



LAKE OF THE WOODS

HOMEOWNERS ASSOCIATION

Lake of the Woods Estates

Dunlap, IL 61525

ASSOCIATION BY-LAWS

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ARTICLE I. DEFINITIONS

Section 1. Association.

"Association" shall mean and refer to Lake of the Woods Estates Home Owners Association, a non-profit corporation organized and existing under the laws of the state of Illinois.

Section 2. Properties.

"The Properties" shall mean and refer to Lake of the Woods Estates, Medina Township, Peoria County, Illinois and such additions thereto as may be brought within the jurisdiction of the Association by annexation as provided in Article 6, Section 2 herein.

Section 3. Common Properties.

"Common Properties" shall mean and refer to parks, playgrounds, commons, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within the Properties.

ARTICLE II. LOCATION

Section 1. Office.

The principal office of the Association, Lake of the Woods Homeowners Association, Dunlap, IL, shall be the address of the registered office and agent of the Association. The official office shall be registered with the U.S. Postal Service. The office and address will be designated by the Board of Directors of said Association.

ARTICLE III. MEMBERSHIP

Section 1. Members.

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot, which is subject to the Declaration of Restrictions of record, and to assessment by the Association, shall be a Member of the Association, provided that any such person who holds such interest merely as a security for the performance of any obligation, shall not be a voting Member.

Section 2. Membership Rights.

The rights of Membership are subject to the payment of annual, special, and any penalty assessment(s) levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which assessments are made.

Section 3. Suspension of Rights.

The Membership rights of any person whose interest in The Properties is subject to assessments under Article 3, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when

the assessments remain unpaid; but upon payment of any such assessments his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and Facilities, and the personal conduct of any person thereon, as provided in Article 10, Section 1, the Directors may, in their sole discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed one (1) year.

ARTICLE IV. VOTING RIGHTS

Section 1. Voting Rights of Membership.

Each Member shall be entitled to one vote per annual assessment levied against the Member's property(s). Where property is owned jointly by two or more Members, the Members shall be jointly entitled to one vote per annual assessment levied against the Members' property(s). This vote shall be exercised as determined by the co-owner Members.

Section 2. Suspension of Voting Rights.

The voting rights of any Member shall be subject to suspension for non-payment of annual, special, or any penalty assessments levied by the Association as defined in Article 3, Section 3.

ARTICLE V. PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Common Property Usage.

Each Member shall be entitled to the use and enjoyment of the Common Properties and Facilities of the Association.

Section 2. Delegation of Rights.

Any Member may delegate their rights of enjoyment of the Common Properties and Facilities to the members of their family who reside in a single family dwelling or condominium with them upon the Lake of the Woods Properties. Any Member may also delegate their rights to any tenants of their rented single family dwelling or duplex dwelling who reside thereon under leasehold interest for a term of one year or more. Such Members shall notify the Association in writing of the name(s) of any person(s) and the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article Three, to the same extent as those of the Member. Members who are owners of apartment buildings may not delegate any of their rights to any of their tenants.

ARTICLE VI. ASSOCIATION PURPOSES AND POWERS

Section 1. Purpose.

The Association has been organized for the following purposes: To promote the health, safety and welfare of the residents of Lake of the Woods Estates, Medina Township, Peoria County, Illinois, including such additions thereto that may hereafter be brought

within the jurisdiction of this Association, hereafter referred to as "The Properties", and for this purpose to:

- 1) Own, acquire, build, operate and maintain recreation parks, commons, footways, including buildings, structures, personal property incident thereto, hereinafter referred to as the "Common Properties and Facilities", including portions of the lake, dam and beach area of the lake; all contained within Lake of the Woods Subdivision, Medina Township, Peoria County, Illinois;
- 2) Supplement municipal services;
- 3) Fix assessments (or charges) to be levied against The Properties;
- 4) Enforce any and all covenants, restrictions and agreements applicable to The Properties;
- 5) Pay taxes, if any, on the Common Properties and Facilities;
- 6) Insofar as permitted by law, to do any other thing provided for in these By-laws or that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of The Properties.

