

**Apple Canyon Lake
Property Owners Association**



**Amended and Restated
Bylaws**

Effective November 6, 2011
Amended October 21, 2017

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This document is also available at
www.applecanyonlake.org/governance/governing-documentation/

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APPLE CANYON LAKEPROPERTY OWNERS ASSOCIATION

AMENDED AND RESTATED BYLAWS

EFFECTIVE NOVEMBER 6, 2011

**ARTICLE I
DEFINITIONS**

Section 1. All capitalized terms used, but not otherwise defined in these Amended and Restated Bylaws (hereinafter referred to as the "Bylaws") which are defined in the Amended and Restated Covenants and Restrictions, effective November 6, 2011, as amended, (hereinafter referred to as the Restated Covenants) shall have the same meaning when used in these Bylaws.

- a. CICAA shall mean the Common Interest Community Association Act, Public Act 096-1400, (765 ILCS 160), effective July 29, 2010, as hereafter amended.
- b. Governing Documents, sometimes described as Community Instruments, shall be understood to mean all of the following. In the event of any inconsistency in the provisions of any of the Governing Documents, the lower numbered document shall control:
 - i. CICAA
 - ii. Restated Articles of Incorporation effective November 6, 2011.
 - iii. Restated Covenants effective November 6, 2011, as amended.
 - iv. Restated Bylaws, effective November 6, 2011, as amended.
 - v. Rules and Regulations, revised September 20, 2009, as adopted and amended from time to time.
 - vi. Board Approved Policies, as adopted and amended from time to time.
 - vii. Board Approved Committee Operations and Procedures, as adopted and amended from time to time.
- c. Restated Articles of Incorporation shall mean the Restated Articles of Incorporation approved by the members of the Association, to be effective on November 6, 2011.
- d. *The Apple Core* shall mean the newspaper published periodically (typically monthly) by the Association and sent postage prepaid via the United States Postal Service to all Owners at their last known address, and available on the Association website as of the date of publication and mailing, which contains notices of all regular and special meetings of the Association's Members and its Board of Directors, and information, news and commentary with respect to the Common Properties and Facilities, and the activities, finances and projects of the Association. Publication of notices of meetings, Association documents, including but not limited to the annual budget, annual and special dues and assessments, fees, minutes of the meetings of the Board and the Committees of the Association shall constitute notice as required by law and Association's Governing Documents, which shall be deemed to have been sent to all Owners

on the day it is mailed. The Board shall adopt policies regarding the publication of any and all materials to be printed in *The Apple Core*, which shall be administered by the Editorial Review Committee. (See Article XIII, Section 12.)

- e. Voting Member Ticket shall mean a petition signed by fifty (50) Voting Members which identifies the name(s) of the Member whose name is to be added to the Ballot by the Nominating Committee along with all other candidates to be elected to the Board by the Voting Members at the next election, as provided in Article VII, Section 5 of these Bylaws.
- f. Ballot Envelope shall mean an envelope clearly designated on the outside as a Ballot Envelope, which shall be used by Voting Members to insert the Written Ballot(s) the Voting Member(s) is casting in any election. The Ballot Envelope shall contain no information that would identify the Voting Member using it or the nature of the vote being cast by said Voting Member.
- g. Return Envelope shall mean an envelope prepared by the Association and sent to each Voting Member for the purpose of being used for the return of Ballot Envelopes to the Association in connection with all votes being conducted by the Association. All Return Envelopes shall be addressed to the offices of the Association, and shall have clearly designated on the outside the identity of the Voting Member to whom it was sent, and the identification of each Lot or Dwelling for which the Voting Member has the right to cast Written Ballots.
- h. Nominating Committee Guidelines shall mean the written procedures adopted by the Nominating Committee and approved by the Board that shall be followed by the Nominating Committee in the recruitment and interviewing of candidates for the Board, and for providing the Members with all relevant information concerning those candidates who seek to be elected to the Board at the next annual meeting. (See Article XIII, Section 3.)
- i. Tellers Committee Guidelines shall mean the written procedure adopted by the Tellers Committee and approved by the Board prior to the annual meeting that shall be followed by the Tellers Committee when it counts all Written Ballots cast on all matters during that year. (See Article XIII, Section 11(a).)

ARTICLE II MEMBERSHIP

Section 1. Membership is defined in Article IV, Section 1 of the Restated Covenants, which provides:

Section 1. Membership. Membership in the Association shall be the privilege of each Natural Person, and his or her spouse, who is the legal or equitable Owner of any Lot or Dwelling; except that no Lot or Dwelling shall have as Owners more than three (3) Natural Persons, including their spouses. Any Legal Entity which owns any Lot or Dwelling may designate one (1) Natural Person, including his or her spouse, as a Member of the Association. Each such designation by a Legal Entity shall be in writing and shall provide the name, address and telephone number of the Member, including any spouse, which person shall be the Voting Member as defined in Section 2. After the initial designation, changes in the identity of the Voting Member can be made only with the approval of the Board, or upon a showing that the change in the identity of the Voting

Member has resulted from a bona fide change in the ownership interest of the Legal Entity making the request. The Board's decision in all such matters shall be binding and final. Any Natural Person or Legal Entity that holds a legal or equitable interest in any Lot or Dwelling as security for the performance of an obligation shall not be a Member. Every Member, including any spouse of a Member, shall provide the Association with his or her current mailing address and telephone number.

Section 2. The membership rights of any Natural Person who is the legal or equitable Owner of any Lot, or is the designated Member of any Lot owned by a Legal Entity, or of any Occupant is subject to the payment of any and all annual and special assessments on all Lots and Dwellings owned by said Member. Whether or not he or she is personally obligated to pay such dues or assessments, any Member's rights to use the Common Properties and Facilities may be suspended by action of the Board during the period when the dues or assessments remain unpaid. Upon payment of the unpaid dues and assessments, his or her rights and privileges shall be automatically restored.

Section 3. Any person, who is the spouse of a Member, if appointed by the Board, shall be eligible to serve as full member of any committee, subcommittee or any other body of the Association. Where the record owner of any lot or living unit is an entity (living trust, land trust, partnership, corporation, etc.) the record owner may designate one Natural Person as the Member of the Association. The spouse of the Member so designated shall also be eligible to serve as a full member of any committee, subcommittee or other body of the Association.

Section 4. Pursuant to Article V, Section 3 of the Restated Covenants, the Board from time to time adopts and publishes Rules and Regulations governing the use of the Common Properties and Facilities and the personal conduct of persons using the Common Properties and Facilities. The Board in its discretion may levy fines, penalties or other charges and/or suspend the Member's right to use such Common Properties and Facilities for violation of such Rules and Regulations.

The Board may adopt such rules, regulations, guidelines and procedures from time to time, and provide for the creation of an appeals board to which Members who are issued citations for the violation of any rule or regulation may appeal. (See, Article VIII, Section, 1(o), (p).)

