

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT  
McHENRY COUNTY – WOODSTOCK, ILLINOIS

THOMAS P. MATHEWS,

Plaintiff,

v.

MASTER PROPERTY OWNERS  
ASSOCIATION,

Defendants.

No. 10 CH 1004

**FILED**

SEP 23 2010

KATHERINE M. KEEFE  
McHENRY CTY. CIR. CLK.

**NOTICE OF MOTION**

TO: Thomas P Mathews  
3145 E Lake Shore Drive  
Wonder Lake, IL 60097-9371

James P. Kelly  
Matuszewich, Kelly & McKeever, LLP  
453 Coventry Lane, Suite 104  
Crystal Lake, Illinois 60014  
Facsimile: 815-459-3123

PLEASE TAKE NOTICE that on the 27<sup>th</sup> day of September, 2010, at 9:00 a.m., or as soon thereafter as counsel may be heard, I will appear before the Honorable Michael T. Caldwell, or any judge sitting in his place, in Courtroom 204 of the McHenry County Government Center, 2200 N. Seminary Avenue, Woodstock, Illinois 60098, and then and there present the enclosed Motion for Sanctions, a copy of which is hereby served upon you.

Respectfully submitted,

THE MASTER PROPERTY OWNERS'  
ASSOCIATION, INC. FOR THE WONDER  
LAKE, ILLINOIS AREA

By: 

One of its Attorneys

Dean W. Krone – ARDC# 6190868  
Steven M. Richart – ARDC# 6287195  
Hodges, Loizzi, Eisenhammer,  
Rodick & Kohn LLP  
3030 Salt Creek Lane, Suite 202  
Arlington Heights, IL 60005  
(847) 670-9000  
Firm I.D. #: 26941

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT  
McHENRY COUNTY – WOODSTOCK, ILLINOIS

**FILED**  
**SEP 23 2010**  
KATHERINE M. KEEFE  
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS, )

Plaintiff, )

v. )

No. 10 CH 1004

MASTER PROPERTY OWNERS )  
ASSOCIATION, )

Defendant. )

THE MASTER PROPERTY OWNERS' )  
ASSOCIATION, INC. FOR THE WONDER )  
LAKE, ILLINOIS AREA, )

Third-Party Plaintiff, )

v. )

WOODED SHORES PROPERTY OWNERS )  
ASSOCIATION, INC. and the WOODED )  
SHORES PROPERTY IMPROVEMENT )  
ASSOCIATION, )

Third-Party Defendants. )

**MOTION FOR SANCTIONS**

NOW COMES the Defendant and Counter-Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (hereinafter "MPOA" or Defendant) by and through its attorneys, Dean W. Krone, Steven M. Richart, and Hodges, Loizzi, Eisenhammer, Rodick & Kohn LLP, and moves this Court for sanctions against the Plaintiff and/or the Plaintiff's counsel for signing and filing the complaint in this matter in violation of Illinois Supreme Court Rule 137. In support of this motion, the MPOA states as follows:

1. Illinois Supreme Court Rule 137 provides that the signature of an attorney or party on a pleading or motion constitutes a certificate by him that “to the best of his knowledge, information, and belief formed after reasonable inquiry it is well grounded in fact and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.” If a pleading or motion is signed in violation of this rule, the court may impose upon the party or attorney an appropriate sanction, which may include reasonable attorneys’ fees. Ill. Sup. Ct. R. 137.

2. The Plaintiff’s complaint in this matter, attached hereto as Exhibit 1 (the “Complaint”), is not well grounded in fact and is unwarranted by existing law. Indeed, its claims are precluded by 805 ILCS 105/112.45(d) (governing reinstatement of not-for-profit corporations) and *Northwest Suburban Congregation Beth Judea, Inc. v. Rosen*, 103 Ill. App. 3d 1137, 432 N.E.2d 335, 59 Ill. Dec. 751 (2d Dist. 1982). Further, Plaintiff never made any argument for the extension, modification or reversal of existing law in this case, and the Plaintiff and his attorney had every reason to know that the Complaint was frivolous when they chose to file it.

3. Paragraph 10 of the Complaint is not well grounded in fact. Paragraph 10 alleges as follows:

The WSPIA is not listed in Article 1, Section 6 of the MPOA By-Laws as a member association of the MPOA.

