

**BYLAWS
OF
MILL CREEK ESTATES
HOMEOWNERS ASSOCIATION, INC.
an Illinois not-for-profit corporation**

**ARTICLE I
Name, Membership, Applicability and Definitions**

SECTION 1. NAME. The name of the Association shall be Mill Creek Estates Homeowners Association, Inc. (hereinafter sometimes referred to as the "Association").

SECTION 2. MEMBERSHIP. The Association shall have one (1) class of membership. Class "A", as more fully set forth in that certain Declaration of Restrictive Covenants, for Mill Creek Estates Homeowners Association, Inc., Article V, Section 2(a) (said Declaration as amended, renewed or extended from time to time, is hereinafter sometimes referred to as "the Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

SECTION 3. DEFINITIONS. The words used in these Bylaws shall have the same meaning as set forth in said Covenants unless the context shall prohibit. Furthermore, all authority, guidance and powers are derived from the governing covenants of the Mill Creek Estates and its homeowners.

**ARTICLE II
Meetings, Quorum, Voting, Proxies**

SECTION 1. PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners of Lots as may be designed by the Board of Directors.

SECTION 2. ANNUAL MEETINGS. The Association shall meet bi-annually and at least thirty (30) days prior to the close of the fiscal year and in each six (6) months thereafter as set by the Board as provided in the Declaration. Easier just to set a date?

SECTION 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed by at least fifteen (15%) percent of the votes of the membership. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 4. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of

the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

SECTION 5. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, equally one-fifth (1/5) of the votes by the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation. If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting shall be the act of the members unless a vote of a greater number is required by the General Not-For-Profit Corporation Act, the Articles of Incorporation, or these Bylaws. Those present or represented at any meeting of the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum of aforesaid shall be present or be represented.

SECTION 6. ADJOURNED MEETINGS. If, at any regular or special meeting of the members of the Association, there shall be less than a quorum present, a majority of those members present and entitled to vote, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which time the quorum requirements shall be one-tenth (1/10) of the votes of the membership of the Association and any business which might lawfully have been transacted at the meeting as originally called may be transacted upon further notice s provided in Section 4 above.

SECTION 7. PROXIES. A vote may be cast in person or by proxy. Proxies may be given to any person and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

SECTION 8. VOTING. The vote of the majority of those present shall decide any questions brought before the meeting, unless the question is one upon which a different vote is required by the Declaration, the Articles of Incorporation of the Association or these Bylaws.

SECTION 9. CONDUCT OF MEETINGS. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the Association and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions concerning thereat. The President, in his or her discretion, can announce at the beginning of any meet that Robert's Rules of Order (current edition) shall govern the conduct of such meeting of the Association when not in conflict with the Declaration or Bylaws.

SECTION 10. INFORMAL ACTION BY MEMBERS. Any action required to be taken at a meeting of the members of the Association, 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 either (i) by all the members entitled to vote with respect to the subject matter thereof, or (ii) by the members having no less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voting. If such consent is signed by less than all of the members entitled to vote, then such consent shall become effective only (1) if, at least five days prior to the effective date of such consent a notice in writing of the proposed action is delivered to all of the members entitled to vote with respect to the subject matter thereof, and (2) if, after the effective date of such consent,

prompt notice in writing of the taking of the corporate action without a meeting is delivered or mailed to those members entitled to vote who have not consented in writing.

ARTICLE III
Board of Directors, Number, Term of Office

SECTION 1. GOVERNING BODY. The affairs of the Association shall be governed by a Board of Directors.

SECTION 2. DIRECTORS. The Directors shall be selected by the voting members of the Association and shall serve until the next annual meeting of the membership in which an election is required.

SECTION 3. NUMBER OF DIRECTORS. The number of Directors of the Association shall be fixed by resolution of the Board of Directors, but in no event shall the number be neither less than three nor more than seven. It is the express intent to require that there be an uneven number of Directors, three, five or seven.

SECTION 4. APPOINTED DIRECTORS. The Board of Directors, acting on behalf of all members, shall have the right to appoint up to three members of the Board, who shall each serve for one year terms and who may not be reappointed. Said appointed Board members need to be members of the Association and may continue to serve if properly elected by the membership.

SECTION 5. ELECTION AND TERM OF OFFICE. All members shall have the right to vote on all Directors to be elected. Seven (7) Directors shall be elected on a staggered term basis. The members shall elect three (3) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years and two (2) Directors for a term of three (3) years; and, at each annual meeting thereafter, the members shall elect Directors for a term of three (3) years.