ARTICLE III VOTING RIGHTS

The voting rights of members are as set forth in Article IV, Section 2, of the Restated Covenants, which provides:

Section 2. Voting Rights – One Voting Member. The Owners of each Lot or Dwelling shall designate one Natural Person as the Voting Member for said Lot or Dwelling. Only the Voting Member, as defined in Article I, Section 1(x), shall be entitled to vote at any regular or special meeting of the Association, and only the Voting Member shall be sent notice of any regular or special meeting of the Association. In the event there are multiple Owners of a Lot or Dwelling who are Natural Persons, including their spouses, and they fail to designate one Natural Person as the Voting Member, the first person named in the deed conveying title to the Lot or Dwelling shall be deemed to be the Voting Member. In the event a Lot or Dwelling is owned by a Legal Entity, it shall designate one Natural Person to be the Voting Member. The failure of a Legal Entity to

designate a Voting Member shall be a bar to the right to vote on any matter, and the vote of such Lot or Dwelling shall not be counted for the determination of a quorum. Owners, other than a Legal Entity, may change the designation of the Voting Member at any time by delivering to the Association a written designation, signed by all of the Owners of the Lot or Dwelling, which contains the Voting Member's name, address and telephone number. Any such change in the designation of the Voting Member shall be effective when received by the Association.

Every Lot or Dwelling shall be entitled to one vote, provided that all assessments, charges, fees and fines which are due the Association are paid in full at the time of the vote. If the Association owns any Lot or Dwelling, it shall not have the right to cast any vote, and the vote of any such Lot or Dwelling shall not be counted for the purpose of determining a quorum. The total number of votes shall not exceed the total number of Lots or Dwellings in The Properties. The vote of a Lot or Dwelling shall not be divisible. If there is a dispute between or among the multiple Owners of a Lot or Dwelling as to who shall be the Voting Member, the vote for any such Lot or Dwelling shall not be counted for any purpose, including determining a quorum. For purposes of determining the votes allowed under this section, when Dwellings in Multifamily Structures are counted, the Lot or Lots upon which such Dwellings are situated shall not be counted.

ARTICLE IV PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTIES

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Properties and Facilities as provided by Article V of the Restated Covenants.

Section 2. Any Member may delegate his or her rights of enjoyment in the Common Properties and Facilities to any Occupant as defined in Article I, Section 1(u) of the Restated Covenants in accordance with such Rules and Regulations as may be adopted by the Board from time to time. The rights and privileges of all such Occupants are subject to suspension under Article II, Sections 2 and 4 of the Bylaws to the same extent as those of the delegating Member.

Section 3. Without limiting the generality of Section 2, Members may be permitted to introduce guests to use the Common Properties and Facilities only in accordance with the Rules and Regulations adopted by the Board from time to time. The rights and privileges of such guest are subject to suspension under Article II, Sections 2 and 4 of these Bylaws to the same extent as those of the Member introducing such guests.

ARTICLE V ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the purposes as set forth in Article 5 of the Restated Articles which provides:

To promote the health, safety and welfare of the property owners, residents and guests within all lots and properties (collectively, The Properties) in Branigar's Apple Canyon Lake Subdivision in Jo Daviess County, Illinois, in accordance with plat thereof recorded with the Recorder of Deeds of Jo Daviess County, and such additions thereto as may hereafter be brought within the jurisdiction, functions, duties and membership of the Association by annexation as provided in the Restated Covenants, effective November

6, 2011, recorded with the Recorder of Deeds of Jo Daviess County, Illinois (as the same may be hereafter amended and supplemented, the Restated Covenants), for the purpose to own, acquire, build, operate and maintain a man-made reservoir, recreational waterway, recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures and personal properties incident thereto (the Common Properties and Facilities), pay any taxes assessed with respect thereto, provide any services normally provided by municipalities such as fire and police protection, enforce any and all covenants and restrictions applicable to The Properties and the Common Properties and Facilities and, insofar as permitted by law, do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the owners, residents and guests of The Properties and the Common Properties and Facilities.

Section 2. Additions to the Properties may be made only in accordance with the applicable provisions of the Restated Covenants. The Association shall have power to dispose of the Common Properties and Facilities, the Reserved Properties only as authorized by the applicable provisions of the Restated Covenants.

Section 3. Subject to the applicable provisions of the Restated Covenants, and to the extent provided by law, the Association may participate in mergers and consolidations. Any such merger shall be adopted only upon a resolution adopted by the Board of Directors and approved by at least two-thirds of the votes cast by the Voting Members at a special meeting of the Association duly called for such purpose, written notice of which shall be given at least sixty (60) days in advance to all Voting Members. At any such meeting a quorum shall consist of twenty percent (20%) of the votes of all Voting Members eligible to vote at such meeting.

Section 4. Subject to the following sentence, the Association may incur indebtedness for borrowed money or mortgage, pledge or grant security interests in the Common Properties and Facilities as determined from time to time by the Board of Directors. The Association shall not incur indebtedness in an amount that would result in the total principal amount of all indebtedness of the Association then outstanding, after giving effect to such incurrence, to exceed the total annual assessments, fees and other revenue of the Association from all sources for the most recently completed fiscal year of the Association, without the prior approval of a majority of the votes cast by the Voting Members at a Special Meeting of the Association duly called for such purpose, written notice of which shall be given at least thirty (30) days in advance of said meeting. At any such meeting a quorum shall consist of twenty percent (20%) of the votes of all Voting Members.

Section 5. The Association may be dissolved only upon a resolution adopted by the Board of Directors and approved by at least two-thirds of the votes cast by the Voting Members at a special meeting of the Association duly called for such purpose, written notice of which shall be sent at least sixty (60) days in advance of said meeting. At any such meeting a quorum shall consist of twenty percent (20%) of the votes of all Voting Members. Upon dissolution of the Association, the Common Properties and Facilities and the Reserved Properties shall be dedicated to an appropriate public entity to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, the Common Properties and Facilities and the Reserved Properties shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition shall be

effective to divest or diminish any right or title of any Member vested in such Member under the Restated Covenants unless made in accordance with the applicable provisions of the Restated Covenants.

**ARTICLE VI
BOARD OF DIRECTORS**

Section 1. The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as the Board) each of whom must be a Member of the Association while serving on the Board. 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 unit owner owns another unit independently

Section 2. The Board shall consist of nine (9) members, three (3) of whom are elected by the Voting Members of the Association at each annual meeting and shall hold office for a term of three (3) years or until their successors are elected or appointed, and shall not be compensated for their service, but may be reimbursed for reasonable expenses actually incurred. No member of the Board may be engaged as an employee of the Association. Upon the adoption of the Bylaws all Board members who are then serving terms shall continue to serve until the annual meeting in June of the year when the term he or she is then serving expires.

Vacancies on the Board shall be filled by a two-thirds vote of the remaining members of the Board until the next annual meeting, or until 20% of the votes of the Voting Members request a special meeting to fill the vacancy, in either case for the balance of the term. If a special meeting is called to fill the vacancy, the special meeting shall be held no later than thirty (30) days following the filing of the petition for the Special Meeting. Notice shall be given pursuant to Article XIV, Section. 3. If the Board is unable to fill the vacancy or if there are no longer six (6) Board members, the remaining Board members shall call an election within ninety (90) days to fill the vacancies.

Any duly appointed member of the Board is to hold office until his or her term expires or until his or her successor is elected by the Voting Members, or until the death, resignation or removal of the Board member.

**ARTICLE VII
VOTING PROCEDURES
ELECTION OF DIRECTORS**

Section 1. Election to the Board and votes on all matters and issues requiring a vote of the Voting Members shall be by Written Ballot as described in Article XV and as provided herein. On any vote requiring approval of the Voting Members or on any election, the Voting Member may cast, in respect to each issue being voted upon, or for each Board vacancy, as many votes as he or she is entitled to exercise under the provisions of Article III of these Bylaws. The Members receiving the largest number of votes shall be elected to the Board. In case of a tie, the outcome shall be determined by a coin toss conducted by the General Manager at the annual meeting.

