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**DECLARATION
OF COVENANTS,
CONDITIONS,
RESTRICTIONS AND
EASEMENTS**

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Anna J. Dineen
GRUNY & COONEY
ATTORNEYS

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\$10.00

(The above space for recorder's use only)

THIS DECLARATION is made and entered into by Ninovan Lake Estates, LLC Illinois Limited Liability Company (hereinafter referred to as "Declarant" and Developer).

WITNESSETH

WHEREAS, Declarant is the owner and legal title holder of certain real estate in the Village of Minooka, State of Illinois, which real estate is legally described in Exhibit A attached hereto and by this reference made a part hereof; and

WHEREAS, Developer, its successors and assigns, presently intend to develop a parcel of land containing as a ski lake; and

WHEREAS, the Developer has deemed it desirable for the efficient preservation of the values and amenities of the ski lake to create an entity to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area, as hereinafter described and defined, and administering and enforcing the covenants and restrictions hereinafter contained and created; and

WHEREAS, there will be incorporated under the laws of the State of Illinois, as a not-for-profit corporation, The Ninovan Ski Club, for the purpose of exercising the functions aforesaid; and

FIRST AMERICAN TITLE
ORDER # 1481372

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING MAIL TO:

PROPERTY ADDRESS AND P.I.N.:

✓ Michael E. Webster, Esq.
Webster & Schelli, A Professional Corporation
1730 Park Street, Suite 220
Naperville, IL 60563

LOT D IN NINOVAN LAKE ESTATES PHASE 1
LOT E IN NINOVAN LAKE ESTATES PHASE 2

Minooka Road, Minooka, IL 60447
PIN 03-04-352-010
03-04-352-012

**DECLARATION
OF COVENANTS,
CONDITIONS,
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EASEMENTS**

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WITNESSETH

WHEREAS, Declarant is the owner and legal title holder of certain real estate in the Village of Minooka, State of Illinois, which real estate is legally described in Exhibit A attached hereto and by this reference made a part hereof; and

WHEREAS, Developer, its successors and assigns, presently intend to develop a parcel of land containing as a ski lake; and

WHEREAS, the Developer has deemed it desirable for the efficient preservation of the values and amenities of the ski lake to create an entity to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area, as hereinafter described and defined, and administering and enforcing the covenants and restrictions hereinafter contained and created; and

WHEREAS, there will be incorporated under the laws of the State of Illinois, as a not-for-profit corporation, The Ninovan Ski Club, for the purpose of exercising the functions aforesaid; and

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LOT E IN NINOVAN LAKE ESTATES PHASE 2

Minooka Road, Minooka, IL 60447
PIN

WHEREAS, the Declarant desires to establish for its own benefit and the mutual benefit of all future owners, tenants and occupants of the aforesaid development and real estate and any part thereof, certain easements or rights in, over, under, upon and along said development and real estate and certain mutually beneficial restrictions and obligations with respect to the use, conduct and maintenance thereof;

NOW, THEREFORE, the Declarant hereby declares that only the real estate described in Exhibit "A" and such additions thereto as may hereinafter be made is and shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Covenants, Conditions, Restrictions and Easements. The Declarant does hereby further declare that the following easements, covenants, restrictions, conditions and burdens, uses, privileges, charges and liens shall: (1) exist at all times hereafter amongst all parties having or acquired right, title or interest in any portions of the real estate; (2) be binding upon and inure to the benefit of each Owner (as hereinafter defined); and (3) run with the land subjected to this Declaration, to be held, sold and conveyed subject thereto.

Article 1 - Purpose and Name

Section 1. The name of this club shall be The Ninovan Ski Club.

Section 2. The purpose of the Ninovan Ski Club (hereinafter referred to as "The Club") is organized to promote safe recreational and competitive skiing, wake boarding and similar towed water sports, to obtain, develop, promote and maintain the use of a private ski lake for these purposes, to sponsor and promote competitions and training sessions, to stimulate interest in the community and to work for greater safety on the water. The Club should endeavor to generate revenue through promotional events, tournaments, facility rental, and other means to support the purpose of The Club. The purpose and activities of The Club shall be limited to those described in Section 501(c)(7) of the Internal Revenue Code and Regulations and Rulings thereunder, and no part of the net earnings of The Club shall inure to the benefit of a private individual.

Section 3. The Club is established as a nonprofit organization.