This allegation, that the entity now known as the Wooded Shores Property Improvement Association, Inc., and which has been referred to throughout these proceedings as the “Original Corporation” or “Original Association,” is not listed in the MPOA By-Laws, is not well grounded in fact. It is undisputed that the Original Corporation became a charter member of the MPOA in 1965, at a time when its name was the Wooded Shores Property Owners Association,

Inc. It is undisputed that the Original Corporation has continued to serve as a member of the MPOA since 1965. It is undisputed that the Original Corporation was known as the Wooded Shores Property Owners Association, Inc., when the MPOA adopted By-Laws and the Original Corporation was the member listed in those By-Laws by that name. The only reason for the Original Corporation's change of name was because the Plaintiff took that name, in what the Court has described as "corporate identity theft" and "a flagrant and unscrupulous attempt to co-opt the name of the Wooded Shores Property Owners Association." Although the *name* may have changed, the *member* listed in the By-Laws has not. Accordingly, the Original Corporation *is and has been for 45 years* the member listed at Article 1, Section 6 of the MPOA By-Laws. Plaintiff's allegation in Paragraph 10 of the Complaint has no basis in fact and is made for an improper purpose.

4. Paragraph 11 of the Complaint is not well grounded in fact. Paragraph 11 alleges as follows:

Further, the MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member [sic] listed in Article 1 Section 6.

As discussed in the previous paragraph, the suggestion that the Original Corporation was not a member of the MPOA prior to the 2008 annual meeting, and that a vote was needed to "allow" it to "become" a member has no basis in fact and was made for an improper purpose. The allegation that the change to the By-Laws voted upon at that meeting was a vote on whether the Original Corporation should "become" a member of the MPOA is similarly without basis in fact. All of the evidence at trial regarding the annual meeting in 2008 showed that the purpose of the proposed change in the By-Laws was merely to correct an inaccuracy caused by the Original Corporation's change of name. As the Court noted in its oral ruling, "[t]he change of name was a ministerial act." The result of the failure of the motion to amend the By-Laws to change the

name was that the By-Laws were unchanged and remain inaccurate. There was no evidence suggesting that the purpose of the motion was to change the membership or that the effect of the failure of the motion to change the name was to oust the Original Corporation as an MPOA member. Accordingly, Paragraph 11 of the Complaint has no basis in fact.

5. In addition to its lack of a factual basis, Plaintiff's Complaint is entirely unwarranted by existing law. Based solely on the discrepancy in the name of the Original Corporation, which Plaintiff orchestrated, the Complaint asks the Court to declare that the Original Corporation is not a member of the MPOA. (See Exhibit 1 at 3.) Plaintiff's claim is illogical and contrary to the holding of *Northwest Suburban Congregation Beth Judea, Inc. v. Rosen*, 103 Ill. App. 3d 1137, 432 N.E.2d 335, 59 Ill. Dec. 751 (2<sup>nd</sup> Dist. 1982), in which the Court explained:

It is true, persons seeking to form a corporation may ordinarily choose any name their fancy dictates, subject, however, to the rule that they may not choose the name of a corporation already existing, or one that is to be used to deceive the public, or to be passed off for that of some other person or firm in business. When a corporation violates that rule, it does so at its peril. Neither does the fact that the state issues a charter to a corporation by a certain name give to such corporation a right to use it, if it was deliberately chosen, or is used for the purpose of deceiving the public and thereby appropriating the business of another.

103 Ill. App. 3d at 1140, 432 N.E.2d at 338, 59 Ill. Dec. at 754. Accordingly, there is no legal support for the proposition that the Plaintiff could take the Original Corporation's name and thereby supplant the Original Corporation as a member of the MPOA.

6. In addition to lack of a factual basis and lack of a legal basis, the filing of the Complaint further violates Rule 137 because it was filed for an improper purpose. Plaintiff has attempted to do in this case exactly that which is proscribed by the Illinois Appellate Court in *Congregation Beth Judea*. Plaintiff chose the name of the Original Corporation and attempted to pass his corporation off as a member of the MPOA based on that name. And then the Plaintiff

filed the Complaint in this case in an attempt to enlist the Court's help in that effort. This attempt has been unsuccessful; the Court has denied the Plaintiff the relief he sought. The Court has described the Plaintiff's actions as "corporate identity theft" and "a flagrant and unscrupulous attempt to co-opt the name of the Wooded Shores Property Owners Association." The filing of the Complaint for this purpose violates Rule 137 because it was filed for an improper purpose.

7. Moreover, Plaintiff knew about the *Congregation Beth Judea* case and the lack of legal support for his claim before he filed suit. As Richard Hilton testified at trial, the MPOA requested two legal opinions regarding Plaintiff's allegations before this suit was initiated, and both opinions concluded that there was no legal support for Plaintiff's contentions. (See Memoranda dated October 7, 2008, and September 3, 2009, attached hereto as Exhibits 2 and 3.) Mr. Hilton distributed copies of these opinions to all MPOA directors, including Plaintiff.