Section 2. Nominations for election to the Board shall be made by a Nominating Committee described in Article XIII, Section. 3 of the Bylaws. Nominations may also be made by petition on a Voting Members Ticket as provided in Section 5 below.

Section 3. The Association shall maintain a current list of all Voting Members, which shall identify every Lot or Dwelling for which a Member is designated as the Voting Member. The Association shall send by first class mail in one envelope to each Voting Member the number of Written Ballots said Voting Member is entitled to cast, along with the Notice of the annual or special meeting and a description of the candidates who were nominated for election to the Board, or a description of the issue to be voted upon. Written Ballots shall be mailed to the Voting Members at least thirty (30) days but not more than forty-five (45) days in advance of the date on which the Written Ballot is to be cast.

Each Voting Member shall receive as many Written Ballots as he or she has votes. Notwithstanding that a Voting Member may be entitled to several votes, he or she shall exercise on any one Written Ballot only one vote for each vacancy shown thereon, or each issue described thereon. The Voting Member need not vote for every candidate on the Written Ballot, but cumulative voting shall not be permitted. The completed Written Ballots shall be placed in the Ballot Envelope provided and returned in the Return Envelope provided.

Section 4. Upon receipt of each Return Envelope, the General Manager shall verify that the Voting Member whose name appears on the Return Envelope is authorized to cast Written Ballots for each Lot or Dwelling listed on the outside of the Return Envelope. The Return Envelopes shall be placed in a secure place until the date set for the annual or special meeting at which the votes are to be counted. On that day, the Return Envelopes containing the Ballot Envelopes shall be given, unopened, to the Tellers Committee. Written Ballots may also be cast in person on the day of the annual meeting or special meeting by placing the Written Ballot in the designated ballot box, after the Voting Member's right to vote has been verified by the Tellers Committee. A Voting Member who had previously submitted a Return Envelope prior to the meeting at which the Written Ballots are to be counted, may, prior to the meeting upon verification of said Voting Members eligibility to vote, request that his or her Return Envelope be returned and that a new Written Ballot(s) and a new Ballot Envelope be supplied to permit such Voting Member to submit an new Ballot Envelope and a new Written Ballot.

Section 5. Voting Members Ticket. Additional nominations of eligible Members for election to fill one of the vacancies on the Board, which shall be known as a Voting Members Ticket may be made by fifty (50) votes of Voting Members presenting a signed petition to the chair of the Nominating Committee not less than sixty (60) days preceding the date of the annual meeting. The Voting Members Ticket shall identify the name of the Member, and if he or she meets the qualifications of Article VI, Section 1, his or her name shall be included on the Written Ballot sent to all Voting Members.

Section 6. If no election is held to elect Board members within the time period specified in the Bylaws, or within a reasonable amount of time thereafter, not to exceed 90 days, then twenty-percent (20%) of the votes of the Voting Members may bring an action to compel compliance with the election requirements specified in the Bylaws. 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, the Voting 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 Section 6 does not apply.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall exercise for the Association all powers, duties and authority vested in the Association by law, including but not limited to the provisions of CICAA, as amended and in effect from time to time, or by the Restated Covenants, or by the Bylaws, as amended and in effect from time to time, except for such powers, duties and authority reserved by law or by the Restated Covenants to the Members.

The duties of the Board shall include, but not be limited to the following:

- a. To elect from the Board members at the first meeting following the annual meeting the President, Vice-President, Treasurer and Secretary, and appoint such other persons who are authorized to serve as Assistant Treasurer or Assistant Secretary, and define their duties.
- b. To meet at least four (4) times annually.
- c. To provide for the operation, care, upkeep, maintenance, replacement and improvement of the Common Properties and Facilities and the Reserved Properties and Facilities, including the method of approving payment vouchers.
- d. To provide sound financial planning and financial controls, including adopting authorizations identifying those persons who are authorized to sign Association checks and other corporate documents and to direct the financial affairs of the Association, and obtain adequate and appropriate insurance, and approve the annual budget for the Association.
- e. To prepare and adopt each year an annual budget which shall identify the Association's projected income and expenses for the next year, which shall include an appropriate amount for the repair and replacement of the Association's Common Properties and Reserved Properties, its facilities and equipment, and shall provide an indication of which portions are intended for reserves, capital expenditures, repairs and the payment of real estate taxes. The annual budget shall include a statement of the annual assessment to be paid by the Members for the next year, and the fees to be charged for the next year. Said annual budget shall be published in *The Apple Core* and posted on the Association's website, at least 30 days, but not more than 60 days prior to the meeting at which the budget is adopted,
- f. To provide all members by publication in *The Apple Core* and on the Association's website, with a reasonably detailed summary of the receipts, common expenses and reserves for the preceding budget year.
- g. To either (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 with a tabulation of all amounts collected, stating 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 of the Association.

- h. If the Board determines that to balance the annual budget, an increase in the annual assessment must be levied, the Board may increase the annual assessment prospectively for the following year or for any future period. If the adopted budget or any separate assessment adopted by the Board results 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 year, upon the written petition of twenty percent (20%) of the votes of the Voting Members delivered to the Board within 14 days of the Board's action, the Board shall call a special meeting of the Voting Members to be held within thirty (30) days of the date said petition is delivered to the Board to consider the said budget. Unless a majority of the total votes cast at said meeting reject the budget or separate assessment, it shall be deemed ratified. If the budget is not ratified, the Board shall submit a new budget to the Voting Members, and the procedures set forth in this section shall be repeated until a budget for the next year has been adopted.
- i. To adopt separate assessments for additions and alterations to the Common Properties and Facilities or the Reserved Properties which are not included in the adopted annual budget, which shall be separately assessed and are subject to the approval of a majority of the total Voting Members in the Association voting at a special meeting called for that purpose. Any common expense not set forth in the annual budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against the members.
- j. To adopt separate assessments for expenditures related to an emergency or for expenditure mandated by law, which assessments may be adopted by the Board without Voting Member approval. Emergency means an immediate danger to the structural integrity of any part of the Common Properties or Facilities or to the life, health, safety or property of the Owners.
- k. To adopt separate assessments payable over more than one fiscal year. With respect to such multi-year assessments not covered by subsections (i) and (j) above, 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.
- l. To maintain a current roster of all Lots and Dwellings, all of the Owners thereof, the Voting Member designated for each Lot and Dwelling, and the annual and special assessments applicable thereto. Such records shall be kept in the office of the Association and shall be open for examination and copying at convenient hours of weekdays by any Member or their authorized agent. To prepare an annual directory of the names and addresses of all Members and make it available to all Members upon request and the payment of a reasonable fee.
- m. To borrow such amounts as are required to preserve and maintain the Common Properties and Facilities in accordance with the provisions of Article V, Section 4 of the Bylaws.
- n. To adopt, publish and make available to the Members rules and regulations governing the use of the Common Properties and Facilities and the personal conduct of the Members, their Occupants and their guests while thereon.
- o. To suspend the enjoyment rights of any Member for any period not to exceed ninety (90) days for any infraction of its published rules and regulations.

