

BY-LAWS
of
FRIARS COVE LODGE, INC.

A
Corporation Not for Profit
of the State of Illinois

AS WRITTEN:	October 12, 1968	
ADOPTED:	January 26, 1969	
AMENDED:	January 9, 1972	Article X Sec. 2(b)
	March, 1975	Article IV Sec. 1 and 3; Article VII Sec. 2, 4(b), 5, 8 and 9; Article IX (Board review)
FAILED:	April, 1975	
ADOPTED:	June 8, 1975	
	September 21, 1977	Article III; Article IV Sec. 2 and 4; Article VII Sec. 2; Article XI (Board review)
FAILED:	February, 1978	
ADOPTED:	March 5, 1978	
ADOPTED:	February, 1982	Article VI Sec. 2, paragraph 2
AMENDED:	February 9, 1986	Article VI Sec. 2, paragraph 2
AMENDED:	September 14, 1986	Article VII Sec. 5
ADOPTED:	March 20, 2003	Article VI Sec. 1, paragraph 1; Sec. 3; Sec. 4; Sec. 5; Sec. 6(a) through (f); Article VII Sec. 1(a), (d), Sec. 2; Sec. 3; Sec. 7; Sec. 11.
ADOPTED:	April 21, 2004	Article VII Sec. 2; Sec. 3
AMENDED:	January 21, 2018	ARTICLE VII Sec. 6

Article I
Name

The name of the corporation shall be Friars Cove Lodge, hereinafter referred to as the "Lodge".

Article II
Purpose

The purpose for which the corporation is formed is to advance and stimulate patriotic, civic and social pursuits in the community of Addison, Illinois.

Article III
Government

Section 1 - The Lodge shall be governed by a Board of Directors, five (5) in number, hereinafter referred to as the "Board".

Section 2 - At each annual meeting of the Equity members of the Lodge, beginning in 1969, two Directors shall be elected during the odd numbered years from among the Equity members for a term of two years or until their successors have been chosen. Three Directors shall be elected during the even numbered years from among the Equity members for a term of two years or until their successors have been chosen.

Section 3 - Any member of the Board who shall cease to hold Equity membership in the Lodge shall automatically cease to be a Director. Vacancies, which are created on the Board by reasons other than expiration of normal term of office, shall be filled via appointment by remaining Board members. Preference shall be given to candidates who ran unsuccessfully for the Board at the previous annual meeting. Directors, so appointed, shall serve until a successor is elected at the next annual meeting.

Article IV
Board of Directors

Section 1 - The Board shall elect, from its members, a President, a Secretary, a Treasurer and such other officers as it shall deem appropriate. These officers shall serve for a term of one (1) year or until their successors have been chosen.

Section 2 - The Board shall transact all Lodge business and establish rules for the regulation and use of the Lodge property provided such are consistent with the By-Laws. It may appoint and remove such officers, clerks, agents, servants, or employees as it deems necessary and fix their duties and compensations. The Board may constitute or appoint committees and define the powers and duties of the same.

Section 3 - The Board shall designate the bank or banks in which the funds of the Lodge shall be deposited. The Board shall require that all checks, drafts and other instruments for the payment of funds drawn in the name of the Lodge shall be executed by a signature of the Board Treasurer or President, and shall be countersigned by a minimum of one (1) Director. Expenditures of \$2,500 or greater shall require three (3) competitive bids before selection of a vendor/contractor, with the exception of utility payments related to routine Lodge operations. Disbursement of previously un-budgeted funds in excess of five hundred (\$500.00) dollars shall require membership approval at either the annual or a special meeting. The President and Treasurer shall be bonded in a sum of not less than ten thousand (\$10,000.00) dollars.

Section 4 - The Board shall cause the books of the Lodge to be audited annually by a Certified Public Accountant(s) selected by an Audit Committee. Neither the Audit Committee nor the Certified Public Accountant(s) shall be members of the Board or officers of the Lodge. The report of the auditors shall be available to the members at all times.

Section 5 - The Board shall meet at least once a month during the months of March, April, May, June, July, August, and September, and at other times and intervals as they may deem appropriate. Notice of all regular Board meetings shall be posted on the Friars Cove Website and sent electronically to the members at least one (1) week prior to meeting. The Board shall be presided over by the President. In the President's absence, the Board shall be presided over by the Secretary. Three (3) Board members constitute a quorum. However, a majority vote of the Board members shall be required to carry a resolution or motion. Special meetings may be called by the President and shall be called by the Secretary upon the request of two (2) members of the Board.

Section 6 - In the event a question before the Board results in a tie vote which cannot be resolved, the question may then be submitted to the membership for decision.