8. Finally, the Complaint's request for an injunction, and the facts implicitly alleged therein, like the rest of the Complaint, lack any factual or legal basis whatsoever. The Complaint requests that the Court "enjoin the collection of any taxes or special assessment for the project to dredge Wonder Lake, which are based upon the MPOA's void resolutions" and also asks the Court to enjoin the MPOA from "making payment on any bond issued by the Village of Wonder Lake based upon the void resolutions." (Exhibit 1 at 4.) These requests are nonsensical and frivolous for two reasons. First, the MPOA does not have the power or authority to collect taxes or special assessments through a special service area, the funding mechanism for this dredging project. Only the Village of Wonder Lake has the power to levy such taxes, which are then collected by the County, and neither the Village nor the County were named as defendants. The MPOA plays no role in that process. Second, and more importantly, neither the Bond Purchase Agreement nor the Dredging Project Agreement purports to give the MPOA the authority to

collect taxes or special assessments. (See Exhibits 4 and 5.) In short, the requested injunctive relief is completely unrelated to the Plaintiff's allegations.

9. In summary, the key allegations in the Complaint are not well grounded in fact. The Complaint is not warranted by existing law and no argument has been made for the extension, modification, or reversal of existing law. The Complaint was filed for the improper purpose of eliciting the Court's assistance in co-opting the name and identity of the Original Corporation. As a result of Plaintiff's filing of the Complaint, the MPOA has had to expend substantial sums of money on attorneys' fees to defend itself in this matter. Rule 137 is designed to protect a defendant from having to suffer financial harm while defending itself against such frivolous litigation.

**WHEREFORE**, the MPOA asks the Court to enter a written order imposing sanctions against the Plaintiff and/or the Plaintiff's attorney pursuant to Illinois Supreme Court Rule 137 and awarding the MPOA the amount of reasonable expenses incurred because of the filing of the Complaint, including reasonable attorneys' fees.

Respectfully submitted,

**THE MASTER PROPERTY OWNERS'  
ASSOCIATION, INC. FOR THE WONDER  
LAKE, ILLINOIS AREA**

By: Dean Krone  
One of its Attorneys

Date: Sept. 22, 2010

Dean W. Krone – ARDC# 6190868  
Steven M. Richart – ARDC# 6287195  
Hodges, Loizzi, Eisenhammer,  
Rodick & Kohn LLP  
3030 Salt Creek Lane, Suite 202  
Arlington Heights, IL 60005  
(847) 670-9000  
Firm I.D. #: 26941

**CERTIFICATE OF SERVICE**

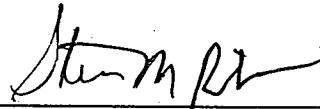
I, Steven M. Richart, an attorney, certify that I have caused a true and correct copy of the foregoing Motion for Sanctions, and Notice of Motion thereof, to be served via First Class Mail, on the parties listed below on this 23<sup>rd</sup> day of September, 2010.

Thomas P Mathews  
3145 E Lake Shore Drive  
Wonder Lake, IL 60097-9371

James P. Kelly  
Matuszewich, Kelly & McKeever, LLP  
453 Coventry Lane, Suite 104  
Crystal Lake, Illinois 60014  
Facsimile: 815-459-3123

Steven J. Cuda  
Hamer, Schuh & Cuda  
101 Van Buren Street  
Woodstock, Illinois 60098  
Facsimile: 815-338-5960

By: \_\_\_\_\_



Steven M. Richart

**Dean W. Krone – ARDC# 6190868**  
**Steven M. Richart – ARDC# 6287195**  
**Hodges, Loizzi, Eisenhammer,**  
**Rodick & Kohn LLP**  
**3030 Salt Creek Lane, Suite 202**  
**Arlington Heights, IL 60005**  
**(847) 670-9000**  
**Firm I.D. #: 26941**



IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT **FILED**  
McHENRY COUNTY - WOODSTOCK, ILLINOIS

APR 07 2010

KATHERINE M. KEEFE  
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,

Plaintiffs,

vs.

MASTER PROPERTY OWNERS  
ASSOCIATION.

10CH 1004

Case No.

NOTICE

BY LOCAL RULE 3.10

THIS CASE IS HEREBY SET FOR SCHEDULING  
CONFERENCE IN COURTROOM 204 ON  
8-11 2010 AT 9 AM PM

FAILURE TO APPEAR MAY RESULT IN THE CASE  
BEING DISMISSED OR AN ORDER OF  
DEFAULT BEING ENTERED.

