

WHITE OAK LAKE ASSOCIATION, LTD.
ARTICLES OF ASSOCIATION

ARTICLE I

Name

SECTION 1 The name of the Association is White Oak Lake Association, Ltd. This association is formed pursuant to the authority granted by that document entitled "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS WHITE OAK LAKE SUBDIVISION AND WHITE OAK LAKE ADDITION 200" recorded in the Woodford County Recorder of Deeds on November 3, 1982, as document #82-2428.

ARTICLE II

Purposes

SECTION 1 The purposes of the Association are:

- A. To manage and maintain White Oak Lake and adjacent common property areas of the lake.
- B. To regulate access and use of the lake in a manner intended to enhance members' enjoyment thereof and improve property values.

ARTICLE III

Members

SECTION 1 Classification of members. The Association shall have one class of members. The designation and qualifications of members shall be the person(s) owning a single family residential lot in WHITE OAK LAKE SUBDIVISION, a subdivision of part of the Southeast Quarter of Section 20 and part of the Northeast Quarter of Section 29, in Township 27 North, Range 3 West of the Third Principal Meridian or in WHITE OAK LAKE ADDITION 200, a subdivision of part of the Southeast Quarter of Section 20, Township 27 North, Range 3 West of the Third Principal Meridian, both subdivisions being in Woodford County, Illinois, or in other real estate that borders, touches, and is adjacent to White Oak Lake, or in any other real property within one mile of the shoreline of White Oak Lake which may be subdivided and developed by J. Michael and Christine M. White or by White Enterprises, a partnership consisting of Raymond R. White and J. Michael White. All such lots shall hereinafter be referred to as "Member Lot(s)".

- SECTION 2 Multiple membership. Membership shall be mandatory and concurrent with the ownership of a Member Lot. An owner or co-owners of any one Member Lot shall constitute one membership. A person(s) owning multiple Member Lots shall maintain a membership for each lot owned.
- SECTION 3 Voting Rights. The owner(s) of each Member Lot shall have one vote for each lot owned on all matters submitted to a vote of the members. Should co-owners of any Member Lot be unable to agree as to which of them shall cast the vote for such lot, that lot shall be denied a vote while such disagreement exists. These voting rights are nullified in the event that dues payments (Article IV, Sections 1 & 3) are not current.
- SECTION 4 Registration. It shall be the responsibility of the Member Lot owner(s) to register ownership of said lot(s) with the Secretary of the Association as soon as convenient. In no event shall said registration be later than thirty (30) days after qualifying for membership.
- SECTION 5 Transfer of Membership. Membership in this Association is required to be transferred to the new owner upon transfer of title of the property to relieve the previous owner of any further obligation to this Association. It shall be the responsibility of the new owner to register said ownership in accordance with Section 4 of this Article.

ARTICLE IV

Dues

- SECTION 1 Annual Dues. Annual Dues, upon recommendation of the Board of Directors, shall be adopted by members of the Association at the Annual Meeting or a special meeting of the Members called for that purpose. In the event of a special meeting, the call for the meeting must be made as prescribed in Article IX, Section 2 and 3. A simple majority of the quorum present and voting shall be sufficient to adopt (Article IX, Section 4).
- SECTION 2 Dues Year. The dues year for the Association shall begin on the first day of January and end on the last day of December in each year.
- SECTION 3 Payment of Dues. Dues shall be payable in advance, on the first day of the next month following the issuance of the dues notice. Dues of a new member shall be prorated from the first day of the month in which such new member is qualified for membership, for the remainder of the dues year of the Association.