Section 4. The Club shall not discriminate against any person on the basis of race, creed, color, gender, age, national or ethnic origin, religious beliefs, and/or disability in connection with the operation of its programs and activities.

Section 5. The Club shall, at all times maintain a registered agent at a registered office within the state of Illinois.

Section 6. The registered office and the registered agent of The Club may from time to time be changed by the Board of Directors.

Article 2 – Managing Members & Ownership

Section 1. Managing Member status may be obtained by purchasing a member interest from The Club at the price established by the board or through member interest transfer

as defined in Article 14. A Member interest is not transferable, but may be returned to The Club subject to Article 14 – Member interest, Transfer & Buy-Back. Subject to such procedures as may be established by the Board or Directors, an individual desiring to become a Managing Member of The Club shall first be given the option of becoming a Managing Member by transfer as provided in Article 14, or if no member interest is available for transfer, by application as provided in the following sections 4 and 5.

Section 2. The Members holding member interest form the governing board (Board of Directors) of The Club and vote at the board meetings to establish the rules and operations of The Club. All dues and fees shall be current for members to have voting privileges.

Section 3. The Club shall own all assets and other facilities.

Section 4. An individual who desires to become a Managing Member of The Club shall submit to the secretary of The Club an application for Managing Member Status on such form as established by the Board of Directors. An application for membership, other than an application from an individual to whom a membership is being transferred from a member of the corporation as provided in Article 14, shall be accompanied by all such fees as established by the Board of Directors.

Section 5. Upon receipt of a timely and complete application for Managing Member Status by an eligible individual, including any required fees, the Board of Directors shall act to approve or reject such application at the discretion of the Board of Directors and consistent with the purpose of The Club. The Club shall promptly refund the principal amount of any fee paid along with the application of an individual whose application for Managing Member Status is rejected.

Section 6. The Club has a right to limit the number of member interests available.

Section 7. All Managing Members in The Club are considered a first tier member in The Club.

Section 8. A Managing Member holding more than one member interest may “Inactivate” one member interest at any time by notice given in writing to the secretary of The Club. The “Inactive Member Interest” remains liable to The Club for any dues, assessments, fees, fines or any other payments which were due from such member interest or which resulted from such Member’s actions prior to “Inactivating” the member interest. Upon a member interest becoming “Inactive” such “Inactive Member Interest” shall have no rights as a Managing Member of The Club other than to transfer his or her member interest as provided in Article 14 and shall not be required for such period as the member interest remains “Inactive” or upon the transfer of the member interest to pay dues, assessments, or fees due from Managing Members of The Club after such member interest becomes “Inactive”. Upon transfer of an “Inactive Member Interest” pursuant to Article 14 the member interest shall not be considered “Inactive” unless such Managing Member notifies the Secretary of The Club as provided in this section. An “Inactive Member Interest” may cease being an “Inactive Member Interest” at any time by notice giving in writing to the Secretary of The Club provided such member is eligible to be a Member of The Club and provided further such notice is accompanied by all dues,

assessments and fees due from the Managing Members of The Club from the time such member interest became “Inactive”.

Section 9. A Managing Member shall not be entitled to more than two voting rights regardless of the number of member interests held.

Section 10. Termination of Membership of a Managing Member shall result a loss of voting privileges for the period of termination.

Section 11. Managing Members who are being considered for suspension or revocation of status under any rule may not vote on matters concerning their own status.

Section 11. An individual approved as a Managing Member of The Club shall be a Managing Member of The Club until such individual transfers his or her member interest or is removed as a Managing Member as provided in these Bylaws. Membership in The Club shall be evidenced by a certificate of membership issued by The Club on such form as determined by the Board of Directors. Subject to any limitation in these Bylaws, the Members of The Club shall have the use and benefit of the property owned by The Club under such Rules and Procedures as established by the Board of Directors.

Section 12. Upon the death of a Managing Member, such deceased Member’s member interest shall, on the written request of such deceased Member’s personal representative and upon the payment to the corporation of any dues, assessments, fees, fines or any other payments which were due from such Member or which resulted from such Member’s actions prior to his or her death, be transferred in the records for The Club and a new certificate of membership issued to such individual as is directed by the deceased Member’s personal representative, provided such individual as otherwise eligible to be a Managing Member of The Club. No fee shall be charged by The Club for a transfer pursuant to this Section.

