

2. The MPOA was formed, among other purposes, to maintain the body of water known as Wonder Lake and owns most of the lake bottom property. A true and accurate copy of the MPOA's By-Laws is attached hereto as Exhibit 1.

3. The MPOA's members are homeowner associations representing the owners of properties in several subdivisions in the Wonder Lake area and representatives of other property in the Wonder Lake area that have not been subdivided, all of whom enjoy lake rights. See Exhibit 1 at Articles I and II.

4. Each MPOA member is represented by a director, and each director casts a weighted vote that reflects the size of the subdivision that he or she represents. See Exhibit 1 at Article VI Section 3 and Article VII Section 1.

5. Each MPOA member pays dues to the MPOA in an amount that reflects the size of the subdivision represented. Dues are collected annually from lot owners and remitted annually to the MPOA by each member. See Exhibit 1 at Article X.

B. Thomas P. Mathews

6. The Plaintiff and Counter-Defendant in this action, Thomas P. Mathews ("Mathews"), is a member and director of the MPOA by virtue of his ownership of unsubdivided property. See Article I. He is also an incorporator of the Mathews Corporation (see paragraph 7 below) and filed the initial Complaint in this matter seeking to invalidate actions taken at an MPOA meeting on March 22, 2010. The Complaint alleges that the votes cast by the Original Corporation (see paragraph 8 below) were unauthorized because the Original Corporation allegedly does not represent the property owners in the Wooded Shores Subdivision and is not an MPOA member.

C. Mathews Corporation (Wooded Shores Property Owners Association, Inc.)

7. The Wooded Shores Property Owners Association, Inc. (the "Mathews Corporation") is an Illinois not-for-profit corporation created in 2007 by Mathews.

D. Original Corporation (Wooded Shores Property Improvement Association, Inc.)

8. The Wooded Shores Property Improvement Association, Inc. ("Original Corporation") is an Illinois not-for-profit corporation created in 1945. Since 1945, the Original Corporation has exercised the duties and responsibilities of the Lot Owners' Association under the covenants and restrictions of the Wooded Shores Subdivision by collecting assessments from individual lot owners and maintaining roads and common grounds. Its current Bylaws are attached hereto as Exhibit 2.

II. The Wooded Shores Subdivision and Its Lot Owners' Association

9. The Wooded Shores Subdivision was created in 1935 and is located within the MPOA area.

10. The following language is contained in the deeds to each lot in the Wooded Shores Subdivision:

[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 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

11. The Lot Owners' Association under this covenant was incorporated in 1945 as an Illinois not-for-profit corporation under the name "Wickline Bay Farms Property Owner's Association, Inc." (the "Original Corporation").

12. In 1953, the Original Corporation changed its name to the "Wooded Shores Property Owners Association, Inc." The name was changed again in 2007 to "Wooded Shores Property Improvement Association, Inc."

13. For decades, and under three (3) separate corporate names, the Original Corporation has collected annual assessments from property owners in the Wooded Shores Subdivision, and the property owners have paid these dues and been members of the Original Corporation.

14. For decades, the Original Corporation has had to occasionally enforce unpaid assessments through judicial action in the McHenry County Circuit Court, including actions against Mathews himself (e.g. No. 92 SC 676), and has been successful in such actions.

15. For decades, the Original Corporation has used the annual dues collected from members to maintain and govern the roads and common grounds in the Wooded Shores Subdivision, to provide for liability insurance protecting property owners in the Wooded Shores Subdivision against injury on privately maintained roads, beaches and the lake and against dam failures, and for other purposes to benefit property owners in Wooded Shores Subdivision.

16. For decades, the Original Corporation has held annual membership meetings and directors' meetings, has provided notice to property owners of such meetings, and has conducted business in accordance with its corporate charter, bylaws and applicable law.