ARTICLE V

Board of Directors and Its Election

- SECTION 1 Number. There shall be a Board of Directors composed of five (5) members, made up of two (2) on-lake members, two (2) off-lake members, and one (1) at large member elected as follows: Two (2) members to be elected to serve through 1989, two (2) through 1990, and one (1) through 1991, with continuing repetition of the cycle thereafter. All members shall have full voting power except the President, who shall vote only in case of a tie.
- SECTION 2 Nominating Committee. The President shall, no later than the end of August, appoint a Nominating Committee consisting of three (3) persons from the membership -- one (1) each from on-lake members and off-lake members and the third at large. Board members are not eligible for this committee. It shall be the duty of this committee to nominate one candidate for each directorship to be filled at the Annual Meeting. (Article IX, Section 1)
- SECTION 3 Nominees. The proposed slate of directors shall be submitted to the membership no later than fifteen (15) days prior to the Annual Meeting. Additional nominations may be made from the floor at the Annual Meeting. Prior consent must be obtained from the person(s) being nominated. Only one (1) person from any single lot shall serve on the Board of Directors at any one time.
- SECTION 4 Election. Directors shall be elected by ballot. The candidates securing the highest number of votes for the vacancies to be filled shall be declared elected as directors.
- SECTION 5 Tenure. Each director elected to serve through the year 1991 or later shall be elected to a three (3) year term and shall serve until a successor has been elected and qualified. No director shall be eligible to serve more than two (2) consecutive terms. Less than one-half (1/2) of a term shall not be considered as one (1) term served.
- SECTION 6 Vacancies. Vacancies occurring in the Board of Directors shall be filled by the Board of Directors. A director elected by the Board of Directors to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
- SECTION 7 Removal. Any director elected by the membership or appointed by the Board of Directors, may be removed by the Board of Directors and the membership whenever in their judgment the best interest of the Association would be served thereby. A two-thirds (2/3) majority vote of the Board of Directors and a two-thirds (2/3) majority vote of the membership at an annual or special meeting of the membership shall be necessary

to remove any director. Removal action must be introduced and reviewed at a Board of Directors meeting prior to its introduction at any general membership meeting.

Noncompliance with these articles may constitute a reason for removal.

ARTICLE VI

Duties of Board of Directors

- SECTION 1 General Powers. The Board of Directors shall have authority over the affairs and funds of the Association between annual meetings with the limitation that the Board shall not modify any actions taken at the annual or special meetings of the membership. The Board shall have authority to adopt rules for the transaction of its business, provided such rules do not conflict with these articles.
- SECTION 2 A regular Annual Meeting of the Board of Directors shall be held no later than the end of the third week of January in each year for the purpose of electing officers, chairpersons of standing committees and for the transaction of such other business as may come before the meeting.
- SECTION 3 The Board of Directors shall hold at least six (6) regular Board meetings per year, the Annual Meeting of the Board provided for in Section 2 counting as a regular meeting.
- SECTION 4 Regular Meetings. The Board of Directors shall provide the time, date and place for the holding of regular meetings of the Board and 3 days notice of each meeting will be provided board members.
- SECTION 5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any three (3) directors upon giving three days notice.
- SECTION 6 Adoption of Rules and Regulations. The Board of Directors shall adopt such rules and regulations relating to the use of White Oak Lake and adjacent common property as they may deem reasonably necessary for the best interest of the Association and its members. They may also, in order to better effectuate said rules and regulations, adopt reasonable sanctions for non-compliance therewith.

Further, the Board of Directors shall recommend the amount of annual dues for each member of the Association. However, the amount of the annual dues shall be voted upon by the general membership and shall require an affirmative vote as provided in Article IV, Section 1.

The Board of Directors shall not have the power to levy a special assessment against the membership. Any special assessment must be voted upon and passed by the general membership in accordance with Article IV, Section 1.

SECTION 7 The Board of Directors shall designate a banking institution or institutions as depository of the Association's funds, and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association. In addition, the Board of Directors may invest the funds of the Association as provided in Article XI, Section 4.

SECTION 8 As it may be deemed necessary, the Board of Directors may perform other powers or acts, which authority to perform has been granted herein, or by law.

SECTION 9 Informal Action by Directors. Any action required to be taken at a meeting of the Board of Directors, or any other action taken which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all directors.

SECTION 10 Quorum. A majority of the Board of Directors, including the President, shall constitute a quorum for the transaction of business at any meeting of the Board.

SECTION 11 Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these articles of association.