Article 3 – Management & General Provisions

Section 1. The management of The Club shall vested in a Board of Directors.

Section 2. The Board of Directors shall direct The Club to achieve the purpose as set forth in these bylaws.

Section 3. The Board of Directors shall appoint Officers by a majority vote to be responsible for the operation of The Club. The Officers shall consist of the President, Vice-President, Treasurer, Secretary, and a Membership Committee Chairperson and other positions as deemed necessary by the Board of Directors. A minimum of 4 officers shall be appointed by the Board of Directors. Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president, vice-president and secretary.

Section 4. The Board of Directors may employ whatever personnel they deem necessary and for which funds are available, to aid in the management of The Club.

Section 5. The Board of Directors may designate one or more additional committees, comprised of a chairman selected by the Board of Directors and such other persons as the chairman of the committee or the Board of Directors shall appoint. Committees shall work as directed by the Board of Directors to perform specific task or make recommendations to the Board of Directors.

Section 6. The Board of Directors may authorize any officer or officers or agent or agents of The Club to enter into any contract or execute and deliver any instrument in the name of and on behalf of The Club and such authority may be general or confined to specific instances.

Section 7. All funds of The Club shall be deposited in a timely manner after receipt in such banks, trust companies, or other depositories as the Board of Directors may select. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of The Club, shall be signed by such officer or officers or agent or agents of The Club 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 and countersigned by the president of The Club. No loan shall be contracted on behalf of The Club and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 8. The fiscal year of The Club shall commence on the first day of January and end on the thirty-first day of December.

Section 9. On the corporate seal shall be inscribed the name of The Club and the words "Corporate Seal" and "Illinois".

Section 10. Whenever any notice is required to be given under law, the articles of incorporation or the Bylaws of The Club, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 11. A conflict of interest may exist where a director is directly a party to a transaction if the other party to the transaction is an entity in which the director has a material financial interest or of which the director is a director, officer or general partner.

Where a possible conflict of interest exist relative to any matter presented to the Board of Directors for consideration, the director thereby affected shall ensure that the material facts of the transactions are known or disclosed to the directors who authorize, approve or ratify the transaction.

The presence of a director who is directly a party to a transaction, or a director who is otherwise not disinterested, may be counted in determining whether a quorum is present, but may not be counted when the Board of Directors takes action on the transaction.

Article 4 - Officers

Section 1. The officers of The Club shall manage The Club at the direction of the Board of Directors and report to the Board of Directors.

Section 2. The President shall preside at all meetings of The Club and of its Board of Directors and shall carry on the responsibilities assigned to him by these Bylaws and by the Board of Directors. The president shall have general supervision and control of the general business and affairs of The Club and shall perform such duties as may be assigned to him or her by the Board of Directors.

Section 3. During the absence or temporary incapacity of the President, the Vice-President shall perform the duties of the President. The Vice-President or Vice-presidents, if more than one is appointed, shall perform such duties and have such other powers as shall be assigned to him or her by the president or the Board of Directors.

Section 4. The Secretary shall keep all the records of The Club and be responsible for the minutes of all meetings, as well as the attendance, mailings and correspondence. A record of the proceedings of the Board of Directors and officers shall be kept in a book or books for that purpose. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and the seal of the corporation; and perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or the Board of Directors.

Section 5. The Treasurer shall keep all accounts of The Club. He/She shall keep all funds in a bank approved by the Board of Directors and in the name of The Club, subject to withdrawal by checks signed by two officers of The Club and approved by the Board of Directors. He/She shall disburse the funds of The Club under the direction of the Board of Directors. A monthly statement of accounts shall be prepared and submitted to the Board of Directors. An annual audit shall be prepared and submitted to the membership. The Treasurer shall perform all duties incident to the office of a treasurer and such other duties as may be assigned to him or her by the president or the Board of Directors.

Section 6. The Chairperson of the Membership Committee shall be in charge of the membership roster, guest members and usage of the facilities.

Section 7. A newsletter shall be published by the Officers at the direction of the Board of Directors at least annually.

Article 5 – First Tier Membership

Section 1. First Tier Memberships in The Club may be made available by the Board of Directors at their discretion. First Tier Memberships are not transferable.

Section 2. A First Tier Member is defined as the owner, spouse, dependants and other residents of the member's home.