17. Since 1965, the Original Corporation has exercised the duties and responsibilities of an MPOA member, including payment of annual dues to the MPOA, appointment of an MPOA director and participation in MPOA votes through said director

18. At no time prior to 2006 did any property owner in the Wooded Shores Subdivision, including Mathews, ever challenge the legitimacy of the Original Corporation as the Lot Owners' Association under the covenants and restrictions of the Wooded Shores Subdivision or its MPOA membership or its ability to vote in the MPOA.

III. Mathews' Misappropriation of Corporate Name

19. On September 3, 2002, the Illinois Secretary of State administratively dissolved the Original Corporation due to inadvertent failure to file an annual report. Unaware of the administrative dissolution, the Original Corporation continued to conduct business as the Lot Owners Association for the Wooded Shores Subdivision and as MPOA member and continued to be recognized by MPOA and participate in MPOA votes.

20. On June 5, 2007, without input or consent from the lot owners in the Wooded Shores Subdivision or from the MPOA, Mathews incorporated a new not-for-profit corporation under the Original Corporation's name of "Wooded Shores Property Owners Association, Inc." (the "Mathews Corporation").

21. The Mathews Corporation has never assessed or collected dues from property owners of the Wooded Shores Subdivision.

22. The Mathews Corporation has never held any meetings or complied with corporate formalities under the *Illinois General Not-for-Profit Corporation Act of 1986*.

23. The Mathews Corporation has never remitted any dues to the MPOA.

24. The Mathews Corporation has never been recognized as an MPOA member or participated in any MPOA votes or actions.

IV. Original Corporation's Reinstatement

25. At all times pertinent hereto, Section 112.45(a) of the *Illinois General Not-for-Profit Corporation Act of 1986* authorizes a corporation that has been administratively dissolved to file an application for reinstatement.

26. On August 1, 2007, the Original Corporation completed an Application for Reinstatement and submitted it to the Secretary of State with all required missing annual reports and required fees. Because the Mathews Corporation had taken the Original Corporation's name, the Original Corporation was forced to file Articles of Amendment to change its corporate name to "Wooded Shores Property Improvement Association, Inc."

27. On August 8, 2007, the Secretary of State accepted and placed on file the Original Corporation's Application for Reinstatement, annual reports and Articles of Amendment.

28. Section 112.45(d) of the *Illinois General Not-for-Profit Corporation Act of 1986* provides as follows regarding reinstatement of a corporation following administrative dissolution:

Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

805 ILCS 105/112.45(d).

29. Despite being advised of the reinstatement of the Original Corporation, Mathews continues to send misleading correspondence to lot owners in the Wooded Shores Subdivision and otherwise claim that the Original Corporation is unauthorized and is not an MPOA member, and that the Mathews Corporation is the authorized Lot Owners Association for the Wooded Shores Subdivision and MPOA member.

COUNT I: DECLARATORY RELIEF

30. The MPOA and the Original Corporation have a tangible legal interest in the status of the Original Corporation as MPOA member and in the authority of the Original Corporation to collect and remit dues to the MPOA and participate in MPOA votes.

31. Mathews and the Mathews Corporation have an opposing interest in the status of the Original Corporation as MPOA member and in its authority to collect dues and participate in MPOA votes.

32. An actual controversy exists among the parties, the resolution of which will be aided by the Court's determination in this matter.

WHEREFORE, the Third-Party Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area, asks the Court to enter a declaratory judgment declaring that the Original Corporation (now known as "Wooded Shores Property Improvement Association, Inc.") is the legitimate Lot Owners Association under the covenants and restrictions for the Wooded Shores Subdivision; declaring that said Original Corporation is and has been an authorized member of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area; declaring that the votes taken at the MPOA directors' meeting on March 22, 2010, are valid; and awarding such other and further relief as the Court deems just.

COUNT II: INJUNCTION

33. The MPOA restates, realleges, and incorporates herein by reference, the allegations contained in paragraphs 1-32 of its Third Party Complaint, as if fully set forth herein.