Section 7 - These By-Laws shall be construed so as to permit the Board to borrow or pledge the credit of the Lodge up to seventy-five thousand (\$75,000.00) dollars during negotiations for purchase, and up to five thousand (\$5,000.00) dollars thereafter, unless authorized by a majority vote of the membership at a regular or special meeting called in accordance with these By-Laws.

Section 8 - Any Director may be removed from the Board by a majority vote of the membership at a special meeting called in accordance with these By-Laws.

Article V
Officers

Section 1 - The President shall preside at meetings of the Lodge and of the Board and shall be the administrative officer of the Lodge. The President shall appoint, subject to confirmation by the Board, all standing committees, designating a Chairman thereof, and all special committees as may be directed. The President shall be, ex officio, a member of all committees.

Section 2 - The Secretary, in the absence or temporary disability of the President, shall act in his or her stead. The Secretary shall prepare the agenda and issue notice of all meetings of the Lodge and of the Board. The Secretary shall keep the minutes, issue and receive Lodge correspondence and perform other such duties pertaining to the office as may be requested by the Board.

Section 3 - The Treasurer shall keep the accounts of the Lodge, collecting its revenues and disbursing its funds as authorized by the Board, its officers or its duly appointed agents. The Treasurer shall deposit the Lodge funds in the name of the Lodge in such depository as may be authorized by the Board and shall perform other such duties pertaining to his or her office as may be requested by the Board.

Section 4 - In the event of the death, resignation or incapacity of any Lodge officer, the Board shall elect a successor, who shall serve until the next regular annual election of Directors.

Section 5 - Any officer may be removed from office by a majority vote of the Board.

Article VI
Membership

Section 1 - The Membership of the corporation shall be comprised of one (1) class - Equity, shall be limited in number to a maximum of one hundred thirty-two (132) and shall be made available to purchasers and resident owners of Real property in the Friars Cove Subdivision.

Section 2 - Equity Members shall consist of those persons, not to exceed two (2), holding a Stock Certificate of Ownership and a vested title interest evidenced by a recorded deed, and their single children, or wards, residing with them. No Certificates of Ownership shall be issued in more than one name except where issued in the joint names of owners or beneficial owners of Real Property in Friars Cove Subdivision. The Certificate shall provide for right of survivorship.

Section 3 - Any Equity member may, for cause and after having been given an opportunity for a hearing, be suspended for a period not exceeding three (3) months by a four-fifths (4/5) majority of the Board. Cause for suspension shall, in general, consist of violation of these By-Laws or of the rules of the Lodge, or of conduct unbecoming a lady or gentleman.

Section 4 - The Board may delegate to the Chairman of the Pool and Grounds Committee, or to the Chairman of the Rules and By-Laws Committee, the power to suspend pool privileges for the violation of Lodge rules and regulations provided such suspension does not exceed seven (7) days. A written report of such suspension, containing the reasons therefore, shall be submitted to the President within twenty-four (24) hours. The Board may designate to a responsible employee of the Lodge, the power to suspend pool privileges of members under eighteen (18) years of age for similar violations provided such suspension does not exceed seven (7) days.

Section 5 - (a) Equity members of the Lodge shall be accorded the facilities of the Lodge subject to the rules and regulations which shall at all times be posted in a prominent location in or about the Lodge facilities and on the Friars Cove Website.

(b) Equity members of the Lodge may transfer their ownership through an assignment of beneficial interest or through a deed at a reduced equity membership fee of \$500 to their child, children or grandchildren, when said child, children or grandchildren have purchased the home of the Equity member.

(c) At its discretion, the Board may temporarily extend the privileges of the Lodge to any person or persons.

(d) The Board shall define, or cause to be defined, the terms and conditions upon which, guests or members may use the facilities of the Lodge.

(e) Any property of the Lodge damaged or broken by a member, or his guest, shall be promptly paid for by such member. No person shall take any article belonging to the Lodge.

(f) The Lodge assumes no responsibility, and members or their guests can have no claim against the Lodge, for the property of members, or any guests, which may be brought into or left in the Lodge buildings, or on the grounds.

Article VII **Dues and Fees and Membership Certificates**

Section 1 - (a) Dues for the membership shall be set by the Board and shall be ratified by a majority of the membership at a special meeting to be held within fifteen (15) days from the time the Board sets such fees. Notice of said special meeting shall be given to all members in accordance with the provisions of these By-Laws.

(b) Dues shall be sufficient to provide for the necessary operating expenses of the Lodge and the proper maintenance and improvement of its property. Such dues shall be payable by April 1st of each year for the period April 1 through the succeeding March 31, during which payment of dues will be required for issuance of membership credentials.

(c) No dues nor part thereof shall be refunded in the event that pool operations are required to be suspended for any period, nor in the event of a transfer of membership.