- p. To establish fines for noncompliance with the Restated Covenants, the Bylaws and the Rules and Regulations, after the Member has been given notice of the infraction and an opportunity to be heard.
- q. To maintain and make available for inspection and copying the Restated Covenants, the Restated Articles of Incorporation, the Bylaws, the Rules and Regulations adopted by the Board, and Board Policies. Such records shall be kept in the office of the Association and shall be open for examination and copying at convenient hours of weekdays by any Member or their authorized agent, upon payment of a reasonable charge.
- r. To call special meetings of the Voting Members whenever it deems necessary, or at any time upon the written request of one-hundred twenty-five (125) of the votes of the Voting members.
- s. To appoint and remove, with or without cause, all officers, agents, and the General Manager of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may be required by law or appropriate.
- t. To obtain and maintain fidelity insurance covering persons who control or disburse funds for the Association for the maximum amount that is commercially reasonable to protect funds that are in the custody and control of the Association.
- u. To cause to be kept and made available for examination and copying at convenient hours of the weekdays by any Owner, all Governing Documents; records in chronological order of the receipts and expenditures affecting the Common Properties and Facilities; all contracts, leases and other agreements entered into by the Board; minutes of all meetings of the Board for a period of not less than seven (7) years; Written Ballots for a period of not less than one year; 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, and with respect to any Legal Entities that own Lots or Dwellings, the designation of the Natural Person authorized to vote as a Voting Member. Charges for retrieving and copying any such records shall be made pursuant to Article XVI, Section. 4.
- v. To exercise oversight and direction over the General Manager's performance, to evaluate annually the General Manager's performance, and to provide the General Manager with a written evaluation report.
- w. To cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any and all assessments applicable to any Lot or Dwelling have been paid. Such certificate shall be conclusive evidence that any assessment therein stated to have been paid, has been paid.
- x. In the event of any resale of any Lot or Dwelling, to make available for inspection to the prospective purchaser, upon demand, all such documents as required by law including, but not limited to:
1. A copy of the Restated Covenants, the Bylaws, and all Rules and Regulations.
 2. A statement of any liens or unpaid assessments, dues or other charges due and owing from said property.

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 for replacement fund and any portion of such fund earmarked for any specified project by the Board.
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 maintained by the Association.

The General Manager shall furnish the required documents within thirty (30) days of receiving a written request for such information. Charges for retrieving and copying any such records shall be made pursuant to Article XVI, Section. 4.

- y. To analyze trends and provide long-range plans for the future of the Association.
- z. To determine and establish Board policies related to basic operation of the Association.
- aa. To provide for official publications of the Association, including but not limited to *The Apple Core* and the ACLPOA website.
- bb. To delegate any of its powers in the course of operation to any committee, officer, employee or agent as permitted by law.

ARTICLE IX BOARD MEETINGS

Section 1. *Regular Meetings.* A Regular Meeting of the Board of Directors shall be held not less than four (4) times each year at such times as the Board may fix. The place and hour of all regular meetings shall be posted and published in *The Apple Core*, at the clubhouse and on the Association's website.

Section 2. *Special Meetings.* Special Meetings of the Board may be called by the President, or at least twenty-five percent (25%) of the members of the Board, or upon the written request of fifty (50) or more votes of Voting Members who shall submit the request to the President at the office of the Association.

Section 3. *Notice of Special Meetings And All Meetings Concerning Budget Matters.* All Special Meetings of the Board, and any regular meeting at which the Board proposes to act upon the annual budget of the Association or consider any annual or special assessments (referred to herein as Budget Matters), shall be held only after notice has been given to all members of the Board, all Voting Members and all Owners at least thirty (30) days but not more than sixty (60) days, prior to such meeting, in accordance with Section 4, setting forth the date, time, location of such meeting and the matter or matters to be acted upon by the Board at such meeting. However, if a majority of the members of the Board determines that a Special Meeting of the Board must be held on an expedited schedule, notice of such meeting may be given to all Voting Members by any means practicable within at least forty-eight (48) hours but not more than ten (10) days prior to such meeting. Notice of a Special Meeting of the Board on an

expedited schedule may be by posting notice on the Association's website, using any telephonic or electronic communication device, and by posting notice at the Clubhouse and other conspicuous places on the Common Properties, and by United States Mail, postage prepaid, if time permits.

Section 4. *Methods for Notice.* Notice of any Special Meeting of the Board or of any regular meeting of the Board at which Budget Matters will be acted upon shall be sent to the members of the Board (i) by United States Mail, postage prepaid, sent to recipient's address on file with the Association, or (ii) by hand delivery, or (iii) by any commonly used electronic media, including but not limited to, email or facsimile, pursuant to electronic communication policies adopted from time to time by the Board, provided that the recipient has provided the Association with his or her fax number or email address or other address for receipt of such electronic communication. Notice of such meeting shall be provided to all Voting Members and all other Owners by publication in *The Apple Core* and on the Association's website and by posting notice at the clubhouse, or as otherwise authorized under applicable law, or as permitted in Section 3 for a special meeting called on an expedited schedule.

New Board members shall as soon as practicable after being elected or appointed, complete a form providing the General Manager with his or her regular mailing address, telephone and fax number(s) and email address(s), if applicable. Any changes shall be communicated to the General Manager promptly.

Section 5. *Attendance Constitutes Waiver of Notice.* The presence of any Board member or Voting Member at any meeting shall constitute a waiver of the form and time of notice, unless said person states that he or she is present solely to object to the notice, and does not thereafter vote in respect of any action taken at such meeting.

Section 6. *Place and Purpose of Meetings.* The place, hour and purpose of each special meeting and any regular meeting dealing with Budget Matters shall be set forth in the notice and publication of such Meeting as provided in Section 4. No business may be transacted at any special meeting, or in respect of any Budget Matters at any regular meeting, except that mentioned in the Notice of such meeting. No action of the Board of Directors can conflict with any official action taken by the Members at a regular annual or Special Meeting of the Members.

Section 7. *Member's Comments.* A portion of every meeting of the Board must be reserved for comments by the Members, provided, however, the duration and meeting order for Members' comments is within the sole discretion of the Board.

Section 8. *Meetings Open to Members.* All regular and special meetings of the Board shall be open to all Members. All Association business is to be conducted at open meetings, except when the Board determines in its discretion to meet in executive session, either associated with a noticed meeting or separately from a noticed meeting, for the following purposes:

- a. to discuss litigation when an action against or on behalf of the Association is being contemplated or has been filed or is probable or imminent;

- b. 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;
- c. to interview a potential employee, independent contractor, agent or other provider of goods and services;
- d. to discuss violations of the Association's rules and regulations;
- e. to discuss or consider a Member's failure to pay any annual or special assessment, or common expenses due the Association;
- f. to consult with the Association's legal counsel.

All executive session meetings shall be held in the Association clubhouse or in the Board Room, unless they are unavailable. Any vote on these matters shall be taken at a meeting or portion thereof open to the Members.

Section 9. *Participation by Telephone.* Members of the Board may participate in any meeting by the use of any means of communication, including audio conference or conference telephone call, by which all Board members participating in the meeting may simultaneously hear each other, and participation in a meeting in such manner shall constitute presence in person at the meeting.

Section 10. *Quorum.* A quorum shall consist of a majority of the members of the Board, incumbent at such time. In no case shall fewer than five (5) votes carry any question voted upon by the Board.

Section 11. *Unanimous Board Written Consent.* Any action required by law or the Bylaws to be, or which may be, taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all Board members entitled to vote with respect to the subject matter.

ARTICLE X REMOVAL OF DIRECTORS

Section 1. One or more members of the Board of Directors may be removed by the affirmative vote of two-thirds of the total Voting Members in the Association at a duly called special meeting of the Voting Members pursuant to this Article X.

