

BY-LAWS OF LITTLE SWAN LAKE CLUB

ARTICLE I

NAME AND PURPOSES

LITTLE SWAN LAKE CLUB, an Illinois not-for-profit corporation, is an association of lot owners in Little Swan Lake, Warren County, Illinois, and is organized for the purposes of preserving the natural beauty of Little Swan Lake and the preservation of the area for leisure and recreational facilities and the other purposes as set forth in its Articles of Incorporation.

ARTICLE II

MEMBERS

SECTION 1: MEMBERSHIP: All owners of non-leased lots and lessees along with their dependent family members are members of the Club as stated in the Declaration of Covenants for Little Swan Lake Subdivision. Membership cannot be assigned or conveyed except via a bonafide lease agreement.

SECTION 2: MEMBERSHIP MEETINGS:

A: MEETINGS: All meetings are open to all lot owners, lessees, and members. The public is always welcome.

B: NOTICE OF MEETINGS: Written notification must be sent to all lot owners and Club members at least 30 days prior to the meeting date. The agenda, statements pro and con on any issues, and all other materials, including necessary absentee ballots or proxy statements will be included in the notification.

C: PLACE OF MEETING: Meetings are held at the Clubhouse or at a place designated by the Board of Directors.

D: ANNUAL MEETING: The annual meeting of the lot owners and members is held on the last Sunday of October at two in the afternoon for the purpose of electing directors and for the transaction of any other business properly submitted before the meeting.

Motions to be brought before the membership must be presented to the Board no later

than the September Board meeting. Such motions are added to the agenda at the discretion of the Board of Directors unless the motion is supported in writing by at least twenty (20) individual Club members in good standing in which case the motion is automatically added.

E: SPECIAL MEETINGS: Special meetings of the lot owners and members are called by the President at the request of a majority of the Board of Directors or the written request of not less than twenty (20) individual Club members in good standing.

F: QUORUM: A quorum to conduct business at any duly called membership meeting is 20% of all lots represented in person, by proxy, or by absentee ballot except for voting for the Board of Directors where the requirement is 10%.

G: VOTING: One vote per lot by the lot owners is allowed on any question or in any election. A lot owner may cast as many votes as equal to the number of lots owned. Votes may be cast in person, by proxy, and by absentee ballot received no later than three (3) days prior to any duly called meeting.

All votes require a simple majority except for changes in fees or dues which requires a 2/3 majority vote. (Note: Amendments to the Covenants is covered in the Covenants document and requires a 2/3 majority vote.)

Voting is by voice vote unless the presiding officer or a lot owner, with a second, requests that the vote be by hands raised or by ballot.

SECTION 3: MEMBER PRIVILEGES: Membership in the Little Swan Lake Club is a privilege that allows members and their immediate families use of the properties owned and maintained by the Club, including the lake, the outlots and buildings. Membership is subject to the rules and regulations of the Club, these By-Laws, and the Declaration of Covenants for Little Swan Lake Subdivision. Each member agrees to abide by and conform to the rules and regulations, the By-Laws of the Club, and the Covenants as now or in the future enacted. Failure of any member to comply with any of the forgoing is grounds for exclusion of the lot owner or lessee from participation in any Club activity and use of any recreational facilities under the jurisdiction of the Little Swan Lake Club, including but not limited to the lake, the outlots, and the clubhouse.

SECTION 4: NOTICE OF CHANGE OF ADDRESS: All lot owners and lessees must notify the Secretary of the Club of any change of address. Failure to do so is deemed to waive the Club's responsibility to deliver any notices to which they may have been entitled.

ARTICLE III

DIRECTORS

SECTION 1: NOMINATION OF DIRECTORS: The Board of Directors consists of eleven members whose term of office is three years. The Board of Directors terms are staggered such that not less than three (3) Board of Director terms expire in any given year. Terms begin and end at the November board meeting which normally takes place immediately after the Annual Membership Meeting.

Not less than three months prior to the date of the annual meeting the Board of Directors appoints a nominating committee consisting of the President of the Board of Directors, two other members of the Board of Directors, and two other non-Board of Director Club members. This committee nominates Club members in good standing as candidates for election to replace members of the Board of Directors whose terms are expiring. Incumbent members of the Board of Directors whose terms of office are expiring are eligible for re-nomination.

Nominations of Club members in good standing may also be made by a group of at least twenty (20) Club members in good standing. These nominations must be in writing to the Secretary of the Club prior to the September meeting of the Board of Directors.

The names of all nominees, along with any nominee statements, are included in the notice of the annual meeting and the names are listed on the absentee ballot and proxy statement sent with that notice at least 30 days before the annual meeting.

SECTION 2: POWERS: The powers of the Board of Directors are as follows:

General Powers. The business and affairs of the Club are managed by its Board of Directors, except that at no time may the Board of Directors take action which would result in the creation of an indebtedness in excess of available funds or action which would be contrary to a motion passed by the membership at a regular or special membership meeting.

Special Powers. The Board of Directors has the power to:
Review and change the Rules and Regulations, as needed, including determining which changes require a vote by the lot owners (such as items that would significantly change the environment of the Club or involve additional expenses to the lot owners).

Appoint committees, as it deems necessary, with powers to perform the duties assigned to them, including determining the committees' scope.