SECTION 12 Compensation. Directors shall not be eligible to receive any compensation from general funds for any services or labors done for the benefit of the Association.

ARTICLE VII

Officers

SECTION 1 Officers. The officers of the Association shall be a president, a vice president, and a secretary/treasurer.

SECTION 2 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. New officers shall hold office until their successor shall have been duly elected and shall have qualified.

SECTION 3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby. A two-thirds (2/3) majority vote shall be necessary to remove any officer or agent.

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

ARTICLE VIII

Duties of Officers

SECTION 1 President. The president shall be the principal executive officer of the Association and shall in general supervise all of the business and affairs of the Association. The president shall preside at all meetings of the Board of Directors. The president may sign, with the secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these articles of association or by statute to some other officer or agent of the Association; and in general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 2 Vice President. In the absence of the president, or in the event of inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

SECTION 3 Secretary/Treasurer. The secretary/treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI, Section 7 of these articles; keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these articles or as required by law; be

custodian of the Association records; keep a register of the post office address of each member which shall be furnished to the secretary/treasurer by such member; and in general perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned to the secretary/treasurer by the president or by the Board of Directors.

ARTICLE IX

Meetings of the Members

- SECTION 1 Annual Meeting. Annual Meeting of the members shall be held at 1:00 p.m. on the first Saturday in November of each year, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be.
- SECTION 2 Special Meeting. Special meetings of the members may be called either by the president, the Board of Directors or not less than one-tenth of the members having voting rights. The call for the meeting must state the purpose of the meeting.
- SECTION 3 Notice of Meeting. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered to each member entitled to vote at such meeting not less than fifteen (15) nor more than forty (40) days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting.
- In case of a special meeting or when required by statute or by these articles, the purpose for which the meeting is called shall be stated in the notice.
- SECTION 4 Quorum. A quorum at either a special meeting or at the Annual Meeting shall be ten percent (10%) of the members entitled to vote at such meeting. Co-owners of a Member Lot shall be considered one member. The vote of a majority of the votes entitled to be cast at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required either by law or by these articles.

ARTICLE X

Committees

- SECTION 1 Standing Committees. The president shall appoint association members to the following standing committees: Security, Lake and Dam, Social, and any other standing committee as deemed necessary from time to time by the Board of Directors. All appointments to standing committees shall be subject to approval by the Board of Directors.
- SECTION 2 Other Committees. The president may appoint, subject to approval of the Board of Directors, and/or the Board of Directors may establish such other committees as may be needed from time to time.
- SECTION 3 Term of Office. Each member of a Standing Committee shall be appointed for a term of three (3) years. One-third of the membership of the committee shall be appointed each year. All other committees shall be appointed on an annual basis with the terms of office to be one year.
- SECTION 4 Chairman. The chairman of each Standing Committee shall be appointed by the president subject to the approval of the Board of Directors.

ARTICLE XI

Contracts, Checks, Deposits and Funds

- SECTION 1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these articles, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.
- SECTION 2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the secretary/treasurer and countersigned by the president or vice president of the Association.
- SECTION 3 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4 Investments. The Board of Directors may from time to time invest the funds of the Association. Investment of funds shall be limited to such interest-bearing accounts as savings, certificates of deposit, U.S. treasury bills, U.S. treasury notes and bonds.

ARTICLE XII

Books and Records

SECTION 1 The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE XIII

Fiscal Year

SECTION 1 The business year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIV

Proxies

SECTION 1 At any meeting of members or the Board of Directors, voting by proxy shall be prohibited.

ARTICLE XV

Amendments

SECTION 1 The articles of this Association may be repealed, amended or new articles adopted at any annual meeting of the members of the Association or at any special meeting of the members of the Association called for that purpose. Written notice of proposed amendment or changes shall be delivered to all members at least fifteen (15) days before an annual or special meeting.

A simple majority vote of the votes entitled to be cast at the meeting shall be necessary for adoption. Further, there must be a quorum present, as herein specified at Article IX, Section 4.