Section 2. The call for removal may be made by any four (4) or more members of the Board, or upon written request of one hundred twenty-five (125) or more of the votes of Voting Members.

Section 3. The call for removal shall identify the causes that support removal. The causes for removal shall include, but not be limited to, failure to attend fifty percent (50%) of the regular meetings of the Board in the twelve (12) month period following the annual meeting, or violation of the Restated Covenants, the Bylaws, or the Association's Rules and Regulations, or failure to pay any amounts that are due the Association, or dereliction of duty, or conduct which tends to injure the good name of the Association, disturb its well-being or hamper its work.

Section 4. The offending charges and specifications of these charges shall be included in the call for removal by those who call for the removal and shall be submitted to the President in writing at a regular or special meeting at which time the Board member shall be provided a copy of the call for removal, The offending Board member shall be given no more than thirty (30) days to submit his or her defense, which shall be in writing and submitted to the President at the office of the Association.

Section 5. The call for removal and the Board member's defense of these charges shall be presented at any regular or special meeting of the Voting Members. This meeting shall be called within sixty (60) days after the Board member has submitted his or her defense.

Section 6. A quorum for a meeting to remove shall be one hundred twenty-five (125) votes of the Voting Members, present in person or by Written Ballot. The vote shall be taken pursuant to Article VII.

ARTICLE XI GENERAL MANAGER

The Board of Directors shall appoint a salaried General Manager and establish the duties, authority, the compensation and other terms of employment of the manager.

ARTICLE XII OFFICERS

Section 1. The officers shall be President, Vice President, Secretary, and Treasurer, each of whom shall be elected from among the members of the Board (the Executive Officers), and such other officers as the Board may elect from time to time from among the Board. To the extent permitted by CICAA and other applicable law, the Board may delegate any of the duties of any one officer to or among any one or more other officers, or to the General Manager, as the Board may from time to time determine, provided that the duties of the Executive Officers as members of the Executive Committee may not be delegated.

Section 2. The Executive Officers of the Association shall be elected by a majority vote of the members of the Board at the first meeting of the Board following the Annual Meeting of Members. All officers shall hold office until their successors are elected or until they resign or are removed.

Section 3. All officers shall hold office at the pleasure of the Board and may be removed from office at any time, with or without cause, by a majority of the Board.

Section 4. The President shall:

- a. Call to order and preside at all meetings of the Board, the Executive Committee, and of the Members and announce the results of all votes taken at all such meetings.
- b. Serve for one year.
- c. Approve the election of the chair of each Standing Committee who was elected by the committee members.

- d. Appoint the chair and members of any special committee authorized by the Board. Members expressing an interest to serve on such special committee may make application with such application subject to approval by the Board.
- e. See that all lawful orders and resolutions of the Board are carried out.
- f. Be a member, *ex officio* without vote, of all Standing Committees and special committees of the Board or the Association.
- g. Sign all notes, leases, contracts, mortgages, deeds, and other written instruments approved by the Board.
- h. Have the authority to co-sign all checks along with any one of the other signatories authorized by the Board.

Section 5. The Vice President shall perform all the duties of the President in his or her absence.

Section 6. The Secretary shall:

- a. Be the Secretary of the Board and Secretary of the Association.
- b. Cause the minutes of all meetings of the Board and of the Members to be kept and, in general, perform all the duties incident to the office of secretary.
- c. Have the authority to co-sign all checks along with any one of the other signatories authorized by the Board, except payroll, and notes of the Association.
- d. In the absence of the President and Vice President, call the meeting to order and preside until the election of a chairman *pro tem*, making this action the first item on the agenda.

Section 7. The Treasurer shall:

- a. Keep the financial records and books of account.
- b. Have the authority to co-sign all checks along with any one of the other signatories authorized by the Board, except payroll, and notes of the Association.
- c. See that full and accurate financial records are kept and audited annually by a Certified Public Accountant at the completion of each fiscal year.
- d. Report the financial status of the Association to the Board of Directors as requested and to the members at the annual meeting.
- e. Present to the membership at the regular annual meeting a copy of the budget for the current year and the financial statements for the preceding year.
- f. Be the chair of the Budget/Audit Committee.

**ARTICLE XIII
COMMITTEES**

Section 1. The Standing Committees of the Association shall be:

Executive Committee
Nominating Committee
Recreation Committee
Maintenance Committee
Architectural and Environmental Control Committee
Budget/Audit Committee
Conservation Committee
Legal Committee
Rules and Regulations Committee
Tellers Committee
Editorial Review Committee

Unless otherwise provided herein, the members of each committee shall be appointed by the Board, and, except in the case of the Executive Committee, may be removed by the Board at any time, and shall consist of a chair, a vice-chair and a secretary, who shall be elected by the members of the committee and two or more additional members. The Board may appoint a Board member as a full member to any committee, who shall be liaison to the Board.

Section 2. The Executive Committee shall:

- a. Consist of the four Executive Officers elected by the Board.
- b. Have supervision over the General Manager's performance.
- c. Provide the General Manager with instructions, directions, goals and objectives regarding his or her duties within the scope of duties and authority delegated to the General Manager by the Board.
- d. Annually evaluate the General Manager's performance with input from all Board members, and recommend for the Board's approval the annual evaluation and a compensation package for the following year consistent with any employment agreement between the Association and the General Manager.
- e. Provide the General Manager with a written evaluation report along with a compensation package each year.
- f. Maintain a personnel file on the General Manager documenting any contract changes, job description changes, and all annual or interim performance evaluations.

Section 3. The Nominating Committee shall consist of seven (7) Members appointed by the President with the approval of the majority of the Board at the Board meeting preceding the regular annual meeting. Said Nominating Committee shall serve for the year following the next annual meeting. The President shall make an earnest attempt to appoint to the Nominating

Committee Members who are representative of all of the subdivisions of the Association, with at least one of them being a current Board member.

This Committee shall serve from the close of such annual meeting until the close of the next annual meeting. The appointment of the members of the following year's Nominating Committee shall be announced by the outgoing President at each annual meeting. Within thirty (30) days after the annual meeting, the immediate past chair of the Nominating Committee shall call a meeting at which the Nominating Committee shall elect its chair, vice-chair and secretary and conduct such other business as may be appropriate to prepare for the nominations to be made that year, including but not limited to, the adoption of Nominating Committee Guidelines, which shall be submitted to the Board for approval.

The Nominating Committee shall recruit candidates who meet the eligibility requirements in Article VI, Section 1, (referred to herein as Eligible Members) and shall make as many nominations for election to the Board as it has received applications from Eligible Members and for all Eligible Members submitted on Voting Members Tickets, but not less than two (2) more than the number of vacancies that are to be filled at the next annual meeting. The Nominating Committee shall interview all of the candidates, and inform all of the Members regarding each candidate's positions on matters regarding the Association's affairs, and cause the candidates' answers to questions related to these matters to be published in *The Apple Core*, to be posted on the Association's website, and to be included with the Written Ballots and other voting materials sent to all Voting Members.

The names of all candidates shall be placed on a Written Ballot as provided in Article VII, which shall be prepared in advance of the time fixed in Article VII, Section 3 for the mailing of such Written Ballots to the Voting Members. The listing of names on the Written Ballot shall be determined by a lottery conducted by the Nominating Committee.

Section 4. The Recreation Committee shall advise the Board on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Maintenance Committee shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the Common Properties and Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines. At least one member of the Board shall serve as a member of this committee.