Section 2. Mergers and Consolidations.

The Association may participate in mergers and consolidations with any other non-profit Homeowners Association, provided that any such merger or consolidation shall have the assent of two-thirds of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth purpose of the meeting.

Section 3. Additions to Properties and Members.

Additions to the properties described in Article 1, Section 2 may be made. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and Membership of this Association to such properties. Such additions to the Association must have the approval of the Members, and will be governed by these By-laws. Such approval must have the assent of two-thirds of the votes of each Member who is voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. Mortgages; Other Indebtedness.

The Association shall have the power to mortgage the Common Properties or incur other indebtedness. The total debts of the Association, including the principal amount of any such mortgages, outstanding at any time, shall not exceed the total of two (2) years' assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VII. ASSESSMENTS

Section 1. Annual Assessments.

- 1) Each Member shall be liable to pay the annual assessment levied by the Association and any special assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual assessment and special assessments, if not duly paid shall, together with accumulated late charges assessed for that year, interest (interest will be figured as simple interest, at a rate to be determined annually by the Directors, and applied on the principal only, which is the unpaid assessment amount), and costs of collection, including the recovery of attorney fees incurred by the Association for collection thereof, as hereinafter provided, be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, until duly paid.
- 2) The assessments shall be used to finance the cost of operating the Association as described in Article 6.
- 3) The annual assessment as of January, 1, 2008, is set at \$120.00 per voting Membership lot.
- 4) Members owning more than one lot and when said lots are contiguous and are used in conjunction with a single family residential structure shall be assessed as if said lots were one.
- 5) The annual assessment may be increased by majority vote of Members, at the annual or any special meeting of the Members, for the next annual period and for each succeeding annual period.
- 6) The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount than that approved by the Members.
- 7) Members owning one or more vacant lots shall be liable for annual and special assessments on the basis of one assessment for each lot owned. Members owning improved lots shall be liable for the assessment indicated below for the type of improvement present, subject to provisions of subparagraph 4 above:
 - A. Single family residence--assessed as one residential unit;
 - B. Duplex residence--each residential unit assessed as a single family residence;
 - C. Condominium residence--each residential unit assessed as a single family residence;
 - D. Apartment residence--each apartment building assessed as single family residence--one assessment per multiple-unit building.

Section 2. Special Assessments for Capital Improvement.

In addition to the annual assessments authorized by Section 1 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto,

provided that any such assessment shall have the assent of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the Meeting. The due date of such special assessment shall be determined by the resolution authorizing such assessment.

Section 3. Penalty Assessment for Noncompliance of Property Restrictions.

The Association shall serve written notice, as outlined, to any Member for noncompliance with or violation of the Declaration of Restrictions. If the noncompliance or violation is not corrected within the time allowed, the Board of Directors is authorized to impose a penalty assessment against the Member, with the Member being subject to a lien upon the property for the amount of the penalty assessment. The amount of the penalty assessment shall be determined by the Board of Directors, but shall be a minimum of \$100 (One Hundred Dollars) and shall not exceed \$1000 (One Thousand Dollars) maximum for each noncompliance or violation, plus costs of collection, including attorney fees. Notification of the noncompliance with or violation of the Declaration of Restrictions shall be made as follows:

- 1) A warning letter shall be sent by first class mail informing the Member of the noncompliance or violation and requesting that the noncompliance or violation be corrected within fourteen (14) days from the date the notice is mailed.
- 2) The first legal written notice shall be sent by first class mail to the Member not less than fourteen (14) days following the warning letter, after a survey indicates that the noncompliance or violation still exists, allowing fourteen (14) additional days from the date the notice is mailed, for correction.
- 3) The second and final legal written notice shall be sent by registered mail to the Member not less than fourteen (14) days following the first legal written notice, after a survey indicates that the noncompliance or violation still exists, allowing fourteen (14) additional days from the date the notice is mailed, for correction, after which time, if the noncompliance or violation is not corrected, the association may impose a penalty assessment against the Member as outlined in Article 7, Section 3.
- 4) Legal action may be taken by the Association, against the Member, not less than fourteen (14) days from the mailing date of the second and final legal written notice to the Member, and after a survey indicates that the noncompliance or violation still exists, to insure that noncompliance or violation is corrected, and the penalty assessment is paid.