**COMPLAINT FOR  
DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF**

NOW COMES the Plaintiff, THOMAS P. MATHEWS, (hereinafter MATHEWS), by and through his attorneys Matuszewich, Kelly and McKeever, LLP, and seeking Declaratory Judgment and a preliminary and permanent injunction against the WONDER LAKE MASTER PROPERTY OWNERS ASSOCIATION as follows:

1. MATHEWS is a resident of St. Francis Heights Subdivision, Wonder Lake, Illinois.
2. MATHEWS is a Director in the Master Property Owners Association.
3. MATHEWS is the owner of property in the Wooded Shores Subdivision and owns more 53 properties within the territory of the MPOA.
4. MATHEWS is a member of the Wooded Shores Property Owners Association, Inc.
5. The Wonder Lake MPOA is a Not-For-Profit Association responsible for the maintenance of Wonder Lake.
6. On or about March 22, 2010, the MPOA held an emergency meeting to adopt a Resolution Approving Bond Purchase Agreement for the Village of Wonder Lake Series 2010A Bonds (see Exhibit A) and a Resolution Approving an Agreement between the MPOA and the



Village of Wonder Lake to pay for bonds being issued by the Village of Wonder Lake (see Exhibit B).

7. The vote by the MPOA to approve these Resolutions was 36 in favor of the Resolution and 34 opposed to the Resolution, these resolutions passed.

8. The MPOA allowed Quentin Lindsey on behalf of the Wooded Shores Property Improvement Association (hereinafter WSPIA) to cast two votes in favor of the Resolution.

9. The MPOA has 21 persons or associations which are members and have weighted voting rights, these members are listed in Article 1 Section 6 of the MPOA By-Laws. (Exhibit C – MPOA By-Laws)

10. The WSPIA is not listed in Article 1, Section 6 of the MPOA By-Laws as a member association of the MPOA. (Exhibit C – MPOA By-Laws)

11. Further, the MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member listed in Article 1 Section 6.

12. Although the WSPIA is not a member of the MPOA, the WSPIA was allowed to cast the two deciding votes to adopt the Resolutions attached hereto, on March 22, 2010.

13. But for the WSPIA's two votes the Resolution would have failed due to a lack of a majority.

14. Further, there is pending litigation which challenges the validity of the WSPIA to act on behalf of the property owners in the Wooded Shores Subdivision. *Thomas P. Mathews and the Wooded Shores Property Owners Association v. Wooded Shores Property Improvement Association, Case No. 09 CH 848.*

15. The MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member listed in Article 1 Section 6.

16. The vote to approve the adoption of these resolutions by the MPOA was invalid as the two votes cast by Quentin Lindsey were unlawful and invalid.

17. The Resolutions unlawfully approved by the MPOA at the emergency meeting of March 22, 2010 allow the Officers of the MPOA to enter into an agreement with the Village of Wonder Lake to pay an unspecified amount for municipal bonds are void.

18. On information and believe the unspecified amount is an amount in excess of \$800,000.00.

19. The Plaintiff, as the result of the adoption of these void resolutions, will unlawfully be subjected to taxation or special assessments.

20. The Plaintiff has a clear interest in not having the MPOA allow the imposition of a tax or assessment on his property based upon an unlawful and void resolution.

21. An actual controversy exists between the parties with respect to MPOA allowing an unauthorized association, the WSPIA, vote on resolutions to impose taxes or assessments on his property, and the validity of such resolution.

WHEREFORE Plaintiff prays that this honorable Court:

- A. Declare the MPOA's resolutions of March 22, 2010 void.
- B. Declare that the WSPIA is not a member of the MPOA.

### Count II

#### **COMPLAINT FOR PRELIMINARY AND PERMANENT INJUNCTION**

22. Paragraphs 1 through 21 are incorporated herein.

23. The Plaintiff has a clear and ascertainable right to be protected from the unlawful imposition of this tax or special assessment based upon a void resolution of the MPOA.

24. There is no is no adequate remedy at law which will protect the Plaintiff from the Defendant's actions.

25. The Plaintiff will suffer irreparable harm in that all of the properties which he owns, and located within the territory of the MPOA, will be burdened by the imposition of an unlawful tax or assessment.

26. All of the property owners in the MPOA will also suffer the imposition of this unlawful tax or assessment.

27. The Plaintiff will prevail on the merits of this matter in that the WSPIA is not a authorized member of the MPOA.

WHEREFORE Plaintiff prays that this Honorable Court:

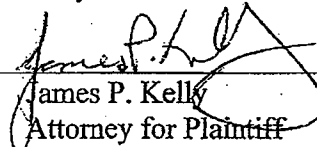
A. Enter a preliminary injunction, enjoining the Defendant and its officers from executing any agreement authorized by the MPOA's resolutions of March 22, 2010, copies of which are attached hereto.