Section 6. The Architectural and Environmental Control Committee (AECC) shall be comprised of not less than three (3) representatives. The Board shall appoint at least one (1) architect, licensed engineer or building contractor to the AECC, if one is available, and at least two (2) Board Members to the committee. The majority of the members of the AECC shall be Board Members of the Association. Any vacancies existing from time to time shall be filled by appointments made by the Board. The AECC, subject to the Board's approval, may engage such inspectors or agents to assist it in the performance of its duties and responsibilities. No member of the AECC shall participate in the review of any application in which the member has any interest either as an owner or as the provider of any services for which the member is compensated.

The AECC shall have the duties and functions described in Article VII of the Restated Covenants, and shall perform such other functions as the Board, in its discretion, determines. It

shall watch for any proposals, programs or activities which may adversely affect the residential value of The Properties or the Common Properties and Facilities and shall advise the Board regarding action the Association should take on such matters.

Section 7. The Budget/Audit Committee shall be chaired by the Treasurer and consist of a member of the Board plus two or more additional members. It shall be the duty of this committee to prepare an annual budget for the fiscal year beginning the first day of January for approval by the Board as provided in Article VIII. The Treasurer shall submit a report on the budget and on the financial condition of the Association to the membership at the Annual Meeting of Members. It shall be the responsibility of this committee to cause an annual audit of the Association books by a certified public accountant, and to make such audit available to the d

Section 8. The Conservation Committee shall include a member of the Board and shall advise the Board on matters relating to the protection, preservation and improvement of all land and water areas and all flora and fauna within the Apple Canyon Lake watershed.

Section 9. The Legal Committee shall advise the Board on any legal matters referred to this committee and shall perform such other functions as the Board, in its discretion, determines. At least one member of the Board shall serve as a member of this committee.

Section 10. The Rules and Regulations Committee shall include a member of the Board and shall be responsible for monitoring, modifying and formulating rules and regulations.

Section 11. The Tellers Committee shall consist of not less than five members approved by the Board. The Tellers Committee shall;

- a. Not less than two months prior to the commencement of the annual meeting adopt written Tellers Committee Guidelines, which will describe the procedures it will follow to count all valid Written Ballots at all votes taken during the following year, which will be submitted to the Board for approval.
- b. Obtain the General Manager's verification that the signature of the Voting Member whose name appears on the Return Envelope is the authorized Voting Member for each of Lot or Dwelling Unit identified on Return Envelope.
- c. Count all of the Written Ballots cast by all eligible Voting Members, and report the results to the President.
- d. Allow a candidate, or his or her representative, to be present at the counting of the ballots.
- e. Deliver to the General Manager for safekeeping for a period of one year all Return Envelopes and Written Ballots.

All actions shall be taken in such a manner that the vote of any Voting Member shall not be disclosed to anyone, including the members of the Tellers Committee.

Section 12. The Editorial Review Committee shall consist of a member of the Board, who shall be the chair, the General Manager, who shall be the vice-chair, the Managing Editor of *The Apple Core*, who shall be the secretary and such other Members as the Board may appoint from time to time. This Committee shall prepare policies for the acceptance of material to be printed

in *The Apple Core*, including, but not limited to, letters to the editor and policies for advertising material printed, which policies shall be submitted to the Board for approval annually.

Section 13. With the exception of the Nominating Committee and the Architectural and Environmental Control Committee, each committee shall have power to appoint a subcommittee from among its membership or the membership of the Association and may delegate to any such subcommittee any of its powers, duties and functions subject to the approval of the Board.

Section 14. It shall be the duty of each committee to have contact with Members of the Association on any matters involving functions, duties, and activities within its field of responsibility, and to submit a report to the membership at the Annual Meeting.

ARTICLE XIV MEETINGS OF MEMBERS

Section 1. *Regular Annual Meeting.* The regular Annual Meeting of the Members shall be held on the second Saturday of June at an hour to be set by the Board.

Section 2. *Special Meetings.* Special Meetings of the Members for any purpose may be called at any time by the President, or by any three (3) or more members of the Board, or upon written request of the votes of one hundred twenty-five (125) Voting Members, or as otherwise provided in the Bylaws or applicable law.

- a. Special Meeting Concerning Budget Matters. In the event that a Special Meeting of the Voting Members is called pursuant to Article VIII, Section 1(h) concerning the annual budget approved by the Board, notice of said meeting shall be sent to the Voting Members not less than fourteen (14) days in advance of said special meeting, and said special meeting shall be called within thirty (30) days of the date of delivery of the petition pursuant to Section 3.

Section 3. *Notice of Meeting.* Notice of any Special meeting of the Members called pursuant to Section 2 or Section 2a of this Article, or any other provision of the Bylaws shall be given not less than fourteen (14) days nor more than thirty (30) days prior to the meeting, unless otherwise provided in the Bylaws. Notice to Voting Members shall be sent (i) by United States Mail, postage prepaid, sent to recipient's address on file with the Association, or (ii) by hand delivery, or (iii) by any commonly used electronic media, including but not limited to, email or facsimile, pursuant to electronic communication policies adopted from time to time by the Board, provided that the recipient has provided the Association with his or her fax number or email address or other address for receipt of such electronic communication, and the Member has given his/her written authorization to conduct business via this method. Notice to all other Members shall be provided by publication in *The Apple Core* and on the Association's website and by posting notice at the clubhouse, or as otherwise authorized under applicable law. Notice shall set forth the nature of the business to be transacted provided, however, that if the business of any meeting shall involve any matter to which another provision of these Bylaws, the Articles of Incorporation, or the Restated Covenants shall otherwise govern notice to the Members, then notice of such meeting shall be given or sent as therein provided.

Section 4. *Attendance Constitutes Waiver of Notice.* The presence of any Voting Member at any meeting shall constitute a waiver of the form and time of notice, unless said person states

that he or she is present solely to object to the notice and does not vote or submit a Written Ballot in respect of any action taken at such meeting.

Section 5. *Voting Members Must Register.* Each Voting Member shall register his or her mailing address and, to the extent such Voting Member desires to receive notice by electronic means, such Member's telephone and fax number and email address with the Association and notify it when there is a change in any of such address or information. Notices of meetings shall be sent to the Voting Member at the mailing address or email address or fax number on file at the time of the mailing.

Section 6. *Quorum.* The presence at the meeting of one hundred twenty-five (125) of the votes of the Voting Members in person or by Written Ballot shall constitute a quorum for any action by the Voting Members, provided, however, if the business of any meeting shall involve any matter with respect to which another provision of the Bylaws, the Articles of Incorporation, or the Restated Covenants shall otherwise govern a quorum, then the quorum of such meeting shall be as therein provided

ARTICLE XV WRITTEN BALLOTS

Section 1. *Written Ballot Defined.* All matters requiring a vote of the Voting Members, as defined in Article I, Section 1(x) of the Restated Covenants, shall be by Written Ballot which is defined in Article I, Section 1(ee) of the Restated Covenants as follows:

ee. Written Ballot shall mean a written document which clearly indicates the vote of a Voting Member being cast on any issue on which a vote of the Voting Members of the Association is taken. A Written Ballot may be cast by a Voting Member either in person at the meeting called for such vote or by mail or by any other means of delivery, provided that such Written Ballot must be delivered to the offices of the Association prior to the commencement of the meeting called for such vote.

Section 2. *Casting a Written Ballot Constitutes Attendance at Meeting.* At all regular and special meetings the Voting Member who casts a Written Ballot(s) shall be deemed to be present at the meeting and shall be counted as present for purposes of determining a quorum and for all other purposes permitted under these Bylaws.

