

BYLAWS OF
HOPP HOLLOW ESTATES HOMEOWNERS' ASSOCIATION
AN ILLINOIS NOT FOR PROFIT CORPORATION

ARTICLE I. NAME AND LOCATION

The name of the corporation is Hopp Hollow Estates Homeowners' Association. The principal office of the corporation shall be located at the office of the corporation's registered agent, but meetings of the members and directors may be held at such places within Madison County, Illinois as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. "Association" shall mean and refer to The Hopp Hollow Estates Homeowners' Association, its successors and assigns.

Section 2. "Developer" shall mean and refer to Edward C. McPike or any successor to or assignee of the development rights and interests of Edward C. McPike in and to the land within the development.

Section 3. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions for Hopp Hollow Estates applicable to the development and recorded on October 28, 1991 in the Office of the Recorder of Madison County, Illinois, in Book 3652, at Page 2397 and the First Amendment to Covenants and Restrictions for Hopp Hollow Estates recorded on December 11, 1991 in the Office of the Recorder of Madison County, Illinois in Book 3659, at Page 1945 together with any subsequent amendments thereto.

Section 4. "Lot" shall mean and refer to any plot of land shown on the final recorded subdivision plat for The Hopp Hollow Estates or any additional platted real estate made subject to the Covenants and Restrictions for Hopp Hollow Estates.

Section 5. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the development, including contract sellers, but excluding those holding title merely as security for the performance of an

obligation.

Section 7. "Development" or "Subdivision" shall mean and refer to that certain tract of real property described in the Declaration, and such additions thereof as may be brought within the jurisdiction of the Association pursuant to the provisions of the Declaration.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meetings. An annual meeting of members shall be held at the time, date and place set by the Board of Directors in accordance with the Declaration.

Section 2. Special Meetings. Special meetings of members may be called at any time by the president or by the Board of Directors, or on written request of ten percent (10%) of the members.

Section 3. Notice of Meetings. Written notice of each meeting of members shall be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least five (5) but not more than sixty (60) days before such meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of receiving notice. Such notice shall specify the day, hour and place of the meeting, and in the case of a special meeting, the purpose of the meeting. Notice may be waived by a written waiver of notice signed by any person entitled to notice or by the attendance of such person at a meeting, which shall be deemed to constitute such waiver unless attendance is for the express and declared purpose of objecting to the meeting on the basis of lack of notice expressed at the outset of the meeting and the person so objecting does not otherwise participate in the meeting.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of ten percent (10%) of the members entitled to vote shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the Articles of Incorporation, these Bylaws or applicable law. If a quorum is not present at any meeting, the members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5. Proxies. At all meetings of members, each member may vote in person or by

proxy. All proxies shall be in writing and filed with the secretary. Proxies shall be revocable at any time and must so state in the proxy instrument in order for the proxy to be valid, and unless expressly provided otherwise in the proxy, no proxy shall have a duration of longer than one (1) year. The proxy of any owner shall automatically terminate on conveyance by the owner of a lot.

ARTICLE IV. BOARD OF DIRECTORS--
TERM OF OFFICE; FIRST ELECTION; REMOVAL

Section 1. Number. The affairs of the Association shall be managed by a board of three (3) directors, who, except for the initial members of the Board of Directors and the Developer's representative, shall be members of the Association, provided, however, that not more than one person from any single household or co-ownership of any lot may serve simultaneously as a director.

Section 2. The first Board of Directors of the Association shall consist of those persons designated by the Developer in the Articles of Incorporation of the Association as a not-for-profit corporation. The initial Board of Directors shall serve until their successors are elected and have qualified as set forth in the Declaration. Succeeding directors shall be elected for terms of three (3) years each. Each director shall serve until his or her successor is elected and has qualified.

Section 3. Vacancies. A vacancy in the office of Director shall be filled as provided in the Declaration.

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties as a director on behalf of the Association, provided that no reimbursement shall be made in excess of Fifty Dollars (\$50.00) without prior approval of the Board of Directors.