Section 3. First Tier Members of The Club may use the facilities of The Club subject to the rules established by the Board of Directors and these bylaws. Members must be current with all dues and assessments as defined in Article 9 – Dues and Assessments to be afforded the privileges of First Tier Membership.

Section 4. First Tier Membership in Ninovan Ski Club is obtained by submitting a membership application, initiation fee, and membership fee as set by the Board of Directors. Memberships are not transferable and can not be subleased. All members shall remain members until the member resigns or the membership is terminated by actions set forth below. The Board of Directors may not reduce the number of memberships available to less than then number of members at that time. An application for membership shall be accompanied by such membership fee, initiation fee and other fees as established by the Board of Directors.

Section 5. First Tier Membership shall be reviewed by the Board of Directors. Upon receipt of a timely and complete application for membership from an eligible individual including any required fees, the Board of Directors shall act to approve or reject such application at the discretion of the Board of Directors and consistent with the purpose of The Club, considering the requirements of the application and membership availability. An individual approved as a Member of The Club shall be a Member of The Club until such individual resigns his or her membership or is removed as a Member as provided in these Bylaws. Membership in The Club shall be evidenced by a certificate of membership issued by The Club on such form as determined by the Board of Directors. Subject to any limitation in these Bylaws, the Members of The Club shall have the use and benefit of the property owned by The Club under such Rules and Procedures as established by the Board of Directors. The Club shall promptly refund the principal amount of any fees paid along with the application of an individual whose application for membership is rejected.

Section 6. A First Tier Member may resign from The Club at any time upon notice in writing addressed to the Secretary. No refund or proration of dues will be available.

Section 7. First Tier Membership in The Club may be terminated by the following actions:

7.1 The Officers of The Club may terminate a member for non-payment of dues after 30 days written notice to the member via certified mail.

7.2 The Board of Directors, by a three-quarter vote, at any regular or special meeting can suspend or terminate memberships if the member does not follow the rules set forth by the Board of Directors and these bylaws.

7.3 Operation of prohibited boats on the lake or operation of a boat in a reckless manner or manner prohibited by the rules of The Club shall result in a minimum of 30-day suspension of privileges. Repeated violations may result in termination of membership. Reckless operation shall include but is not limited to: Operating a boat in a manner that would endanger other users of the lake. Operating a boat above 10 MPH outside the area 100 feet perpendicular from the centerline of the ski course extended to both ends of the lake. Operating a boat above 10 MPH when visibility is limited including after dark. Operation of a boat while

intoxicated or under the influence of drugs as defined by the State of Illinois will not be tolerated.

Section 8. Suspension or Termination of membership for any member shall not release the said member from the obligation to pay all dues and assessments owed to the end of the current period of the membership. No refund will be given.

Section 9. Terminated members shall be ineligible for membership for a period as set forth by the board at the time of termination. A member remains liable to The Club for any dues, assessments, fees or other payments which were dues from such Member or which resulted from such member's actions prior to such Member's termination. Upon the suspension or termination of a member, such member shall have no rights as a member of The Club other than to transfer his or member interest as provided in Article 14 and shall not be required to pay such dues, assessments or fees thereafter due from the members of The Club.

Section 10. First Tier Members have the first option to purchase member interest if/when it becomes available. Dues paid by the First Tier Member shall satisfy the dues requirement of the Managing Member. Order of membership will determine option order. In the event of two members joined in the same day, a lottery will be used to determine member interest purchase order.

Section 11. Upon the death of a First Tier Member, such deceased Member's membership shall, on the written request of such deceased Member's personal representative and upon the payment to the corporation of any dues, assessments, fees, fines or any other payments which were due from such Member or which resulted from such Member's actions prior to his or her death, be transferred in the records for The Club and a new certificate of membership issued to such individual as is directed by the deceased Member's personal representative, provided such individual as otherwise eligible to be a First Tier Member of The Club. No fee shall be charged by The Club for a transfer pursuant to this Section.

Article 6 – Guest Usage

Section 1. First Tier Members may invite guest to use the facilities provided by The Club while accompanied by that member. Guest must follow the rules set forth by The Club for all members. Guest applies only to participants in the skiing, wakeboarding and similar activities. Guest status does not apply to passengers and other non-skiing related activities (Swimming, Fishing, etc.).

Section 2. Guest usage of the lake shall be limited to four times per calendar year per guest regardless of the member who invites the guest.