ARTICLE XVI BOOKS AND RECORDS

Section 1. The Board shall keep and maintain the following records, or true and complete copies of these records, at the Association's principal office:

- a. the Association's Governing Documents and plat of survey, and all amendments thereto;
- b. the minutes of all meetings of the Association and the Board of Directors for the immediately preceding seven (7) years;
- c. all current policies of insurance of the Association;

- d. all contracts, leases, and other agreements to which the Association is a party or under which the Association or the unit owners have obligations or liabilities;
- e. a current listing of the names and addresses of all Voting Members entitled to vote, and of all other Members;
- f. Written Ballots for all matters voted on by the members of the Association during the immediately preceding twelve (12) months, including but not limited to, the election of members of the Board; and
- g. the books and records of account for the Association's current and ten (10) immediately preceding fiscal years, including but not limited to, itemized and detailed records of all receipts and expenditures, and 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..

Section 2. Any Member shall have the right to inspect, examine, and make copies of the records described in subdivisions (a), (b), and (c), of Section 1 of this Article XVI, in person or by agent, at any reasonable time or times, at the Association's principal office. In order to exercise this right, a member must submit a written request to the Board or its authorized agent, stating with particularity the records sought to be examined.

Section 3. Except as otherwise provided in Section 5 of this Article, any Member of the Association shall have the right to inspect, examine, and make copies of the records described in subdivisions (d), (e), (f), and (g), of Section 1 of this Article XVI, in person or by agent, at any reasonable time or times at the Association's principal office. In order to exercise this right, a member must submit a written request to the Board or its authorized agent, stating with particularity the records sought to be examined.

Section 4. The actual cost to the Association of retrieving and making requested records available for inspection and examination under this Article XVI shall be charged by the Association to the requesting Member. If a Member requests copies of records requested under this Article XVI, the actual costs to the Association of reproducing the records shall also be charged by the Association to the requesting Member.

Section 5. Notwithstanding the provisions of Section 3 of this Article XVI, unless otherwise directed by court order, an Association need not make the following records available for inspection, examination, or copying by its members:

- (a) documents relating to appointment, employment, discipline, or dismissal of Association employees;
- (b) documents relating to actions pending against or on behalf of the Association or its Board in a court or administrative tribunal;
- (c) documents relating to actions threatened against, or likely to be asserted on behalf of, the Association or its Board in a court or administrative tribunal;
- (d) documents relating to common expenses or other charges owed by a Member other than the requesting Member; and

(e) documents provided to an Association in connection with the lease, sale, or other transfer of a unit by a Member other than the requesting member.

ARTICLE XVII AMENDMENTS

Section 1. These Bylaws may be amended at any regular or Special Meeting of the Members by a two-thirds (2/3) vote of the votes cast by the Voting Members voting at such meeting, provided, however, that those provisions of the Bylaws which are governed by the Restated Covenants applicable to The Properties may not be amended except as provided in such Restated Covenants.

Following the adoption of a modification or amendment, an instrument duly executed by the president, or such other officer authorized by the Board setting forth said modification or amendment shall be duly recorded, and the amendment or modification shall be effective as of the date of said recording.

Section 2. Notice of the proposed amendment(s) shall be mailed to all Voting members not less than fourteen (14) days nor more than forty (40) days in advance of the meeting at which such amendment(s) is to be voted upon.

ARTICLE XVIII PARLIAMENTARY AUTHORITY

The rules contained in the current edition of *Robert's Rules of Order Newly Revised*, shall constitute the parliamentary authority for the conduct of all meetings of the Board of Directors and meetings of members to which they are applicable and in which they are not inconsistent with the Bylaws, the Articles of Incorporation or the Restated Covenants.

ARTICLE XIX INDEMNIFICATION OF DIRECTORS OR OFFICERS

Section 1. *Actions by Third Parties.* The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Board, or an officer, or member of a committee of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding, by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 2. *Action by the Association.* The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a member of the Board, or an officer, or a member of a committee of the Association against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 3. *Indemnification in Event of Successful Defense.* To the extent that a director, officer, committee member, employee or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 or 2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4. *Procedures for Indemnification.* Any indemnification under Sections 1 and 2 (unless ordered by a court) shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the director, officer, committee member, employee or agent is proper in the circumstances because he or she or it has met the applicable standard of conduct set forth in said Sections. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by act of the Voting Members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of a written undertaking by or on behalf of the director, officer, committee member, employee or agent to repay such amount unless it shall ultimately be determined that he or she or it is entitled to be indemnified by the Association as authorized in this Article XIX.

Section 5. *Insurance.* The Association is authorized to purchase and maintain insurance on behalf of any person who is or was a member of the Board or an officer or committee member of the Association against any liability asserted against such person and incurred by such person in such capacity, or arising out of his or her status as such, whether or not the Association has the power to indemnify such person against such liability under the provisions of this Article or the Illinois Not-For-Profit Corporation Act.

ARTICLE XX
EFFECTIVE DATE

These Bylaws shall become effective November 6, 2011, having been adopted by two-thirds (2/3) of the Members voting at a duly called Special Meeting of the Members on September 24, 2011 and recorded with the Jo Daviess County Recorder of Deeds.

EXHIBIT A
TO
SUPPLEMENTARY DECLARATION OF
COVENANTS AND RESTRICTIONS

AMENDED AND RESTATED DECLARATION OF COVENANTS AND
RESTRICTIONS FOR APPLE CANYON LAKE PROPERTY OWNERS ASSOCIATION

Schedule of Original Declaration and Supplementary Declarations
Which Added Additional Properties

Subdivision Number	Document Description	Date Recorded	Document Number	Recorded Location	Subdivisions Covered
1.	Declaration of Covenants and Restrictions dated 4/22/69	April 22, 1969	117532	Misc. Book 4, Pages 427-442	Blackhawk Lots 1-104
2	Declaration of Covenants and Restrictions dated 4/22/69	April 22, 1969	117532	Misc. Book 4, Pages 427-442	Hidden Springs Lots 1-50
3.	Supplementary Declaration dated 6/3/69	June 6, 1969	117921	Misc Book 4, Pages 573 & 574	General Grant Lots 1 - 209
4.	Supplementary Declaration dated 7/3/69	July 9, 1969	118151	Misc. Book 4, Pages 622 & 623	Winchester Lots 1 - 155
5.	Supplementary Declaration dated 7/31/69	August 12, 1969	118468	Misc. Book 4, Pages 732 & 733	Big Spirit Lots 1 -143
6.	Supplementary Declaration dated 7/31/69	August 12, 1969	118469	Misc. Book 4, Pages 734 & 735	Blue-Gray Lots 1 -113
7 - (Also includes 12 and 13)	Supplementary Declaration dated 10/20/70	November 2, 1970	121736	Misc. Book 5, Pages 608 & 609	Apache Lots 1 - 266
8.	Supplementary Declaration dated 10/3/69	October 7, 1969	118941	Misc. Book 4, Pages 879 - & 880	Independence Lots 1 -299
9.	Supplementary Declaration dated 10/31/69	November 3, 1969	119179	Misc. Book 5, Pages 16 & 17	Hawthorne Lots 1 - 250

PAGE 2 OF EXHIBIT A
 SUPPLEMENTARY DECLARATION OF
 COVENANTS AND RESTRICTIONS

AMENDED AND RESTATED DECLARATION OF COVENANTS AND
 RESTRICTIONS FOR APPLE CANYON LAKE PROPERTY OWNERS ASSOCIATION

Schedule of Original Declaration and Supplementary Declarations
 Which Added Additional Properties