B. Enter a permanent injunction enjoining the MPOA from executing any agreement authorized by the MPOA's resolutions of March 22, 2010 and making payment on any bond issued by the Village of Wonder Lake based upon the void resolutions, copies of which are attached hereto.

C. Enjoin the collection of any taxes or special assessment for the project to dredge Wonder Lake, which are based upon the MPOA's void resolutions.

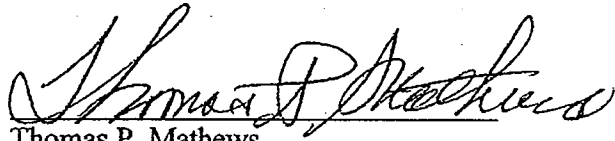
Respectfully Submitted:

By: \_\_\_\_\_

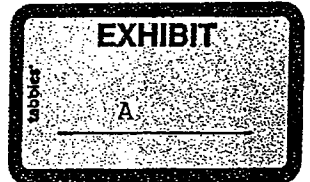
  
James P. Kelly  
Attorney for Plaintiff

**VERIFICATION**

Under penalties of perjury as provided by law pursuant to Section 1-109 of the code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matter therein stated to be on information and belief and, as to such matter, the undersigned certifies as aforesaid that he verily believe the same to be true.

  
Thomas P. Mathews

James P. Kelly  
MATUSZEWICH, KELLY & McKEEVER, LLP  
453 Coventry Lane, Suite 104  
Crystal Lake, Illinois 60014  
(815) 459-3120 Telephone  
(815) 459-3123 Facsimile



**RESOLUTION APPROVING BOND PURCHASE AGREEMENT  
FOR VILLAGE OF WONDER LAKE SERIES 2010A BONDS**

**WHEREAS**, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (the "MPOA") desires to undertake a project to dredge Wonder Lake in order to remove sediment, deepen the lake, increase recreational use, and improve the aquatic ecosystem (the "Project"); and

**WHEREAS**, the Village of Wonder Lake (the "Village") has agreed to partially fund the Project by issuing Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (the "Bonds"); and

**WHEREAS**, an agreement between and among the Village, the MPOA, and William Blair & Company, LLC, the purchaser of the Bonds (the "Purchaser") has been prepared to govern the relationship between and among those parties, a copy of which is attached to this Resolution as Exhibit 1 (the "Bond Purchase Agreement"); and

**WHEREAS**, the attorney for the MPOA has reviewed the Bond Purchase Agreement and approved the form of that agreement;

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area as follows:

**Section 1:** The Bond Purchase Agreement attached to this Resolution as Exhibit 1 is hereby approved. The President of the MPOA Board is hereby authorized to execute the Bond Purchase Agreement on behalf of the MPOA.

**Section 2:** This Resolution shall be in full force and effect upon its adoption.

**ADOPTED** this 22nd day of March, 2010, by the following vote:

**AYES:**

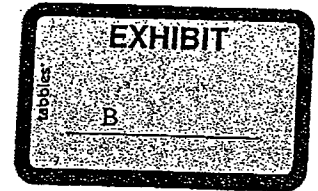
**NAYS:**

**ABSENT:**

\_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Recording Secretary  
179845\_1.DOC



**RESOLUTION APPROVING AGREEMENT BETWEEN  
THE VILLAGE OF WONDER LAKE AND  
THE MASTER PROPERTY OWNERS' ASSOCIATION, INC.  
FOR THE WONDER LAKE, ILLINOIS AREA  
FOR THE WONDER LAKE DREDGING PROJECT**

**WHEREAS**, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (the "MPOA") desires to undertake a project to dredge Wonder Lake in order to remove sediment, deepen the lake, increase recreational use, and improve the aquatic ecosystem (the "Project"); and

**WHEREAS**, the Village of Wonder Lake (the "Village") and McHenry County have both agreed to fund the Project by issuing bonds; and

**WHEREAS**, an agreement between the Village and the MPOA has been prepared that will govern the relationship between the Village and the MPOA as they work together to complete the Project, a copy of which is attached to this Resolution as Exhibit 1 (the "Agreement"); and

**WHEREAS**, the attorney for the MPOA has reviewed the Agreement and approved the form of the Agreement;

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area as follows:

**Section 1:** The Agreement attached to this Resolution as Exhibit 1 is hereby approved. The President of the MPOA Board is hereby authorized to execute the Agreement on behalf of the MPOA.