Section 4. Change in Basis and Maximum of Annual Assessment.

Subject to the limitations of Section 1 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 1 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, providing that the limitations of Section 1 hereof shall not apply to any change in the maximum and

basis of the assessment undertaken as an incident to a merger or consolidation which the Association is authorized to participate.

Section 5. Quorum for Any Action Authorized Under Sections 2 and 4.

The quorum required for any action authorized by Section 2 and 4 hereof shall be as follows:

At the first meeting called, as provided in Section 2 and 4 hereof, the presence at the meeting of Members or of proxies, entitled to cast sixty (60) per cent of all the votes of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any regular meeting, another meeting may be called, subject to the notice requirement set forth in Section 2 and 4, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Due Dates of Annual Assessments.

The assessments for any year shall become due and payable on the first day of January of said year. Each assessment, shall, together with such interest thereon and cost of collection thereof as hereinafter provided, also be the personal obligation of the person who is the Owner of such property. The amount of assessment for any property added to the Association at a time other than the beginning of any assessment period, shall be prorated from the date the property is added to the Association up to the 1st day of the following year. Anyone who becomes a new Member of the Association at any time is liable for the balance of any unpaid current year assessment of their property on a likewise prorated basis.

Section 7. Late Charge for Nonpayment of Assessments.

After receiving written notification of the annual assessment as outlined, a \$10 (Ten Dollar) per month late charge, retroactive to January 1, will be added to any annual assessment not paid by April 1 of each assessment year. An additional \$10 (Ten Dollar) late charge will continue to be applied on the first day of each succeeding month, up to a maximum of twelve late charges for each unpaid assessment, until the assessment is paid. New Members and special assessments will likewise be subject to the same late charges, commencing three months after the due date of assessment, retroactive to the due date, up to a maximum of twelve late charges for each unpaid assessment. If any assessment is not paid by the twelfth late charge, the Member shall be subject to a lien upon the property for the unpaid assessment, accumulated late charges assessed, interest (interest will be figured as simple interest, at a rate to be determined annually by the Directors, and applied on the principal only, which is the unpaid assessment amount), and costs of collection, including the recovery of attorneys fees incurred by the Association for collection thereof, as provided for in Article 7, Section 1. The due date will be the date of notice for new Members. The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment. Notification of all assessments due shall be made to the Members as follows:

- 1) The first notice shall be sent to all Members on or about the due date of the assessment, allowing at least thirty (30) days for payment of the assessment.
- 2) The second notice shall be sent not less than thirty (30) days following the first notice, allowing an additional fifteen (15) days for payment. This notice shall be considered a past due notice.
- 3) The third and final notice, considered past due, shall be sent not less than fifteen (15) days following the second notice, allowing an additional fifteen (15) days for payment. Members will be subject to late charges as outlined in Section 7, for non-payment of any assessment within three (3) months of assessment due date.

Section 8. Common Properties.

Common Properties of the Association shall not be subject to assessment.

ARTICLE VIII. BOARD OF DIRECTORS

Section 1. Board of Directors.

The affairs of the Association shall be managed by a board of twelve (12) Directors who shall be Members of the Association. Directors shall be elected for a term of three (3) years. Four (4) Directors shall be elected at each annual meeting. The newly elected Directors shall serve immediately upon the conclusion of the meeting at which they were elected and shall serve for a period of three (3) years or until their successors are elected, whichever is later.

Section 2. Vacancies.

Vacancies on the Board of Directors shall be filled by appointment by the majority vote of, (if more than five), the remaining Directors. Any such appointed Director shall hold office for the balance of the term of the elected Director he/she are replacing, unless otherwise provided by Board vote. Appointed Directors take office immediately upon appointment.

