

BY- LAWS
PANTHER CREEK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME, MEMBERSHIP, PURPOSE, APPLICABILITY AND DEFINITIONS

Section 1. Name. The name of the Association shall be Panther Creek Homeowners Association, Inc., (hereinafter sometimes referred to as the “Association”).

Section 2. Membership. The Association shall have one class of membership. As more fully set forth in that certain Declaration of Covenants for the Panther Creek Homeowners Association, Inc. (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. Purpose. The purposes of this Association are to act on behalf of its members collectively, as their governing body with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property, and for the promotion of the health, safety, and welfare of the members of the Association, all on a not-for-profit basis.

Section 4. Definitions. The words used in these By-Laws shall have the same meaning as set forth in said Declaration unless the context shall prohibit.

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 the Lots as may be designated by the Board of Directors.

Section 2. Annual Meetings. The Association shall meet annually at least thirty (30) days prior to the close of the fiscal year.

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 twenty-five (25%) percent of the votes of each class of 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 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, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and, in the 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, one-fourth (1/4) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, 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 as

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 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-fifth (1/5) of the votes of membership of the Association and any business which might lawfully have been transacted at the meeting as originally called may be transacted without further notice.

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 question 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 By-Laws.

Section 9. Suspension of Voting Privileges. No member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books of the Association to be more than thirty (30) days delinquent in the payment of any assessment due the Association.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a

minute book all resolutions adopted by the meeting as well as a record of all transactions concerning thereat. Robert's Rules of Order (current edition) shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or By-Laws.

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. Number of Directors. The number of Directors of the Association shall be seven (7) unless otherwise constituted by the members. It is the express intent to require there be an uneven number of Directors. At least three (3) Directors shall not be members of Panther Creek Country Club.

Section 3. Election and Term of Office. All members shall have the right to vote on all Directors to be elected. At the first annual meeting, 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 4. Removal of Directors. Directors may be removed with or without cause by a 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 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, their successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of their predecessor.

Section 5. Compensation. No Director shall receive compensation for any service they may render to the Association. However, any Director may be reimbursed for their actual expenses incurred in the performance of their duties.

ARTICLE IV **NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. 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, 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 and such appointment shall be announced at each annual meeting. 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.

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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V **MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. The Board of Directors shall meet annually within 10 days after the annual meeting of members and in addition to the annual meeting 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. Such notice shall specify the place, day, hour, and the purpose of the meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Board of Directors shall be given by, or at the direction of, the Secretary of the person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each Director. Such notice shall specify the place, day and hour of the meeting.

Section 4. 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 5. Compensation. No Director shall receive compensation from the Association for any service they may render to the Association. However, any Director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 6. 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 shall 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 By-Laws.

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 Association's affairs and as provided by law, and may do all acts and things as are not by the Declaration, Articles, or these By-Laws 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 their 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 (including the Declarant) 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 their vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directories or interest is disclosed or known to the board

or a majority thereof or 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 directories 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 they have a common interest in the outcome.

ARTICLE VII **OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer 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 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 5. 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 6. 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 they replace.

Section 7. 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 4 of this Article.

Section 8. Duties. The duties of offices 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.

(b) Vice President. The Vice President shall act in the place and stead of President in the event of their absence, inability or refusal to act, and shall exercise and

discharges such other duties as may be required of them by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of 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.

(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 of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and 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.

ARTICLE VIII **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 of 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 IX
INDEMNIFICATION PROVISIONS

In addition to any other right or remedy to which the persons hereinafter described may be entitled, under the Articles of Incorporation, By-Laws, Declaration, any other Agreement, or by vote of the members or otherwise, the Association shall, and by those presents does, indemnify any director or officer of the Association or former director or officer of the Association, 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 by reason of the fact that they are or were a director or officer of the Association against expenses (including attorney fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit or proceeding if they acted in good faith and in a manner they 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 their conduct was unlawful. The termination of any action, suit 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 they 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 their conduct was unlawful.

ARTICLE X
MISCELLANEOUS

Section 1. Fiscal Year. The initial fiscal year of the Association shall be set by resolution of the Board of Directors.

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 By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Illinois law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Illinois law, the Declaration and 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 inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at a reasonable cost.

Section 5. 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 are from time to time by the Board of Directors authorized so to do.

Section 6. Amendment. These By-Laws may be amended by the members of the

Association at any regular or special meeting duly called for that purpose by the affirmative vote of a majority of the votes which the members of the Association in attendance in person or by proxy, are entitled to cast. Notwithstanding the foregoing, those provisions of these By-Laws which are governed by said Declaration or by Illinois law may not be amended, repealed or altered except as provided in said Declaration or by applicable law. Provided further, that written notice of any meeting called for the purpose of amending these By-Laws shall be sent to the holders of any and all first mortgages affecting any of the Lots, not less than thirty (30) days in advance of the meeting, setting forth the purpose of the meeting.