(d) Any person acquiring Equity membership subsequent to April 1 of any year shall pay dues in accordance with the following schedule:

- Membership acquired April 1 through June 30 - 100% of Annual Rate
- Membership acquired July 1 through August 31 - 75% of Annual Rate
- Membership acquired September 1 through December 31 - 50% of Annual Rate
- Membership acquired January 1 through March 31 - 25% of Annual Rate

Section 2 - As a condition to Equity Membership, a Stock Ownership Certificate shall be purchased from the Lodge. All such certificates shall be sold by the Lodge in accordance with the following schedule:

The membership cost will be \$1000.00, payable as follows:

- \$1000.00 in total, or
- \$250.00 the first year plus \$300.00 the second year plus \$350.00 the third year plus \$400.00 the final year, or
- \$250.00 the first year plus \$800.00 the second year, or
- \$250.00 the first year plus \$300.00 the second year plus \$600.00 the third year

Full equity benefits begin with the first payment. However, the Stock Ownership Certificate will not be awarded until the final payment is received.

Section 3 - A membership may be purchased by a contract purchaser of a residence located in Friars Cove provided a copy of the Articles of Agreement placed on record in DuPage County is furnished to the Board with proof of recording. The contract purchaser will pay the membership fee as follows:

The membership cost will be \$1200.00, payable as follows:

- \$1200.00 in total up front, or
- \$500.00 the first year plus \$500.00 the second year plus \$500.00 the third year, or
- \$650.00 the first year plus \$650.00 the second year

Also, the membership status of a contract purchaser will be reviewed each subsequent year, before February 1st, and the continuation of membership must be approved by the Board. If the Board votes to revoke the contract purchaser membership, any fees previously paid will not be refunded - notice will be given to the contract purchaser before March 1st of that year. The review of the contract purchaser membership will expire after payment in full of membership cost AND proof of the recording of a conveyance deed to the contract purchaser. In addition, the annual dues will need to be paid in accordance with Section 1, Article VII.

Section 4 - (a) An Equity Member who is selling his/her residence to his/her child, children or grandchildren, may offer the Stock Ownership Certificate to the purchaser of the residence at a reduced rate of \$500.00 subject to the following conditions:

(b) The Equity Member shall surrender to the Secretary of the Lodge all membership cards, passes or guest passes prior to, or within ten (10) days following the transfer of ownership of the residence.

(c) The Equity Member shall retire any outstanding indebtedness owed to the Lodge prior to, or within ten (10) days following the transfer of ownership of the residence.

Section 5 - An Equity Member could retain his/her Equity Membership in the Lodge regardless of his/her place of residency and would maintain Equity Ownership indefinitely or until Section 7 of the By-Laws takes effect.

Section 6 - If dues and money fall below levels necessary to meet the financial obligations of the Lodge, the Board will hold a special meeting, at which time the Equity members will vote whether or not to liquidate some or all of the assets of the Lodge. A vote by a majority (51%) of the total of current members, counted as of the date of the special meeting, will be necessary to liquidate any or all assets of the Lodge. If a partial liquidation of assets is approved, what is done with the proceeds will be determined by a majority (51%) vote of the current Equity members.

If a majority of the Equity members vote in favor of a complete liquidation of assets and the dissolution of Friars Cove Lodge, Inc., the Equity members shall be entitled to a pro-rata distribution of the said assets after payment of all debts and liabilities.

In order to be eligible to receive a pro-rata distribution of the assets of the Lodge, an Equity member must be in good standing for a minimum of the five (5) preceding years prior to the special meeting and throughout the entire liquidation and dissolution process. The exception would be for newly acquired properties within the five (5) preceding years in which the homeowner was a member since the purchase of the home. If a member sells his or her home subsequent to the special meeting, but prior to the completion of the liquidation/dissolution process, that member shall be entitled to his or prorata share, and not the subsequent/new owner of the home.

Section 7 - Any Equity Member failing to pay indebtedness within thirty (30) days of the date of a statement shall have added to such indebtedness a penalty of ten percent (10%) and the same shall become immediately due and payable. Until such time as the indebtedness is paid, that Member shall be denied use of all Lodge facilities.

Section 8 - All indebtedness owing to the Lodge by an Equity Member shall be a lien and charged against the Member's Stock Ownership Certificate. At the time indebtedness is incurred such Certificate shall not increase further in Equity value. When indebtedness reaches one half the Equity value of the Certificate the Board shall inactivate said Certificate. The Secretary shall notify the Equity Member of this action. In order to reactivate said Certificate or re-instate the member, all indebtedness must be paid.

Section 9 - No assessment shall be levied against the members without their approval by a two-thirds (2/3) vote of the Equity Members at a special meeting, called for such a purpose, after at least ten (10) days written notice of such meeting and proposed purpose.