34. The MPOA and the Original Corporation each possesses a certain and clearly ascertainable right in (a) their votes being counted and recognized appropriately; (b) their own corporate names and/or the names of corporate members not being appropriated or used by others, such as the Mathews Corporation, to make false claims to MPOA membership to obtain control of more MPOA votes for themselves; and (c) their own corporate names and/or corporate members' names not being assumed by others for the purpose of creating confusion and deceiving the public and interfering with relations with members.

35. The MPOA and the property owners in the MPOA area have suffered and will continue to suffer irreparable harm if Mathews and the Mathews Corporation are allowed to continue to use the former corporate name of the Original Corporation, as such use is intentionally confusing to lot owners and is the basis for false claims that MPOA directors, officers and votes are unauthorized.

36. In addition, the McHenry County Board has approved an application by the MPOA to finance a portion of a current dredging project using Recovery Zone Facility Bonds. These bonds would save property owners in the MPOA area approximately \$1.3 million in interest costs during the amortization period as compared with the alternative special service area bonds. McHenry County will not issue the Recovery Zone Facility Bonds while this litigation is pending, as issuance of the bonds depends on the validity of the MPOA votes taken on March 22, 2010, as well as the MPOA's ability to render future votes involving the Original Corporation that will not be subject to Mathews' false claims. Losing the Recovery Zone Facility Bonds would result in the property owners' permanent, irreparable loss of \$1.3 million.

37. There is no adequate remedy at law for Mathews' and the Mathews' Corporation's usurpation of the name of an MPOA member and its resulting confusion and undermining of the authority of MPOA's corporate acts, nor is there an adequate remedy at law for the property owners' permanent loss of \$1.3 million in avoidable interest costs.

WHEREFORE, the Counter-Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area, asks the Court to enter an injunction:

(a) enjoining Thomas P. Mathews and the Mathews Corporation (currently known as "Wooded Shores Property Owners Association, Inc.") from claiming that the Mathews Corporation is a member of the Master Property Owners' Association; and

(b) enjoining Thomas P. Mathews and the Mathews Corporation from representing the Mathews Corporation as the "Wooded Shores Property Owners Association, Inc." or holding out the Mathews Corporation as representing or acting on behalf of property owners in the Wooded Shores Subdivision;

(c) enjoining Thomas P. Mathews and the Mathews Corporation from assuming any former corporate name of the Wooded Shores Property Improvement Association, Inc.; and

(c) ordering Thomas P. Mathews and the Mathews Corporation either to voluntarily dissolve or file Articles of Amendment to change the corporate name of the Mathews Corporation and to file said dissolution or Articles of Amendment with the Illinois Secretary of State's office; and

(d) awarding such other and further relief as the Court deems proper and just.

Respectfully submitted,

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

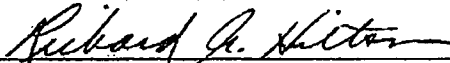
By: Dean Krone
One of its Attorneys

Dated: June 1, 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

VERIFICATION

Under penalties 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 matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Richard Hilton, President

The Master Property Owners Association, Inc.
for the Wonder Lake, Illinois Area

CERTIFICATE OF SERVICE

I, Dean W. Krone, an attorney, certify that I caused a true and correct copy of the foregoing Third Party Complaint, and Notice of Filing thereof, to be served upon James P. Kelly, Matuszewich, Kelly & McKeever, LLP, 453 Coventry Lane, Suite 104, Crystal Lake, Illinois 60014, on this 1st day of June, 2010, postage prepaid by First Class Mail, deposited at 3030 Salt Creek Lane, Arlington Heights, Illinois, before 5:00 p.m.

By: Dean Krone
Dean W. Krone

Dean W. Krone, ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn, LLP
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Firm I.D. #: 26941

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 un subdivided property.

1. Deep Springs Woods Country Club Association
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.
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)

**THIRD PARTY
COMPLAINT
EXHIBIT**

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.