Section 3. Additional guest visits may be purchased for on a per day bases at 3% of the dues price but not less than \$15 per day. A maximum of 10 guest charges shall be charged per individual in one fiscal year.

Section 4. Guest must use a watercraft registered by the First Tier Member.

Section 5. Guest shall enjoy the same privileges of a First Tier Member while accompanied by a member.

Section 6. Guest may be terminated as defined for First Tier Memberships.

Section 7. The Club may not limit the amount of Guest usage of the lake.

Section 8. Guest fees shall be capped at 20 times the daily guest fee for parents and their children.

Article 7 – (intentionally left blank)

Article 8 – Budget and Funds

Section 1. The Treasurer shall submit to the Board of Directors at their annual meeting a proposed budget of expenditures covering the total anticipated expenditures for the new fiscal year. This budget shall be considered and approved with or without revisions. It may be reviewed and is subject to revision at any regular meeting of Board of Directors thereafter. The officers and/or the Board of Directors and/or any paid employee of The Club shall not obligate The Club in excess of the approved budget or otherwise than according to the approved budget.

Section 2. The Board of Directors shall strive towards maintaining in reserve at least three years operating expenses to be used for unforeseen expenses.

Article 9 – Dues and Assessments

Section 1. Dues shall be set by the Board of Directors prior to the end of the fiscal year. Dues shall be considered due as of the start of the fiscal year and shall be paid as directed by the Board of Directors.

Section 2. Dues shall be based on operating cost and shall not be more than 125% of the projected operating cost and must not exceed 110% of the past years dues unless agreed upon by a 75% majority vote of the First Tier Members.

Section 3. A special assessment may be fixed by the Board of Directors, but may not be assessed more often than once every 5 years and may not exceed 150% of the current year's dues, except as agreed upon by a 75% majority vote of the First Tier Members.

Article 10 – Board of Directors Meetings & Notifications

Section 1. The Board of Directors shall meet quarterly or more often as deemed necessary by the Board of Directors or Officers. Written notice and agenda of Board of Director meetings shall be sent via US mail to all Managing Members at least 1 week prior to the meeting. Actions taken by the Board of Directors shall be as a result of a majority vote of all owned shares. Written proxy votes may be used to conduct the business of the Board of Directors.

Section 2. Special meetings of the Board of Directors may be called by or at the request of the president or any two(2) directors. The person or persons authorized to call the special meeting of the Board of Directors may fix any place or time as the place and time for holding any special meeting of the Board of Directors called by them.

Section 3. Notice of any meeting of the board of directors other than the quarterly meetings shall be given at least 10 days prior thereto, by written notice to each director at the address shown for such director on the records of The Club. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If sent by facsimile, such notice shall be deemed to be delivered when the facsimile is sent and confirmation is received. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to such notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waver of notice of such meeting, unless specifically required by law or by the Bylaws.

Section 4. At all meetings of the Board of Directors a majority of the total number of Member Interest shall constitute a quorum for the transaction of business, provided that if fewer than a majority of the Member Interest are represented, a majority of the directors present may adjourn the meeting to another time without further notice.

Section 5. The act of the majority of the Member Interest present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, the articles of incorporation or these Bylaws.

Section 6. Any action required by statute to be taken at any meeting of the Board of Directors or any other action which may be taken at a meeting of the board may be taken without a meeting if a consent in writing shall be signed by all if the directors entitled to vote with respect to the subject matter thereof. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the secretary to be filed in the corporate records. The action taken shall be effective when all directors have approved the consent unless the consent specifies a different effective date. A director may deliver his or her signed consent through the use of facsimile machine, provided that the original consent containing such director's original signature is delivered to the secretary to be filed in the corporate records within fifteen (15) days of the date of consent.

Section 7. Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other and such participation in a meeting shall constitute presence in person at the meeting.

Section 8. Directors shall not receive any stated salaries for their services as directors provided that nothing herein contained shall be construed to preclude any director from serving The Club in any other capacity and receiving reasonable compensation therefrom.

Section 9. All meetings shall be open to the entire memberships. Notification of proposed discussions and actions shall be provided with the notification of the meetings. Minutes of the meetings shall be made available to the membership.

Section 10. Meetings shall be conducted in an orderly fashion to facilitate accurate and complete minutes. A Roberts Rules like format shall be used to conduct all meetings.