ARTICLE IX. ELECTION OF DIRECTORS: NOMINATING COMMITTEE

Section 1. Election of Board of Directors.

Election to the Board of Directors shall be by written ballot, as hereinafter provided. Such ballots set forth the names of those nominated by the Nominating Committee for such vacancies, and contain a space for a write-in vote by the Members for such vacancies. At such election, the Members or their proxies may cast, in respect of each vacancy, non-cumulatively, as many votes for each Directorial position as they are entitled to exercise, under the provisions of Article 4 of these By-laws. The person(s) receiving the largest number of votes shall be elected.

Section 2. Nominations.

Nominations for the election to the Board of Directors shall be made by the Nominating Committee. Additional nominations from the floor may be made by any Member at the meeting duly called for such election.

Section 3. Nominating Committee.

The Nominating Committee shall consist of a Chairman who shall be a Member of the Board of Directors, and two or more Members of the Association, who may be Directors. The Nominating Committee shall be appointed by the President.

Section 4. Number of Nominations.

The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Members of the Association as the Committee in its discretion shall determine. Notification of these nominations shall be published and mailed to all Members in advance of the time limits fixed in Section 5 regarding the mailing of such notification to Members.

Section. 5. Notification of Nominees to Members.

All nominations by the Nominating Committee for the Board of Directors, shall be made in writing to the voting Members. Such notice shall be prepared and mailed to the Members at least fourteen (14) days in advance of the annual meeting, and shall set forth (a) the vacancies to be filled, (b) the names of those nominated by the Nominating Committee for such vacancies, and (c) a space for write-in candidates by the Members.

Section 6. Voting for Directors.

Each Member will be entitled to one vote per Board vacancy per paid annual assessment. Notwithstanding that a Member may be entitled to more than one vote, he shall exercise on any one ballot only one vote for each vacancy. Written ballots shall be used for voting for Directors, unless the number of nominations equal the number of vacancies, at which time a motion may be accepted and voted upon to nominate the nominees as a slate, and conduct a voice vote or show of hands of the Members present.

ARTICLE X. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Power of Board of Directors.

The Board of Directors shall have the power:

- 1) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the Members qualified to vote, as provided in Article 14, Section 2;
- 2) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security of fidelity bonds as it may deem expedient. Nothing contained in these By-laws shall be construed to prohibit the employment of any Member, Officer, or Director of the Association in any capacity whatsoever;
- 3) To establish, levy and assess, and collect the assessments or charges referred to in Article 7, Section 3;
- 4) To adopt, publish, and enforce rules and regulations governing the use of the Common Properties and Facilities and the personal conduct of the Members and their guests thereon;

- 5) To notify homeowners and enforce any and all Declaration of Restrictions, covenants, and agreements applicable to The Properties;
- 6) To exercise for the Association all powers, duties, and authority vested in or delegated to this Association, except those reserved to the meeting for, or to Members;
- 7) In the event that any Member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 2. Duties of Board of Directors.

It shall be the duty of the Board of Directors:

- 1) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting, or when such is requested in writing by one-fourth (1/4) of the Members qualified to vote, as provided in Article 14, Section 2
- 2) To supervise all Officers, agents and employees of the Association, and to see that their duties are properly performed;
- 3) As provided in Article 7 of these By-laws:
 - A. To set the amount of the assessment against each lot (property) at least thirty days in advance of the assessment date, and to send written notice of each assessment to each Member;
 - B. To prepare a roster of the Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member, and, at the same time;
 - C. To send written notice of each assessment to every owner subject thereto;
 - D. To issue, or cause an appropriate officer to issue, upon demand by any person, a receipt setting forth whether any assessment has been paid. Such receipt shall be conclusive evidence of any assessment therein stated to have been paid.
 - E. To watch for any proposals, programs, or activities which may adversely affect the residential value of the Properties, and advise the Members as deemed appropriate, regarding Association action on such matters.

ARTICLE XI. DIRECTOR'S MEETINGS.

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held each month, or as deemed necessary, provided that the Board of Directors may, by resolution, schedule, change, or cancel the day and hour of holding such meeting as deemed necessary.