Article VIII **Meetings**

Section 1 - (a) The annual meeting of the Lodge shall be held during the month of January or at some other time as determined by the Board, but no later than May 1st of each year; at the Lodge hall at a time determined by the Board. At least ten (10) days written notice shall be given to all members for this meeting.

(b) The annual meeting shall be for the purpose of electing Directors, presenting committee reports, and for the transaction of such other business as may be indicated in the notice or may be brought before it.

Section 2 - Special meetings of the Lodge may be called by the Board. Also, upon written request to the Secretary by twenty (20) members, stating the purpose thereof, a special meeting shall be called by the Secretary within thirty (30) days.

Section 3 - (a) Written notice of the annual meeting shall indicate the number of Directors to be elected.

(b) Special meetings of the Lodge may be held on ten (10) days written notice to all members. The notice shall state the purpose for which the special meeting is called and no other business shall be transacted thereat.

Section 4 - Only Equity members shall be entitled to vote at meetings of the Lodge. In cases where a membership is in the name of more than one person, either, but not both, of such persons may vote. Proxy voting is allowed if attendance in person is not possible as a result of being away from home at the time of the meeting and if the member submits, in writing, their voting choice or choices to either the President or Secretary in advance of the meeting. Voting may be via voice, but ten (10) members shall have the right to demand a vote by roll call.

Section 5 - The entire number of Directors to be elected shall be balloted for at one and the same time and not separately. Every member voting shall vote for as many nominees as there are Directors to be elected.

Section 6 - Twenty percent (20%) of the current Equity members, who are present in person, constitute a quorum at Lodge meetings.

Section 7 - Robert's Rules of Order shall prevail at all meetings of the Lodge.

Article IX **Committees**

Section 1 - (a) The standing committees shall be Pool & Grounds, Lodge Operations, Finance and Rules and By-Laws.

(b) The duties and powers assigned in these By-Laws to the standing committees shall be subject to the authority of the Board. No committee shall expend funds without prior appropriation by the Board.

Section 2 -The Pool and Grounds Committee shall: exercise supervision over the pool and grounds and have authority thereover, attend to the improvement and maintenance of the pool, operating equipment and grounds, and, in conjunction with the Rules Committee, ensure that the rules and regulations of the Lodge are enforced.

Section 3 - The Lodge Operations Committee shall: exercise supervision over the use and operation of the Lodge buildings and have authority thereover, attend to the improvement and maintenance of its facilities, and, in conjunction with the Rules Committee, see that the rules and regulations of the Lodge are enforced.

Section 4 - The Finance Committee shall prepare the annual budget for submission to and approval by the Board and shall exercise general supervision over the financial transactions of the Lodge.

Section 5 - The Rules and By-Laws Committee shall prepare the rules of health and good conduct in connection with the operation of the Lodge and shall see that the rules and regulations of the Lodge are enforced. It shall periodically review the By-Laws and Lodge rules and regulations and make recommendations relative to changes to the Board.

Section 6 - Such temporary committees as deemed necessary may be appointed by the President, with the approval of the Board, and they shall terminate when the purpose of their formation has been fulfilled.

Article X **Miscellaneous**

Section 1 - (a) Each person who acts as a Director or officer of the Lodge shall be indemnified by the Lodge against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a Director or officer of the Lodge, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and except any sum paid for the Lodge settlement of an action, suit or proceeding based on gross negligence or willful misconduct in the performance of his duties.

(b) The right of indemnification provided herein shall inure to each Director and officer referred to in (a) whether or not he/she is such Director or officer at the time such costs or expenses are imposed or incurred, and in the event of death shall extend to his/her legal representatives.

Section 2 - (a) These By-Laws may be amended at a meeting of the Lodge provided at least ten (10) days written notice of such amendment shall be given to each member, setting forth the proposed amendment(s) with the reasons thereof and any known objection.

(b) Amendment of these By-Laws shall be accomplished by a majority vote of the current Equity members.

Section 3 - Notwithstanding any provisions of these By-Laws to the contrary, no part of the net earnings of this Lodge shall inure to the benefit of any member.

Article XI
Definitions

- 1 - Assignee - any person, firm or corporation, receiving legal title to any residence within Friars Cove.
- 2 - Indebtedness - any amount owed to the Lodge, such as, but not limited to, dues, mortgage, taxes, assessments, liabilities for damages and interest.
- 3 - Evidence of Sale - any document, such as, but not limited to, deed of transfer, closing statement or letter from any lending institution confirming said sale.
- 4 - Guests - non-Friars Cove residents.
- 5 - Written Notice and Written Request - shall be modified to mean electronic delivery.
- 6 - Friars Cove Website - www.friarscove.com