Subdivision Number	Document Description	Date Recorded	Document Number	Recorded Location	Subdivision Covered
10.	Supplementary Declaration dated 4/22/70	April 28, 1970	120248	Misc. Book 5, Pages 304 & 305	Eagle Lots 1 – 167
11.	Supplementary Declaration dated 4/22/70	April 28, 1970	120247	Misc. Book 5, Pages 302 & 303	Fairway Lots 1 – 326
12. (Also includes 7 and 13)	Supplementary Declaration dated 10/20/70	November 2, 1970	121736	Misc. Book 5, Pages 608 & 609	President Lots 1 – 349
13. (Also includes 7 and 12)	Supplementary Declaration dated 10/20/70	November 2, 1970	121736	Misc. Book 5, Pages 608 & 609	Pioneer Lots 1 – 178
14.	Supplementary Declaration Dated 8/8/72	August 30, 1972	126908	Misc Book 7, Pages 96 -98	Canyon Club Lots 1 – 122
15. (7 acres for condominiums)	Supplementary Declaration dated 2/17/78	March 6, 1978	146269	Misc. Book 11, Pages 357 to 359	7 Acres-Confir Cove. Authorizes 24 dwelling units and adds additional conditions.
15. (7 acres for condominiums)	Re-recording of Supplemental Declaration of Doc. No. 146269 dated 2/17/78	September 28, 1978	148935	Misc Book 12, Pages 104-106	Changes Legal Description on Exhibit A of 7 Acres and refers to it as "Parcel B".

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EXHIBIT B
TO
AMENDED AND RESTATED DECLARATION OF COVENANTS AND
RESTRICTIONS FOR APPLE CANYON LAKE PROPERTY OWNERS ASSOCIATION

Schedule of Reserved Properties as defined in Article II, Section 3.

1. Two parcels of land one consisting of Lot 11-267 in the Fairway Subdivision, and the second containing 5.00 acres, more or less, described as Parcel No. 1 and Parcel No. 2, in the Trustees Deed dated September 28, 1984 and recorded on October 4, 1984 as Document No. 173300 in the office of the Recorder of Deeds of Jo Daviess County, Illinois. [The Marina Service Center Property. PIN 43-18-015-017-00]

2. A parcel of land containing 80 acres more or less described in that certain Warranty Deed dated August 15, 1989 and recorded on August 18, 1989 as Document No. 199030 in the office of the Recorder of Deeds of Jo Daviess County, Illinois. [80 Acre parcel South of the Dam. PIN 43-18-015-016-00]

4. A parcel of land in the Southeast Quarter of Section 4, Township 28 North, Range 3 East of the Fourth Principal Meridian, more particularly described as follows: Commencing at the Southeast Corner of the North Half of the Northwest Quarter of the Southeast Quarter of said Section 4, thence South 89 degrees 01'26" West along the South Line of said North Half a distance of 125 feet to the Point of Beginning; thence continuing South 89 degrees 01'26" West a distance of 290.4 feet; thence North 0 degrees 58'34" West a distance of 300 feet; thence North 89 degrees 01'26" East a distance of 290.4 feet; thence South 0 degrees 58'34" East a distance of 300 feet to the Point of Beginning, containing 2.00 acres, more or less. [The Quarry Parcel. PIN 43-18-015-020-00]

5. A parcel of land Beginning at the Southwest corner of the Northwest quarter of Section 4, thence N 89 degrees 16'59" East along the South line of said quarter section a distance of 1,130.00 feet; thence North 75 degrees 00'44" West a distance of 1,178.41 feet to a point on the West line of said quarter section; thence South 01 degrees 30'36" East along the west line of said quarter section a distance of 319.00 feet to the Point of Beginning, containing 4.12 Acres, all in Township 28 North, Range 3 East of the Fourth Principal Meridian in Thompson Township, Jo Daviess County, Illinois, subject to the existing township road right-of-way. [The North Bay Parcel. PIN 43-18-015-019-00]

6. A parcel of land located in the NW1/4-SW1/4 and NE1/4-SW1/4 Section 15, Township 28 North, Range 3 East of the Fourth Principal Meridian, Thompson Township, Jo Daviess County, Illinois, which is bounded by a line described as follows:

Commencing at the Southeast corner of Lot 114 in Canyon Club Unit of Apple Canyon Lake Subdivision; thence S 22° 33' 33" W 66.01'; thence S 18° 35' 29" W 55 .. 54' to a point of curve; thence along the arc of a curve concave Northwest radius 707' whose chord bears S 25° 47' 49" W 155.80'; thence N 600 04' 38" W 167.24'; thence S 27° 33'

22" W 35.00'; thence S 46° 57' 22" W 92.73'; thence S 71° 01' 33" W 348.74' to the point of beginning; thence S 71° 01' 33" W 78.45'; thence S 76° 16' 53" W 267.51'; thence S 81° 00' 33" W 260.38'; thence N 31° 33' 03" W 12.97'; thence N 58° 26' 57" E 132.06'; thence N 28° 16' 47" E 24.36'; thence N 07° 12' 14" E 4.42' thence N 53° 16' 00" E 22.03' v thence N 85° 56' 09" E 47.22' thence N 72° 04' 40" E 51.90'; thence N 72° 22' 49" E 58.49'; thence N 07° 04' 14" E 80.99'; thence N 51° 36' 35" W 65.98'; thence S 77° 43' 47" W 75.97'; thence S 13° 06' 34" W 39.23'; thence N 84° 31' 27" W 136.66' to a point on the waters edge of Apple Canyon Lake; thence along a meander line as follows: N 23° 10' 43" E 187.89'; thence N 13° 48' 33" E. 202.87'; thence N 02° 50' 31" E 196.73' to the end of the meander line, said point being 79', more or less from the water's edge of Apple Canyon Lake along the next described course projected Northwesterly; thence S 67° 07' 20" E 436.64' to a point on the Cul-De-Sac of Deer Run Lane; thence along the arc of a curve on said Cul-De-Sac concave East, Radius 60.00', whose chord bears S 110° 02' 53" E 20.18'; thence S 87° 37' 06" W 285.72'; thence S 01° 31' 33" W 221.26'; thence S 63° 28' 27" W 200.00'; thence N 66° 31' 33" E 135.00'; thence S 49° 28' 27" E 100.00'; thence S 25° 31' 33" W 138.00' to the point of beginning. [Cove Restaurant Parcel. PIN 43-18-015-004-00]

7. A parcel of land consisting of approximately 0.467 acres which was originally conveyed to Apple Canyon Lake Property Owners' Association by a Quitclaim Deed dated July 17, 1976, recorded in the Office of the Recorder of Deeds of Jo Daviess County, Illinois on September 17, 1976 as Document No. 139542 at Book 204, Pages 702-703, said parcel containing 0.723 acres, more or less, subject to easements of record; LESS the approximately 0.257 acres more or less that Apple Canyon Lake Property Owners' Association conveyed to the Scales Mound Fire Protection District, a municipal corporation by that certain Warranty Deed dated August 2, 1991, recorded in the Office of the Recorder of Deeds of Jo Daviess County, Illinois on August 26, 1991 as Document No. 211092. Said parcel commonly referred to as tax parcel 18-015-005-00. [Property south and east of the existing fire house.]

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