Section 2. Annual Meeting.

The Board of Directors shall hold an Annual Board of Directors Meeting. This meeting shall be held one (1) hour prior to the time set for the Members regular Annual meeting defined in Article 14, Section 1.

Section 3. Special Meetings.

Special meetings of the Board of Directors shall be held when called by any Officer of the Association or by any two Directors after not less than three (3) days' notice to each Director.

Section 4. Consent of Business.

The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present. An approval of the minutes thereof shall be filed with the records and made a part of and approved at the next meeting, and shall constitute consent of the entire Board of Directors of such business conducted.

Section 5. Quorum.

A majority of the then-sitting Board of Directors shall constitute a quorum thereof, and be necessary to conduct any business of the Association at a Director's meeting. A Director, who is suspended from voting as a Member, shall not be considered to be a sitting Board Member and shall not be qualified to vote on any matter before the Board.

ARTICLE XII. OFFICERS.

Section 1. Officers.

The Officers of the Association shall be a President, a Vice-President, a Recording Secretary, a Corresponding Secretary, and a Treasurer. All Officers shall be Members of the Board.

Section 2. Selection of Officers.

The Officers of the Association shall be selected from among the Directors by nomination and vote at the next regular Board Meeting following each annual meeting, or upon any notice of resignation of office thereof, by a majority vote of the remaining Directors, as authorized herein.

Section 3. Length of Office.

All Officers shall hold office for the term of one (1) year and may serve successive terms. Any Officer may be removed from office at any time by a majority vote of the Board of Directors.

Section 4. President.

The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds, and all other written instruments, unless prior consent to perform any of these functions is granted by a majority of the Officers, and thus given to

another Board Member and so recorded in the minutes of the Association. The President shall be an ex-officio member of all committees. The President shall not vote on board matters, except in case of a tie vote, but shall be counted when considering the constitution of a quorum. The President shall conduct an election of Officers each year at the next regular board meeting following the annual meeting, or to replace an Officer or Director vacancy occurring during the year, and shall vote in the Officer or Director selections only in case of a tie vote.

Section 5. Vice-President.

The Vice-President shall perform all duties of the president in his/her absence.

Section 6. Recording Secretary.

The Recording Secretary shall be ex-officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all board proceedings in a book to be kept for that purpose. He/she shall be responsible for maintaining the records of the Association, including the names and addresses of all Members of the Association.

Section 7. Corresponding Secretary.

The Corresponding Secretary shall be responsible for all official correspondence with outside entities or interests, including the filing and releasing of liens as necessary.

Section 8. Treasurer.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice-President. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made. He/she shall be responsible to prepare an annual budget, a monthly and annual statement of income and expenditures, and a monthly and annual statement of assets. These monthly statements shall be presented at the regular Board of Directors meetings for their approval. The annual statements shall be presented to the general Membership at its regular annual meeting for approval.

ARTICLE XII. COMMITTEES

Section 1. Association Committees.

The Standing Committees of the-Association shall be as follows:

- The Nominating Committee
- The Special Events Committee
- The Common Properties Committee
- The Welcoming Committee
- The Publicity Committee

The Audit Committee
The Rules, Regulations, and Zoning Committee

Unless otherwise provided herein, each committee shall consist of a Chairman, who shall be a member of the Board of Directors, for board contact. The Committee Chairman shall be appointed by the President and approved by the Board of Directors, as deemed appropriate. Committee members shall be appointed by the Committee Chairman, and subject to removal by the Board of Directors. The Board of Directors may appoint such other special committees as it deems desirable. Any Committee may perform such functions other than those listed, as the Board, in its discretion shall determine.

Section 2. Nominating Committee.

The Nominating Committee shall have the duties and functions as described in these By-Laws.

Section 3. Special Events Committee.

The Special Events Committee shall advise the Board of Directors on all matters pertaining to the Association activities and recreational programs, other than lake programs.

Section 4. Common Properties Committee.

The Common Properties Committee shall advise the Board of Directors on all matters pertaining to the use, maintenance, repair, or improvement of the Common Properties and Facilities of the Association.