ARTICLE V. BOARD OF DIRECTORS--
NOMINATION AND ELECTION

Section 1. Nomination. Nomination for election to the Board of Directors shall be by nominations made from the floor at any annual meeting of members, provided that persons so nominated qualify and have agreed to serve if elected.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many

votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected.

ARTICLE VI. BOARD OF DIRECTORS-- MEETINGS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the board. Not less often than annually, the membership shall be furnished with the regular meeting schedule of the Board of Directors. In the event the regular date for a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day that is not a legal holiday. The agenda for each regular board meeting will be available at least forty-eight (48) hours prior to the meeting and will be furnished to any member of the Association upon request.

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. Notice of special meetings of the Board of Directors shall be provided to any member of the Association making a request to be notified of special meetings of the board.

Section 3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the board.

Section 4. All regular meetings of the Board of Directors will be open to Association members for observation of the business of the board, except when the board is considering matters of a confidential nature such as litigation or potential litigation involving the Association, claims or potential claims involving the Association, personnel or employment matters involving the Association, or business transactions which the board determines should be discussed privately. A majority vote of the Board of Directors shall be necessary to close a meeting.

ARTICLE VII. BOARD OF DIRECTORS--
POWERS AND DUTIES

Section 1. Powers. The Board of Directors shall have power to:

- (a) Manage the affairs of the Association as provided in the Declaration and in the manner customary for a not-for-profit corporation/homeowners' Association;
- (b) Adopt and publish rules and regulations as authorized by the Declaration;
- (c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration, articles of incorporation, by other provisions of these bylaws, or by applicable law;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the Board of Directors and appoint a replacement as provided in the Declaration;
- (e) Employ a manager, independent contractors, and such other employees as deemed necessary, and to prescribe their duties;
- (f) Contract or arrange for and carry out the maintenance of common areas or other areas within the Development for which the Association is responsible; and
- (g). Purchase public liability and such other forms of insurance for the Association and board as the Board of Directors shall reasonably determine.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by members representing one-fourth (1/4) of the votes entitled to vote at the meeting; maintain minutes of all meetings of the Board of Directors and the membership and members shall be furnished with copies of minutes upon request.
- (b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;
- (c) As more fully provided in the Declaration:
 - (1) Fix the amount of the annual assessment against each lot;
 - (2) Send written notice of each assessment to every owner subject thereto; and

(3) Foreclose the lien against any property for which assessments are not paid; or bring an action at law against the owner personally obligated to pay the same.

(d) Procure and maintain adequate liability and hazard insurance on all property owned, utilized, maintained or operated by the Association or the membership in general;

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(f) Do such other acts as may be required to carry out the intent, terms and provisions of the Declaration.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president, secretary, and a treasurer, who shall be elected from among the then serving Directors by that Board.

Section 2. Election of Officers. Officers shall be elected by the Board of Directors and the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of members.

Section 3. Term. The officers of the Association shall be elected annually by the board. Each shall hold office for a term of one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs in the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board, from time to time, may determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the board at any time with or without cause. Any officer may resign at any time by 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 6. Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the unexpired term of the officer replaced.

Section 7. Multiple Offices. The offices of secretary of 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 4 of this Article.

Section 8. Duties. The duties of the officers are follows:

(a) President. The president shall preside at all meetings of the Board of Directors and of the membership; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds, and other instruments, and shall co-sign all checks over \$1,000.00 in amount and all promissory notes obligating the Association.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the membership; keep the corporate seal of the Association and affix it to all papers so requiring; serve notice of meetings of the board and of members; keep appropriate current records showing the members of the Association together with their address; and perform such other duties as may be required by the board or by law. In the absence or unavailability of the President, the Secretary shall fulfill the duties of that office concurrently with the office of Secretary.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be available to each member, and a report on which shall be given at the regular annual meeting of members.

