

**BYLAWS OF MYSTIC COVE HOMEOWNERS ASSOCIATION,**

**an Illinois Not For Profit Corporation**

**ARTICLE I**

**Purposes**

The purposes for which the corporation is organized are the administration and operation of the Mystic Cove Homeowners Association in Antioch, Illinois.

**ARTICLE II**

**Offices**

The corporation shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

**ARTICLE III**

**Members**

**Section 1: GENERAL.** Each person or entity that is the record owner of a fee or undivided fee interest in any Lot (as defined in that certain Declaration of Easements, Covenants, Conditions, Restrictions and Reservations of Mystic Cove dated August 11, 1993, and recorded in the Office of the Lake County, Illinois Recorder on August 25, 1993 as Doc. No. 3388293 and amended August 17, 1998 and re-recorded. The corporation shall have one (1) class of voting Members, Class A. Class B, as described and provided for in Article Four of the Mystic Cove Declaration no longer exists.

**Section 2: VOTING RIGHTS.** Each member of Class A shall be entitled to one (1) vote on each matter submitted to a vote of the Members.

**Section 3: ANNUAL MEETING.** An annual meeting of the Members shall be held on the third Monday in January of each year for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If such day be a legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

**Section 4: SPECIAL MEETING.** Special meetings of the Members may be called by any of the President, the Board of Directors or a majority of the Members of the corporation.

**Section 5: PLACE OF MEETING.** The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of, Illinois, provided, however, that if all of the Members shall meet at any time and place and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

**Section 6: NOTICE OF MEETINGS.** Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than five nor more than forty 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 bylaws, the purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the corporation, with postage thereon prepaid.

**Section 7: MANNER OF ACTING.** The act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Members, except where otherwise provided by law, the Articles of Incorporation or these bylaws.

**Section 8: INFORMAL ACTION BY MEMBERS.** Any action required to be taken at a meeting of the Members of the corporation, or any other action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the minimum number of Members required (with respect to the subject matter thereof) by the Illinois General Not For Profit Corporation Act of 1986 (the "Act")

**Section 9: QUORUM.** The Members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice.

**Section 10: PROXIES.** At any meeting of Members a member entitled to vote may vote either in person or by proxy executed in writing by the member or by the member's duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

## **ARTICLE IV**

### **Board of Directors**

**Section 1: GENERAL POWERS.** The affairs of the corporation shall be managed by its Board of Directors. The directors may also be designated trustees.

**Section 2: NUMBER, TENURE AND QUALIFICATION.** The number of directors shall be Five (5). Each director shall hold office until the next annual meeting of the Members and until the director's successor shall have been elected and qualified. Any Director must also be a Member.

**Section 3: REGULAR MEETINGS.** A regular meeting of the Board of Directors shall be held without other notice than this by-law jointly with the annual meeting of Members or immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than such resolution.

**Section 4: SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the President or any director. The person or persons authorized to call special meetings of the board may fix any place as the place for holding any special meeting of the board called by them.

**Section 5: NOTICE.** Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written or verbal notice delivered personally to each Director to the director's address as shown by the records of the corporation. No special meeting of directors may remove a director unless written notice of the proposed removal is delivered to all directors at least 20 days prior to such meeting. 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 notice be given by facsimile, such notice shall be deemed to be delivered one day after the sending machine confirms delivery of the facsimile transmission. If notice is given by air courier, such notice shall be deemed delivered when the notice is actually delivered by the air courier service to such address of the director. Any director may waive notice of any 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 regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

**Section 6: QUORUM.** A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the board, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**Section 7: 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, the Articles of Incorporation or these bylaws.

**Section 8: VACANCIES.** Any vacancy occurring in the Board of Directors, or any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office.

**Section 9: INFORMAL ACTION BY DIRECTORS.** Any action required to be taken at a meeting of the directors of the corporation, or any other action 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 the minimum number of directors required (with respect to the subject matter thereof) by the Act.

**Section 10: RESIGNATION AND REMOVAL OF DIRECTORS.** A director may resign at any time upon written notice to the Board of Directors. A director may be removed with or without cause, as specified by statute.

## **ARTICLE V**

### **Officers**

**Section 1: OFFICERS.** The officers of the corporation shall be a president, a secretary and a treasurer and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may, elect or appoint such other officers, including one or more vice presidents and assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to 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.

**Section 2: ELECTION AND TERM OF OFFICE.** The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until such officer's 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 corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any of the person so removed.

**Section 4: PRESIDENT.** The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. The President shall preside at all meetings of the Members, however, the Chairperson of the Board of Directors, as selected by the Board Members, will preside over all meetings of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors authorizes to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the corporation; 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 5: VICE PRESIDENTS.** In the absence of the President or in the event of the President's inability or refusal to act, the Vice Presidents, in the order of their seniority, 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 Presidents shall perform such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

**Section 6: TREASURER.** The Treasurer shall: have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws; and in general perform all the duties incident to the offices of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

**Section 7: SECRETARY.** The Secretary shall keep minutes of the meetings of the Members and 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 bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary 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 by the President or by the Board of Directors.

**Section 8: ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.** The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

## **ARTICLE VI**

### **Indemnification of Directors and Officers**

(a) The corporation shall indemnify each director and each officer 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 corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was

unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) Any indemnification under paragraphs (a) of this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable but a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Members.

(c) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification may be entitled under any statute, provision in the corporation's articles of incorporation, by-law, agreement, vote of Members or disinterested directors or otherwise, both as to action in his 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 or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(d) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

(e) No provision of this Article shall be valid or enforceable to the extent that it constitutes or is deemed to constitute an impermissible act of "self-dealing" for the purposes of section 4941(d) of the Code. The invalidity or unenforceability of any such provision shall not affect the validity or enforceability of the remaining provisions of this Article.

## **ARTICLE VII**

### **Contracts, Checks, Deposits & Funds**

**Section 1: CONTRACTS.** The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to

enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, 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 evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation 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 Treasurer, an assistant treasurer or the Vice President of the corporation.

**Section 3: DEPOSITS.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

**Section 4: GIFTS.** The Board of Directors or the President may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

## **ARTICLE VIII**

### **Books and Records**

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the Proceedings of its Members and Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the corporation may be inspected by any Member or the Member's agent or attorney for any proper purpose at any reasonable time.

## **ARTICLE IX**

### **Fiscal Year**

The fiscal year of the corporation shall end on the last day of December in each year, or at such other time as the Board of Directors of the corporation may determine.

## **ARTICLE X**

### **Seal**

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal Illinois."

**ARTICLE XI**

**Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or by the bylaws of the corporation, 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.

**ARTICLE XII**

**Architectural Control Committee**

The Board of Directors of the Corporation may, in its discretion, create an Architectural Control Committee for the purpose of administering the provisions of Article Seven of the Mystic Cove Declaration. Such committee, if created, shall have such powers and shall do such things as the Board of Directors shall determine from time to time. Without limiting the foregoing, the Board of Directors of the Corporation shall determine the size of the Architectural Control Committee and its composition. The affirmative vote of a majority of the Members of the Committee shall be required to make recommendations to the Board (including approving or refusing to approve architectural plans or other requests) on behalf of the Members.

**ARTICLE XIII**

**Amendments to Bylaws**

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, provided that at least two days' written notice is given of intention to alter, amend or repeal or to adopt new bylaws at such meeting.