SECTION 6. RESIGNATION AND REMOVAL OF DIRECTORS. A Director may resign at any time upon written notice to the Board of Directors. Directors may be removed with or without cause by majority vote of the members of the Association at any duly called regular or special meeting. In such event, a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given at least ten (10) days written notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director who was elected by the membership, his successor shall be selected by the remaining members of the Board and shall serve for the remainder of the unexpired term or until the next annual meeting, whichever occurs first.

SECTION 7. ACTION TAKEN WITHOUT A MEETING. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE IV
Nomination and Election of Directors

SECTION 1(a). NOMINATION. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Any member of the Association may be elected to the Board of Directors. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, but not up for election, and, two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting.

SECTION 1(b). NOMINATING COMMITTEE RESPONSIBILITIES. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations are to be made from among members. The Committee will collect bios written by each nominee on "why they want to serve." The Committee will compile these into an information sheet to be presented to the members fourteen (14) days before the annual meeting. The Nominating Committee will also be in charge of counting all ballots cast, both absentee and those cast at the annual meeting, in the presence of the membership.

SECTION 2. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election, the members may cast as many votes as they are entitled to exercise under the provisions of the Declaration; one vote per lot/homeowner. Cumulative voting is not permitted. Members that will not be able to attend the annual meeting can request an absentee ballot from the Nominating Committee. Such list of member requests will be kept on file with the Secretary who will verify that such member is not in attendance at the annual meeting. Those absentee ballots mailed to the member requesting will include: the secret ballot, bio sheet of those running for election and return envelope marked "Absentee Ballot." Sealed absentee ballots will be returned to the Nominating Committee Chair, who will then bring them to be counted in full at the annual meeting.

ARTICLE V
Meetings of Directors

SECTION 1. REGULAR MEETING. The Board of Directors shall meet annually within thirty (30) days prior to the annual meeting of members and at least every six (6) months thereafter, and in addition to the annual meeting, it shall meet at regular meetings established as to time and place by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

SECTION 3. QUORUM OF BOARD OF DIRECTORS. At all meetings of the Board of Directors, unless otherwise specified in the Declaration, a majority of the Directors shall constitute a

quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

SECTION 4. WAIVER OF NOTICE. Any requirement of notice to a Director provided under this Article V may be waived by the Director entitled thereto by written waiver of such notice signed by the Director and filed with the Secretary of the Association.

ARTICLE VI Powers and Duties of the Board of Directors

SECTION 1. CONDUCT OF MEETINGS. The President may preside over all meetings of the Board of Directors and the Secretary shall keep a minute book, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (current edition) shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or these Bylaws.

SECTION 2. POWERS. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Associations' affairs and as provided by law, and may do all acts and things as are necessary by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members. The Board shall have the power to adopt rules and regulations which it deems necessary and to impose sanctions for violation thereof, including, without limitation, reasonable monetary fines which may be collected as provided in the Declaration for Assessments.

SECTION 3. ACTION WITHOUT A FORMAL MEETING. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

SECTION 4. COMMON OR INTERESTED DIRECTORS. Each member of the Board shall exercise his or her powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and any of its Directors, or between the Association and any corporation, firm, or Association in which any of the Directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following sub-paragraphs exist:

- a) The fact of the common directorate or interest is disclosed or known to the Board or a majority thereof and noted in the minutes, and the Board of Directors authorizes,

approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

- b) The fact that the common directorate or interest is disclosed or known to at least a majority of the members of the Association and the members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved, or executed.

Any common or interested Director may be counted in determining presence of a quorum at any meeting of the Board or committee thereof which authorizes, approves, or ratifies any contract or transaction, but shall not vote on the specific issue or issues in which he or she has a common interest in the outcome.

SECTION 5. EMPLOYMENT. The Board of Directors may employ a manager, independent contractors, and such other employees or agents as deemed necessary, and to prescribe their duties.

SECTION 6. LOANS. The Board of Directors may borrow money upon a majority vote of all of the members of the Board of Directors for the purpose of improving the common areas, or any portion thereof, or acquiring additional common areas, or for constructing, repairing or improving the facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage covering all or any portion of the common areas, provided, however, that the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interests, options, easements and privileges herein reserved or established for the benefit of any owner, or any holder of any mortgage, irrespective of when executed, given by any owner encumbering any lot or other property located within the properties.