ARTICLE IX. COMMITTEES

The Board of Directors may appoint such committees as it may deem appropriate in the performance of its duties. The term of any person serving on a committee shall be set by the Board of Directors or if the board does not set a term in making the appointment, the term will be three (3) years. In initially establishing any committee, the Board of Directors may provide for staggering of terms, in which case initial term shall be determined by lot at the first meeting of the committee. The Board of Directors shall retain the power and authority to remove any

committee member, with or without cause, at any time.

ARTICLE X. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien on the property against which such assessments are made. Any assessments that are not paid when due are considered delinquent. If an assessment is not paid and is in default, the assessment bears interest from the date of delinquency at the rate set out in the Declaration, per annum, and the Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the property, or may pursue any other remedy available to collect the assessment. Interest, costs, and reasonable attorney fees of any such action shall be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse or abandonment of the lot.

ARTICLE XI. BOOKS AND RECORDS; INSPECTION; ANNUAL BUDGET

Section 1. The books, records, papers of the Association shall be subject to inspection by any member by prior arrangement with the secretary who shall provide access within a reasonable time following the request. The Declaration, articles of incorporation, and bylaws of the Association shall be available for inspection by any member by prior arrangement with the secretary who shall provide access within a reasonable time following the request

Section 2. A proposed budget for the Association and an accounting, annually, shall be available, upon request, to each member in accordance with these Bylaws.

ARTICLE XII. CORPORATE SEAL

The Board of Directors may adopt and provide for a corporate seal for the Association in a form approved by the board.

ARTICLE XIII. FISCAL YEAR

The fiscal year of the Association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.

ARTICLE XIV. ADOPTION AND AMENDMENTS

These bylaws shall be adopted by the initial Board of Directors of the Association following its legal formation and may be amended by the Board of Directors as provided in the Declaration.

ARTICLE XV. CONFLICTS

In the case of any conflict between the Articles of Incorporation and these bylaws, the articles shall control; in the case of any conflict between the Declaration and these bylaws, the Declaration shall control. In the event of any conflict between these bylaws and applicable law regarding not for profit corporations, applicable law will control.

ARTICLE XVI. RULES OF ORDER

Meetings of the membership, Board of Directors and committees shall be conducted according to the latest edition of the Modern Rules of Order.

ARTICLE XVII. INDEMNIFICATION

The Association may reasonably indemnify any person who serves the Association without compensation, who is a party or is threatened to be made a party to or witness in any threatened, pending, or completed action, suit or proceeding whether civil or criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Association or is serving as a committee member of the Association or in some other capacity on behalf of the Association, provided that 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 Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful and, provided further, that this indemnification will not extend to an action or other proceeding brought against such person for enforcement of the Declaration against such person as an owner in the Development. Except as expressly limited herein, the foregoing shall not be deemed exclusive of any other rights to which any such person may be entitled apart from the foregoing provisions.

ARTICLE XVIII. CONFLICT OF INTEREST

If a transaction is fair to the Association at the time it is authorized, approved, or ratified, the fact that a director or member of the Association is directly or indirectly a party to the transaction is not grounds for invalidating the transaction. In any proceeding contesting the validity of such a transaction, the person asserting the validity of the transaction has the burden of proving its fairness to the Association unless the material facts of the transaction and the director's or member's interest or relationship to it were disclosed or known to the Board of Directors or Membership which authorized, approved, or ratified the transaction by the affirmative vote of a majority of disinterested directors or members even though the disinterested directors or members were less than a quorum. A director or member is indirectly a party to a transaction for purposes of this Article if the other party to the transaction is an entity in which the director or member has a material financial interest or of which the director or member is an officer, director, or general partner.

ARTICLE XIX

To the extent applicable, the provisions of 765 ILCS 605/18.5 as in effect on the date of adoption of these bylaws are incorporated herein by express reference and shall be applicable to the Association, but only to the extent that the provisions thereof and context require.

Adopted by Initial Board of Directors: _____

CERTIFICATION

The undersigned secretary of the Board of Directors of the Hopp Hollow Estates Homeowners' Association certifies that the above and foregoing Bylaws were duly adopted by the initial Board of Directors of the Hopp Hollow Estates Homeowners' Association on the _____ day of _____, 2010.

Secretary