Article 11 – Member Meetings & Notifications

Section 1. The officers shall meet as necessary to conduct the business of The Club. Regular meetings of the Officers shall be made available to the membership. Written notices of the place, day and hour of all regular meetings shall be prepared by the Secretary. Regular meetings shall be published at least 1 week in advance by standard US Mail to all members. Alternative means of notification (e-mail, FAX, Phone, Etc.) may be selected in writing by individual members. Use of alternative notification means shall be at the discretion of the Secretary.

Section 2. An annual member’s meeting shall be held at the place and time within the month of January as determined by the Board of Directors. Written notice the annual member’s meeting, stating the place, date and hour of the meeting, and agenda indicating the items for which a vote shall be called shall be given to each member, not less than 20 days or more than 60 days before the date of the meeting. All members who are members in good standing at the time of such notice is given and who do not declare their membership inactive or are not removed as members prior to the date of such meeting are entitled to attend in person and vote on matters at the meeting. Members may submit a written proxy vote indicating their vote for matters placed on the agenda at the time of the meeting notice. The means of remote communications, if any, by which members may be deemed to be present in person and vote at such meeting shall be included with the meeting notice.

Section 3. All meetings shall be open to the entire memberships. Notification of proposed discussions and actions shall be provided with the notification of the meetings. Minutes of the meetings shall be made available to the membership.

Section 4. Meetings shall be conducted in an orderly fashion to facilitate accurate and complete minutes. A Roberts Rules like format shall be used to conduct all meetings.

Article 12 - Amendments

Section 1. These Bylaws may be amended annually at any meeting of the Board of Directors by a 75% majority vote of Managing Members in good standing, providing a notice of such proposed amendment(s) shall have been mailed to each Managing Member with notice of the meeting at which the amendment(s) are to be considered. Proxy votes may be accepted. Rules established as “Never be changed” may never be removed by amendment.

Article 13 - Lake Availability

Section 1. The Club must provide access to the waters of the lake to all homeowners in The Ninovan Lake Estates Subdivision for the purpose of fishing, swimming, and limited

boating. Boating shall be restricted to human and wind propelled watercraft. Powered watercraft operated at speeds less than 10 MPH will also be allowed subject to the rules and requirements of The Club. Maintenance of the access points is the responsibility of the Ninovan Lake Estates Homeowners Association (“Homeowners Association”). The Club and the Homeowners Association shall work in cooperation on all maintenance. This provision may not be changed.

Section 2. Usage of the water of the lake for irrigation may be restricted to maintain water levels in the lake. Installation of a pump and pumping of water from the lake shall be by permit from the Board of Directors only. Discharge of water from clean water sources including but not limited to Geothermal heating and cooling wells, ground source wells, swimming pools, field tiles and gutters shall not be restricted.

Section 3. Open ski time - Skier Rotation Except when reserved or for club run events, the lake will be available for open skiing. During open skiing, skiers will take turns using the lake with one skier from each boat skiing for no more than 15 minutes continuously before yielding the lake to a skier in the next boat waiting. This is a courtesy rule and will work well if ALL MEMBERS use it. **Be courteous to your fellow skier!**

Section 4. Reserved Ski Times may be implemented by the Officers of The Club. Reserved Ski Times may be made available to members who will generally not utilize the lake except during their reserved time. Ski times may be reserved in one (1) hour blocks. During reserved times the member and their guest have exclusive use of the lake. Others may use the lake as under the open ski time rule if the member is not present. The member may not assign or transfer the reserved time except to notify The Club of the intention not to use it. The Board of Directors shall set the reserve times. A lottery will be used to determine the order of selection. A Member may reserve no more than three (3) hours per week. Members holding reserve ski times may still use the lake during non-reserved times.

Article 14 – Member interests, Transfer & Buy-Back

Section 1. A Managing Member wishing to surrender a member interest shall notify The Club in writing to the Secretary of his intentions at which time The Club shall seek a new member. Once a new member has been found The Club will collect a transfer fee of 10% of the current value with the surrendering member receiving the remaining funds.

Section 2. The Club may choose to not seek a new member for a member interest after being notified by the Member of his desire to surrender his/her member interest, The Club must buy reacquire the member interest at 100% of the value at the time the surrendering member notifies The Club.

Section 3. If the member interest surrender coincides with the sale or transfer of the Members property in the subdivision, The Club must offer the member interest to the new owner of the property. If the new owner chooses not to acquire the member interest at that time, The Club, at their discretion, may seek another new member or reacquire the member interest.