SECTION 7. COMMON AREA. Dedicate or transfer all or any portion of the common areas to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless such dedication or transfer has been approved by at least sixty-six and two-thirds percent (66-2/3%) of:

The votes which the Class "A" members present or represented by proxies are entitled to cast at a meeting duly called for such purposes.

SECTION 8. EASEMENTS. Grant easements with regard to the properties which it may own to any public agency, authority or utility for such purposes as benefit the properties or portions thereof and owners or lots contained therein.

ARTICLE VII
Officers and Their Duties

SECTION 1. ENUMERATION OF OFFICERS. The officers of this Association shall be a President, Vice President, Secretary, and Treasurer, who shall at all times be members of the Board of Directors.

SECTION 2. TERM. The officers of this Association shall be elected annually by the membership and shall hold office for three (3) years unless s/he shall sooner resign, or shall be removed, or otherwise disqualified to serve. The first election for a 3-year term will be the President and Secretary; the subsequent election for a 3-year term will be for Vice President and Treasurer. The following year will not have an election, and continue so forth.

SECTION 3. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

SECTION 4. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign, at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces until the next annual meeting.

SECTION 6. MULTIPLE OFFICES. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

SECTION 7. DUTIES. The duties of the officers are as follows:

- a) President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, and approve financial transactions of the Treasurer.
- b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required out.
- c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such

other duties as required by the Board. The Secretary shall be the co-signer of all financial transactions of the Treasurer after the approval by the President.

- d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The Treasurer will also seek approval for financial transactions through the President of the Board and co-signature by the Secretary.
- e) Other. In the event that the Secretary or Treasurer is not available to sign financial transactions, an alternate Board member will be assigned the responsibility by the Board of Directors.

ARTICLE X **Committees**

Committees to perform such tasks and to serve for such periods as may be designated by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Sub-committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE XI **Indemnification Provisions**

In addition to any other right or remedy to which the persons hereinafter described may be entitled, under the Articles of Incorporation, Bylaws, Declaration, any other Agreement, or by vote of the members or otherwise, the Association shall and by those present does indemnify any Director or officer of the Association or former director or officer of the Association who was or is 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 by reason of the fact that he is or was a director or officer of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suite or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suite or proceeding by judgment, order, settlement, conviction, or upon a plead 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/she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

ARTICLE XII
Contracts, Checks, Deposits, and Funds

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice-President of the Association.

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

ARTICLE XIII
Waiver of Notice

Whenever any notice 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 the Bylaws of the Association, 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. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XIV
Insurance

SECTION 1. LIABILITY INSURANCE. The Association shall obtain public liability insurance covering all of the common areas and insuring the Association and the owners as its and their interest may appear in such amounts as the Association may determine from time to time; provided, however, that the minimum amount of coverage shall at no time be less than Five Hundred Thousand Dollars (\$500,000) for personal injury to any one person, and One Million Dollars (\$1,000,000) for personal injuries suffered in any one incident. Premiums for the payment of such liability insurance shall be assessed against the owners as part of the common area cost, and allocated among all of the owners as provided herein. Each owner shall be responsible for obtaining and paying for his personal liability insurance.

SECTION 2. CASUALTY AND OTHER INSURANCE. All personal property included in the common area and/or owned or used by the Association, if any, shall be insured for its replacement value, and the Association shall maintain worker's compensation insurance and such other insurance as the Association deems necessary. The premiums for such coverage and other

expenses in connection with said insurance shall be assessed against the owners as part of the common area costs, and spread among all of the owners as provided herein.

ARTICLE XV
Miscellaneous

SECTION 1. FISCAL YEAR. The initial fiscal year of the Association shall be June 1st to May 30th.

SECTION 2. PARLIAMENTARY RULES. Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Illinois law, the Articles of Incorporation, the Declaration, or these Bylaws.

SECTION 3. CONFLICTS. If there are conflicts or inconsistencies between the provisions of Illinois law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Illinois law, the Declaration of the Articles of Incorporation (in that order) shall prevail.

SECTION 4. BOOKS AND RECORDS. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

SECTION 5. CORPORATE SEAL. The Board of Directors shall provide a suitable corporate seal containing the name of the Association and other appropriate statements, as the Board of Directors shall determine.

SECTION 6. EXECUTION OF ASSOCIATION DOCUMENTS. With the prior authorization of the Board of Directors, all notes, contracts, and other documents shall be executed on behalf of the Association by either the President or the Vice President, and all checks and other drafts shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time by the Board of Directors authorized to do so.