**Section 2:** This Resolution shall be in full force and effect upon its adoption.

**ADOPTED** this 22nd day of March, 2010, by the following vote:

**AYES:**

**NAYS:**

**ABSENT:**

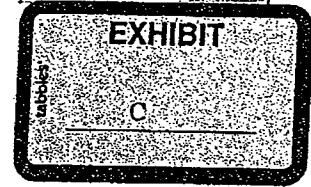
\_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Recording Secretary  
179844\_1.DOC

Search this site:

- Home
- About Us
- Bylaws
- Newsletters
- Links



- Lake Restoration Q & A
- Lake Manager
- Recreational Sticker
- Ordinance

**CONTACT**

M.P.O.A.  
 7602 Hancock Drive,  
 Wonder Lake IL, 60097  
 (815) 653-4136

wlkathy@wlmhoa.org  
 wldick@wlmhoa.org

## M.P.O.A. ByLaws

• Page 1 > Page 2 > Page 3

### ARTICLE I

Section 1. The name of this corporation shall be MASTER PROPERTY OWNERS ASSOCIATION, INCORPORATED.

Section 2. This Corporation (hereinafter referred to as the M.P.O.A.) is an Illinois not for profit corporation, chartered by the Secretary of State on September 18, 1965, as provided by the General Not For Profit Act of Illinois, approved July 17, 1943, in force January 1, 1944.

Section 3. The principal office of the M.P.O.A. shall be located in the area known as Wonder Lake situated in McHenry and Greenwood Townships, McHenry County, Illinois.

Section 4. This Constitution and the By-Laws together shall be taken and applied as the code of rules adopted for the regulation and management of the affairs of the M.P.O.A.

Section 5. The term Wonder Lake, Illinois Area as used herein shall be considered as consisting of only that property which has lake rights by or through deeds, contracts, or agreements of the Wonder Lake Syndicate and/or the M.P.O.A.

Section 6. The M.P.O.A. consists of the following subdivisions and unsubdivided property.

1. Deep Spring Woods Country Club, Inc.
2. Deep Springs Woods Property Owners Association, #1
3. Hickory Falls Property Owners Association, #1 & #2
4. Hickory Falls Property Owners Association, #3
5. Highland Shores Property Owners, Inc.
6. Indian Ridge Improvement Association, Inc.
7. Lookout Point Community Association, Inc.
8. Mathews Undeveloped Property
9. Edwin McGuire/Josef Ceisel
10. Eric McGuire
11. Oakwood Shores
12. St. Francis Heights
13. Shore Hills Country Club
14. Sunrise Ridge Property Owners Association, Inc.
15. Sunrise Ridge Estates
16. White Oaks Bay Property Owners Association, Inc.

Wonder Lake  
 FRI APR 02 2010  
 10:31 AM CDT-FRI

Friday	Shows Likely Hi: 79F Lo: 51F
Saturday	Chance Of Showers Hi: 61F Lo: 41F
Sunday	Partly Cloudy Hi: 70F Lo: 50F
Monday	Chance Of Showers Hi: 69F Lo: 51F
Tuesday	Chance Of Showers Hi: 71F Lo: 49F

\*weatherforu.com



17. Widwood Association, Inc.
18. Wonder Center Property Owners Association, Inc.
19. Wonder Woods Property Owners Association, Inc.
20. Wooded Shores Property Owners Association, Inc.
21. Unsubdivided property with lake rights as described in Article II,

Section 2, owned by the David Joslyn Trust

(Revised 9-13-00)

## ARTICLE II

### PURPOSE

Section 1. To conduct and promote the Wonder Lake Recreation Area for the improvement of civic and social welfare and to control and maintain the lake bottom and other community property pertinent thereof, and do any and all acts necessary to further said objects..

Section 2. To limit the use of Wonder Lake to those property owners who have lake rights by or through deeds, contracts or agreements with the Wonder Lake Syndicate or the M.P.O.A.

## ARTICLE III

### MANAGEMENT

Section. 1. Subject to the approval of the Directors, the M.P.O.A. shall be managed by a Board consisting of five (5) officers.

Section 2. The officers of the M.P.O.A. Board shall be:

President

1st Vice-President

2nd Vice-President

Secretary

Treasurer and shall constitute the managing body of the M.P.O.A. All officers shall rank in the order herein named and preside accordingly in the absence of the President.