Section 4. A Member selling or transferring property in the Ninovan Lake Estates Subdivision must offer for surrender any member interest to The Club for acquisition by the new owner or to be reacquired by The Club.

Section 5. A member interest shall be available to all lots held by Ninovan Lake Estates, LLC until the date of first transfer. Ninovan Lake Estates, LLC must make these member interests available to the purchaser of the lot at an initial membership fee set by The Club's Board of Directors. All proceeds from the initial membership fees shall belong to The Club. If the purchaser of a lot held by Ninovan Lake Estates, LLC does not elect to purchase the member interest; the member interest becomes the property of The Club with no further obligation to Ninovan Lakes Estates, LLC. No dues or assessments may be assessed regarding these unacquired member interests and the rights of the Ninovan Lake Estates, LLC to transfer these member interest may not be refused, disputed or terminated.

Article 15 – General Rules

Section 1. The primary use of the waters provided by The Club shall be water skiing and similar activities such as wake boarding and bare foot skiing.

Section 2. All members must be a member in good standing with the American Water Ski Association (AWSA) to use the lake for the purpose of water skiing or like activity. AWSA membership information shall be provided to The Club.

Section 3. During open ski times no person shall be allowed to use the lake continuously for more than 15 minutes while others are waiting.

Section 4. No boat shall be operated on the waters of the lake faster than 10 MPH except while performing activities associated with water skiing.

Section 5. All boats shall have exhaust ports below the normal waterline of the boat and shall have working muffler systems as installed by the boat manufacture. The Club may restrict the use of specific boats to control noise and/or pollution.

Section 6. Due to the size of the lake and limited maneuvering area, all boats operated in excess of 10 MPH are recommended to be of inboard ski boats like design. To maintain a safe environment The Club may restrict boat sizes and configuration.

Section 7. Use of two-stroke engines is not permitted on the lake. This provision may never be changed.

Section 8. Jet powered boats are not permitted on the lake. This includes but is not limited to Jet Skis, Wave Runners, and other similar boats. This provision may never be changed.

Section 9. The Club has the right to restrict lake usage by the members for the purpose of training or competitions.

Section 10. No fishing in the ski course area or within 20 feet of designated beach areas. Fishing, swimming and other non-skiing activities must yield to skiing activities. The ski

course area is defined as 75 feet on either side of the centerline of the ski course extended to both ends of the lake. Skiers shall allow others the opportunity to leave the skiing area before skiing begins.

Section 11. Boat operation shall cease immediately when other users are in the ski area.

Section 12. Docks must not extend beyond the normal shoreline in the main body of the lake. Modification of the shore area within twenty (20) feet of the shoreline is under the control of The Club. No modifications may be made to this area without the permission of The Club. The Club reserves the rights to maintain this area to prevent damage to the lake and liner. The homeowners shall pay for all expenses related to repairs made in this area.

Section 13. You must be a member of the ski club or a guest of a member in order to ski on the lake. A member must be present while the guest is using the lake.

Section 14. Use of alcoholic beverages is strongly discouraged while on the lakes governed by The Club. Persons found to be operating a watercraft while intoxicated, as defined by the State of Illinois laws, may have their membership revoked without a refund and loss of Member status with loss of all equity in The Club.

Section 15. Safety is of the utmost importance. Drivers are encouraged to complete a certified boating safety course such as those offered by the Department of Conservation or US Power Squadrons. Specific training and experience driving the types of boats used on this lake in the restricted space of this type of environment is encouraged.

Section 16. Training and experience handling a boat in the ski course is encourage, but should be limited to times of low usage, good conditions and well away from other lake users. Calibration, tuning and other maintenance should not be done while others are waiting and should be kept to a minimum.

Section 17. Courtesy and Common Sense must exercised by all lake users.

Section 18. State of Illinois fishing & boating laws must be followed.

Section 19. All boats operated on the lake shall be registered with The Club and comply with the insurance requirements of The Club.

Article 16 – Insurance & Other Requirements

Section 1. Evidence of insurance must be provided for all powerboats over 10 HP before they are launched or operated on the lakes provided by The Club.

Section 2. All boats over 10 HP shall have liability coverage in excess of \$500,000. The Club and the Homeowners Association shall be named as “Additionally Insured”. Ninovan Lake Estates, LLC shall also be named as “Additionally Insured” until such time as it has no further obligations towards the development of the subdivision and cease to be in operation. AWSA insurance requirements must also be met.