Suspend a member for a violation of the rules and regulations, the By-Laws of the Club, or the Declaration of Covenants for Little Swan Lake Subdivision, by a two-thirds vote of the members of the Board of Directors.

Make rules for the transaction of its own business.

Direct the expenditure of the Club dues and maintenance fees and authorize the proper officers to execute contracts and agreements.

Provide for the collection of membership dues and maintenance fees from members and lot owners.

SECTION 3: QUALIFICATIONS: Directors must be lot owners or lessees (number of lessees on the board is limited to one) and must be Club members in good standing.

SECTION 4: REGULAR MEETING: The Board of Directors provides by resolution a time and place for the holding of regular meetings. The membership will be notified by posting, publication, or written notice.

SECTION 5: SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the president or any five directors.

SECTION 6: NOTICE: Notice of any special meetings will be given by written notice delivered personally or mailed to each director's address shown on the club records, or by telephone, email, or other electronic methods at least five (5) days before the meeting.

SECTION 7: QUORUM: A majority of the Board of Directors constitutes a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum is not present the directors present must adjourn the meeting.

SECTION 8: MANNER OF ACTING: An act of the majority of directors present at a meeting at which a quorum is present is an act of the Board of Directors. Robert's Rules of Order are to be followed at all Board Meetings.

SECTION 9: REMOVAL: Any member of the Board of Directors may be removed for: non-performance of their duties; forfeiture of their Board membership; or by recall by the membership for cause. The Secretary will notify the member(s) in writing of the reason for their proposed removal, quoting this Section of the By-Laws. If the removal is for non-performance or forfeiture the President will declare a vacancy to exist not later than the next regular meeting of the Board. If the removal is by recall by the members a vacancy is declared as of the date of the successful recall election.

A: NON-PERFORMANCE: Any Member of the Board of Directors who is absent from three consecutive regular meetings of the board without having been excused previously by the President of the Board and announced at the meeting is considered as having resigned as a member of the Board of Directors and ceases to be a member. The Board Member may at their option challenge the removal decision by asking for a hearing by the entire board at the next regularly scheduled meeting.

B: FORFEITURE OF BOARD MEMBERSHIP: Any member of the Board of Directors who forfeits Club membership under any provisions of these By-Laws automatically forfeits membership in the Board of Directors.

C: RECALL BY THE MEMBERSHIP: Any member of the Board of Directors may be recalled by the membership by submitting a motion to be considered by the entire membership at the regular annual meeting or at a special meeting. The recall motion and any call for a special membership meeting must follow the rules as outlined in other sections of these By-Laws. A two thirds (2/3) majority vote is required to pass the removal motion.

ARTICLE IV OFFICERS

SECTION 1: NUMBER: The officers of the Club are a President, a Vice President, a Secretary, and a Treasurer who are elected by the Board of Directors from its members. The Board of Directors may appoint assistant treasurers, assistant secretaries, or other officers as it deems proper.

SECTION 2: ELECTION AND TERM OF OFFICE: The officers of the Club are elected annually by the Board of Directors at the November Board meeting held after each annual membership meeting. Each officer holds office until a successor is named or until death, resignation, or removal in the manner herein provided.

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

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

SECTION 5: DUTIES: The officers of the Club have such duties as are customarily required by their offices and as assigned or delegated to them by the Board of Directors.

ARTICLE V

MAINTENANCE FEE AND MEMBERSHIP DUES

SECTION 1: MAINTENANCE FEE: The Board reviews the Maintenance and Community Fund annually and makes recommendations for changes, as needed, at the Annual Membership Meeting to be voted on by the lot owners. Currently, each lot is subject to a \$35.00 annual maintenance fee.

SECTION 2: MEMBERSHIP DUES: The Board reviews the Membership Dues annually and makes recommendations for changes, as needed, at the Annual Membership Meeting to be voted on by the lot owners. Currently, annual membership dues are \$150 per member family. Lot owners pay only one membership fee, regardless of how many lots are owned, unless all their lots are leased and the lessees are paying membership dues in which case the lot owner is not a member and is not required to pay membership dues. Additional membership cards are available for \$1.00 each.

SECTION 3: WHEN DUE AND PAYABLE: All maintenance fees and membership dues are due January 31st of each year payable in advance. A late fee of \$25.00 plus 2% per month and collection fees will be assessed if not paid by May 1st.

SECTION 4: DELINQUENCIES: When the maintenance fee or membership dues or other indebtedness of any lot owner or member remains unpaid for ninety (90) days after the date due, Club membership privileges of the delinquent lot owner or member are suspended. The lot owner or member is then subject to proceedings necessary to collect any and all amounts due. Any lot owner or member thus suspended may be reinstated upon payment of all amounts due.

SECTION 5: FISCAL YEAR: The fiscal year of the Club begins the first day of January and ends on the 31st day of December.

ARTICLE VI

AMENDMENTS

Changes to these By-Laws may be recommended by the Board of Directors of the Club or by a petition signed by twenty (20) individual Club members in good standing.

Adoption of changes to these By-Laws is by a simple majority vote except for changes to dues or fees which require a 2/3 majority vote at a duly called meeting by those present, by proxy, and by absentee ballot in accordance with Article II, Section 2-G, VOTING.