Section 5. Welcoming Committee.

The Welcoming Committee shall be responsible for welcoming and assisting new Members of the Association, and to visit and distribute Association printed material to the new and current Members and residents. They shall notify the Board of all new Members and residents.

Section 6. Publicity Committee.

The Publicity Committee shall publish the Official Newsletter of the Association on a bi-monthly basis, or more often as deemed necessary, to inform the Members of all activities and functions of the Association, and shall after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. Audit Committee.

The Audit Committee shall supervise the annual audit of the Association's books, and shall approve the annual budget, statement of income and expenditures, and statement of assets to be presented to the Membership for approval at its regular annual meeting as provided in Article 12, Section 9. The Treasurer shall be an ex-officio Member of this committee.

Section 8. Rules, Regulations, and Zoning Committee.

The Rules, Regulations, and Zoning Committee shall have the duties and functions to watch for the violations of laws, Declaration of Restrictions, and the Rules and Regulations adopted and published relative to the Members and their guest's use of the Common Properties. This Committee shall enforce these regulations to the extent allowed, and shall communicate law violations to the proper authorities as deemed necessary. The Committee may take such further action as the Board of Directors may authorize.

ARTICLE XIV. MEETINGS OF MEMBERS.

Section 1. Regular Annual Meeting.

The regular annual meeting of the Members shall be held on the last Friday of the month of February in each year, at the hour of 8:00 p.m. for the purpose of electing the Board of Directors and for the transaction of such other business of the Association as may come before the meeting. The Board, by a majority vote, may change the day and hour of such annual meetings, as deemed necessary, providing that notice of the meeting is given to Members, as set forth in Article 14, Section 3.

Section 2. Special Meetings.

Special meetings of the Members for any specified purpose may be called at any time by any Officer of the Board of Directors, or by those Members in good standing who cumulatively hold one-fourth of the votes of the total outstanding votes of the Members.

Section 3. Notice of Annual or Special Meetings.

Notice of any annual or special meetings shall be given to the Members by the Board of Directors. Notice may be given to the Member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each Member shall be responsible to register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special shall be mailed not more than forty, but at least six days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article 9, notice of such meeting shall be given or sent as therein provided.

Section 4. Quorum.

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the Membership shall constitute a quorum for any action governed by these By-laws, unless otherwise specifically provided by any other part of these By-laws. Any action governed by the Declaration of Restrictions applicable to the Properties shall require a quorum as therein provided.

ARTICLE XV. PROXIES.

Section 1. Proxies.

At all annual or special meetings of Members, each Member may vote in person or by proxy.

Section 2. Valid Proxies.

All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of the interest in The Properties which gives the Member a right to vote.

ARTICLE XVI. BOOKS AND PAPERS.

Section 1. Records of the Association.

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Members.

ARTICLE XVII. PARLIAMENTARY RULES.

Section 1. Rules of Order.

All matters of procedure not specifically set forth in these By-laws shall be determined according to Roberts Rules of Order.

ARTICLE XVIII. AMENDMENTS.

Section 1. Amendments of By-laws.

Except as otherwise stated herein, or in the Declaration of Restrictions, these By-laws may be amended at a regular meeting of the Members, or at a special meeting of the members, duly called for the purpose of amendment, in which there is a quorum consisting of one-fourth of the votes of the Membership, by a majority of the votes of the Members present in person or in proxy.

Section 2. Conflict of By-laws and Restrictions.

In the case of any conflict between the Declaration of Restrictions of record, applicable to the Properties referred to in Article 1, and these By-laws, the Declaration of Restrictions shall control.

IN WITNESS WHEREOF, we, being all of the Directors of the Lake of the Woods Estates Homeowners Association, have hereunto set our hands this 29th day of December, 1994.

Directors:

Robert G. Howerton

Michael J. Shelton

James R. Fox

Richard L. Bartlow

Brian Settle

W. Franklin Sturm II

Mary S. Lakin

Gary D. Foreman

William H. McCarthy