## ARTICLE IV

### ELECTION OF OFFICERS

Section 1. Officers shall be elected by a majority vote of the Assembly of Delegates at the regular September Delegates' Convention

Section 2. Elected officers may be either directors or delegates, except that no two (2) officers may be elected from the same subdivision or unsubdivided property.

Section 3. All officers shall be elected to hold office for a term of two (2) years or until their successors are elected.

Section 4. Officers will be elected in the following sequence:

A. Even Year Terms:

President

2nd Vice-President

Treasurer

B. Odd Year Terms:

1st Vice-President

Secretary

and will take office on the 1st day of January the year following their election.

Section 5. A nominating committee of three (3) directors will be appointed from the floor by the President, subject to approval by the directors at the regular June Directors' meeting. The nominating committee will interview possible candidates (directors or delegates) for office on the M.P.O.A. Board, and submit their recommendations to the M.P.O.A. secretary one month before the regular September Delegates' Convention.

Section 6. Nominations from the floor and write-in candidates will also be accepted at the regular September Delegates' Convention.

Section 7. The election for any office must be by secret ballot. Three (3) tellers (delegates) will be appointed by the President (subject to approval by the delegates) to take charge of such balloting and to report the results thereof to the presiding officer. After the results of the balloting have been confirmed, announced, and recorded, the tellers will immediately destroy the ballots.

#### ARTICLE V

##### DUTIES OF OFFICERS

Section 1. Subject to approval by the Directors the officers shall manage and direct the activities and business of the M.P.O.A. and, by appointment, fill all officer vacancies.

Section 2. The officers shall prepare an Annual Balanced Budget which shall be presented for approval at the regular September Convention. The budget shall list the basic categories of M.P.O.A. income and expenditures and shall be distributed to all delegates along with the mailed notice of the regular September Convention.

Following approval of the proposed Annual Balanced Budget by the Delegates, all future budgetary amendments must have Director approval.

(Revised 9/11/96)

Section 3. The officers may obtain legal advice when they feel it is necessary. Their records shall show the written legal advice on which they acted or refrained from acting.

Section 4. The President shall be the Chief Executive Officer of the M.P.O.A. and shall preside at all meetings and call special meetings when necessary or legally requested to do so. The President may appoint committees and/or commissions (subject to approval by the directors) and have general supervision of all matters pertaining to the M.P.O.A.

Section 5. The President shall be ex-officio member of all committees and/or commissions.

Section 6. Nothing herein shall prohibit the President from appointing any member property owner possessing specialized training, knowledge or experience, who is not a delegate or director to any committee or commission.

Section 7. It shall be the duty of the 1st and 2nd Vice-Presidents to assist the President, and, in his/her absence, act in the order named in the performance of the duties of the

President.

Section 8. The Secretary shall be responsible for the minutes of all Directors' and Delegates' meetings, conduct correspondence, issue notices, keep the roll of Officers, Directors, Delegates, and Committees/Commissions, and discharge such other duties as pertain to his/her office as assigned by the President.

The Secretary shall also prepare all bills, notices of dues payable and shall be the recipient of such dues, also keeping proper account. All monies collected will be transferred to the Treasurer.

The Secretary will prepare a voucher for all bills approved by the officers and present the vouchers to the Treasurer for payment.

Section 9. The Treasurer shall receive all monies collected by the Secretary and shall deposit the same in a suitable bank or trust company previously approved by the officers. The Treasurer shall not disburse any monies without an approved voucher. All checks must be signed by any two officers. The Treasurer will prepare monthly reports to the officers.

Section 10. A Recording Secretary may be appointed by the President (subject to approval by the directors). His/her duties will be to take minutes of all meetings and such other duties as the Secretary may assign

The Recording Secretary need not be a delegate or director and may be paid a salary as determined by the directors.

Section 11. The accounts of the Secretary and the Treasurer shall be examined by a CPA who shall be appointed by the officers. An annual audit shall be prepared except that the President shall have the authority to request an audit at any time in addition to the annual audit. The annual audit shall be for the fiscal year ending December 31 and must be completed by June 30 of the following year. A copy of the annual audit must be given to each Director.

Section 12. Upon a two thirds (2/3) vote of the assembly of delegates, any officer may be removed from his/her office for failure to attend three or more meetings without reasonable justification or for failing to perform other duties of office. Written notice of the proposed removal shall be mailed to or personally served upon the officer at least 20 days prior to the meeting at which action is to be considered.

