of Directors for their approval. These By-Laws may be amended by a two-thirds (2/3) vote of the Board of Directors. Notification of any changes will be published in the next available newsletter and on the website.

ARTICLE XIV

Miscellaneous

1. Rules of Order:

*To achieve the highest level of open communication between the ULLPOA Board of Directors and the Membership of the Association for which decisions made on their behalf, the Board may adhere to IL State Statutes, ULLPOA By-Laws, ULLPOA Rules and Regulations and Robert's Rules of Order (RRO) which shall be the Parliamentary Authority for all matters of procedure not specifically covered.

*Any expenditure exceeding \$1,000.00 (one thousand dollars) will require a formal vote of the Board at a public meeting.

*Any planned expenditure exceeding \$5,000.00 (five thousand dollars) will go out for bid, with a uniform description of project. Whenever possible the Board will try to secure more than one (1) bid when the expenditure is over \$5,000.00 (five thousand dollars). The Board is not obligated to accept the lowest bid. "Exception" to the above is an "emergency" community situation.

2. The Association may not enter into a contract with a current Board member, or with a corporation, limited liability company, or partnership in which a Board member or a member of his or her immediate family has twenty-five percent (25%) or more interest, unless notice of intent to enter into the contract is given to Members within twenty (20) days after a decision is made to enter into the contract and the Members are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the membership, 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 provision, a Board member's immediate family means the Board member's spouse, parents, siblings, and children.

3. In the event of any resale of a Unit by a Member or Owner other than the developer, the Board shall make available for inspection to the prospective purchaser, upon demand, the following:

(1) A copy of the Declaration, other instruments, and any rules and regulations.

(2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing.

(3) A statement of any capital expenditures anticipated by the Association within the current or succeeding two (2) fiscal years.

(4) A statement of the status and amount of any reserve or replacement fund and any other fund specifically designated for Association projects.

(5) A copy of the statement of financial condition of the Association for the last fiscal year for which such a statement is available.

(6) A statement of the status of any pending suits or judgments in which the Association is a party.

(7) A statement setting forth what insurance coverage is provided for all Members or Owners by the Association for common properties.

The principal officer of the Board or such other officer as is specifically designated shall furnish the above information within thirty (30) days after receiving a written request for such information.

A reasonable fee covering the direct out-of-pocket cost of copying and providing such information may be charged by the Association or the Board to the unit seller for providing the information.

4. Use of Technology.

(a) Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any community instrument or any provision of the Common Interest Community Association Act may be accomplished using acceptable technological means. This Section governs the use of technology in implementing the provisions of any community instrument or any provision of the Common Interest Community Association Act concerning notices, signatures, votes, consents, or approvals.

(b) The Association, Owners, and other persons entitled to occupy a Unit may perform any obligation or exercise any right under any community instrument or any provision of the Common Interest Community Association Act by use of acceptable technological means.

(c) A signature transmitted by acceptable technological means satisfies any requirement for a signature under any community instrument or any provision of the Common Interest Community Association Act.

(d) Voting on, consent to, and approval of any matter under any community instrument or any provision of the Common Interest Community Association Act may be accomplished by acceptable technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic form.

(e) Subject to other provisions of law, no action required or permitted by any community instrument or any provision of the Common Interest Community Association Act

need be acknowledged before a notary public if the identity and signature of the signatory can otherwise be authenticated to the satisfaction of the Board of Directors.

(f) If any person does not provide written authorization to conduct business using acceptable technological means, the Association shall, at its expense, conduct business with the person without the use of electronic transmission or other equivalent technological means.

(g) This Section does not apply to any notices required under Article IX of the Code of Civil Procedure related to: (i) an action by the Association to collect a common expense; or (ii) foreclosure proceedings in enforcement of any lien rights under the Common Interest Community Association Act.