Section 3. The Ninovan Ski Club shall maintain AWSA Club registration naming Ninovan Lake Estates, LLC and the Homeowners Association as additionally insured.

Section 4. The Ninovan Ski Club shall maintain general liability insurance in excess of \$1,000,000 naming Ninovan Lake Estates, LLC as additionally insured and providing a certificate of insurance to the Homeowners Association.

Section 5. The Homeowners Association shall maintain general liability insurance in excess of \$1,000,000 and provide a certificate of insurance to The Ninovan Ski Club.

Section 6. The Ninovan Ski Club shall maintain Director & Officer Insurance covering its officers and Board of Directors.

Section 7. All members shall hold harmless and indemnify The Ninovan Ski Club, The Ninovan Lake Estates Homeowners Association, Ninovan Lake Estates, LLC, as well as the owners, officers and board members of these organizations against all claims arising from the use, maintenance, operation and construction of the facilities and surrounding properties. The Ninovan Ski Club agrees to pay all cost incurred in defending or as a result of suits brought against the Ninovan Lake Estates Homeowners Association, Ninovan Lake Estates, LLC and their owners, officers and board members.

Section 8. Insurance amounts may be increased by the Board of Directors or the Ninovan Lake Estates, LLC in accordance with insurance and inflation practices.

Article 17 – Indemnification And Insurance

Section 1. Third Party Actions. The club may 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 club) by reason of the fact that he or she is or was a director, officer, employee or agent of the club, or who is or was serving at the request of the club as a director, officer, employee or agent of another club, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees,) judgments, fines and amounts paid in settlement actually and reasonable incurred by such person in connection with such action, suite 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 interest of the club, 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 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 interest of the club, or, with respect to any criminal action or proceeding, that the person has reasonable cause to believe that respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Suits by or in the Right of the Club. The club may 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 suite by or in the right of the club to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the club, or is or was serving at the request of the club as a director, officer, employee or agent of another club, partnership, joint venture, trust or other person in connection with the defense or settlement of such action or suite, 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 interest of the club, 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 club 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. Rights Upon Success. To the extent that a director, officer, employee or agent of the club has been successful, on the merits or otherwise, in the defense of any action suit or proceeding referred to in Sections (1) and (2) of this Article 17, 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. Determination of Indemnification. Any indemnification under Sections (1) and (2) of this Article 17 (unless ordered by a court) shall be made by the club only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the determination shall be made (i) by the board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suite or proceeding and (ii) 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.

Section 5. Payment of Expenses in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid on the club in advance of the final disposition of such action, suite or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the trustee, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the club as authorized in the Article 17.

Section 6. Non-Exclusivity and Continuity. The indemnification provided by this Article 17 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administration of such a person.

Section 7. Insurance The club shall purchase and maintain insurance on the club's behalf against any liability and on behalf of any person who is or was a director, officer, employee or agent of the club, or who is or was serving at the request of the club as director, officer, employee or agent of another club, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such

person in any such capacity, or arising out of his or her status as such, whether or not the club would have the power to indemnify such person against such liability under the provision of this Article 17.

IN WITNESS WHEREOF, the Manager of the Declarant, has caused its name to be signed to these presents on the day and year first above written.

NINOVAN LAKE ESTATES, LLC,
An Illinois Limited Liability Company

BY: _____
Michael F. Mass, A Manager

STATE OF ILLINOIS)
) **SS.**
COUNTY OF _____)

The undersigned, a notary public in and for the above county and state, certifies that Michael F. Mass, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notary seal this
_____ day of _____, 2006.

Notary Public

My commission expires:_____

AGREEMENT AND ACCEPTANCE

We, the undersigned, being all of the the members of the Booard of Directors of The Ninovan Ski Club, agree and acknowledge the foregoing is a true and accurate understanding the agreement between the Developer and The Ninovan Ski Club.

EXHIBIT A

LOT D, IN NINOVAN LAKE ESTATES PHASE 1, A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 34 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 12, 2002 AS DOCUMENT NO. 401852, IN GRUNDY COUNTY, ILLINOIS.

LOT E, IN NINOVAN LAKE ESTATES PHASE 2, A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 34 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 25, 2002 AS DOCUMENT NO. 402236, IN GRUNDY COUNTY, ILLINOIS.