• Page 1 > Page 2 > Page 3

**MEMORANDUM**

TO: Directors and Board  
Wonder Lake Master Property Owners Association

FROM: Dean W. Krone and Steven M. Richart

DATE: October 7, 2008

RE: Status of Richard Hilton as Delegate, Director, and President of the MPOA

---

**I. Introduction**

You have asked for our opinion as to whether Richard Hilton is legally serving as a Delegate, Director, and President of the Master Property Owners Association, Inc., in light of certain events that have taken place in connection with the Wooded Shores Subdivision. It is our understanding that this request was prompted by Thomas P. Mathews' assertion that Mr. Hilton does not serve legally in those positions because of changes in the homeowners association affiliated with the Wooded Shores Subdivision.

This memorandum reviews the legal status of Mr. Hilton as a Delegate, Director, and President of the MPOA. Under the MPOA's Bylaws, Delegates are elected or appointed according to the by-laws or agreements of their respective subdivision or unsubdivided property. Art. VI § 2. One Director is then selected by the Delegates from each subdivision or unsubdivided property. Art. VI § 3. Officers (including the President) must be either Delegates or Directors. Art. IV § 2. Thus, we must address whether Mr. Hilton has been elected or appointed as a Delegate and/or Director according to the by-laws or agreements of the Wooded Shores Subdivision.

**II. History of Wooded Shores Subdivision**

Our understanding of the facts is as follows. The Wooded Shores Subdivision was created in 1935. Its original recorded covenants and restrictions, which are inserted into all deeds in the subdivision, provide:

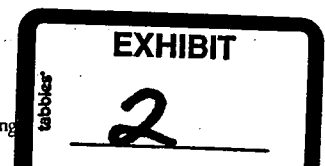
[G]rantees . . . agree to become members of the Lot Owners' Association to be hereafter formed of lot owners in said subdivision and agree to become a member by representation of the Master's Association hereafter to be formed of all owners in Wooded Shores, and agree to be governed by all the rules, regulations and the by-laws hereafter made by either the said Associations or the grantors herein. The

ARLINGTON HEIGHTS

3030 Salt Creek Lane, Suite 202  
Arlington Heights, IL 60005  
tel 847-670-9000 fax 847-670-7334  
[www.hlerk.com](http://www.hlerk.com)

Arlington Heights

Spring



Hodges Loizzi —————  
Eisenhammer Rodick & Kohn

Directors and Board  
Wonder Lake Master Property Owners Association  
October 7, 2008  
Page 2

Lot Owners' Association to be formed to govern and have supervision of the drives and community grounds of said subdivision, the Master's Association to govern the dam, Wonder Lake, and to provide suitable means for the upkeep thereof . . . .

The Lot Owners' Association under this covenant was incorporated in 1945 as an Illinois not-for-profit corporation under the name "Wickliffe Bay Farms Property Owner's Association, Inc." (the "Original Corporation"). As with all not-for-profit corporations, the creation of the Original Corporation was accomplished by means of the filing of Articles of Incorporation with the Illinois Secretary of State's office. In 1953, the Original Corporation changed its name to the "Wooded Shores Property Owners Association, Inc.," and Articles of Amendment were filed with the Secretary of State to reflect the changed name.

Since 1945, the Original Corporation has exercised the duties and responsibilities of the Lot Owners' Association under the above-cited covenants and restrictions of the Wooded Shores Subdivision by collecting assessments and maintaining roads and common grounds. By purchasing lots, individual lot owners have agreed to become members of the Original Corporation, pay dues to the Original Corporation, and be governed by its by-laws. The by-laws provide that the Original Corporation is governed by a board of directors chosen by its members (*i.e.*, the lot owners subject to the declaration of covenants and restrictions cited above). The board of directors, in turn, elects the subdivision's Delegate/Director to the MPOA.

In 1993, the Original Corporation's duly elected board of directors voted unanimously in favor of Mr. Hilton as Delegate/Director to the MPOA. At each subsequent annual meeting of the Original Corporation's board of directors since 1993, Mr. Hilton has been re-appointed each year as MPOA Delegate/Director. (It is our understanding that Wooded Shores has 134 owners for purposes of MPOA representation, and therefore is entitled to two delegates, one of whom then also serves as a director of MPOA.)

### **III. Recent History**

#### **A. Administrative Dissolution**

Not-for-profit corporations in Illinois are required to file annual reports under 805 ILCS 105/114.05, and the Secretary of State provides a blank form for this purpose to a corporation's registered agent. The Secretary of State may administratively dissolve a corporation pursuant to 805 ILCS 105/112.35(a) if an annual report is not filed. In 2002, due to a change in the Original Corporation's secretary and the failure to change the registered agent with the Secretary of State, the annual report form was not received by the new secretary and was not filed. On September 3, 2002, the Secretary of State administratively dissolved the Original Corporation.

