

**DECLARATION OF  
RESTRICTIONS FOR  
WATERFORD PLACE**

**PEORIA COUNTY**

**PREPARED BY:**

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**RETURN TO:**

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**DECLARATION OF RESTRICTIONS FOR  
WATERFORD PLACE**

THIS DECLARATION OF RESTRICTIONS ("Declaration") is made this \_\_\_\_ day of \_\_\_\_\_, 2004 by Waterford Place, LLC, an Illinois limited liability company ("Developer") for certain real estate legally described in Exhibit A.

**WITNESSETH:**

WHEREAS, the Developer desires to provide for additional property to be developed and to be subject to this Declaration; and

WHEREAS, the Developer is the owner in fee simple of certain real estate, legally described in Exhibit A attached hereto and made a part hereof, in Peoria County, Illinois; and

WHEREAS, the Developer desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and all future Owners of any part of said real estate, and any Lot therein contained, and to provide for the harmonious, beneficial and proper use and conduct of the real estate; and

WHEREAS, the Developer intends to, and does hereby declare that such real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, shall be sold and conveyed subject to the following easements, restrictions, covenants and conditions; which such easements, restrictions, covenants and conditions shall run with the real estate and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of

each Owner thereof.

WHEREAS, the Developer desires to preserve the integrity of the architectural design, the continuation and enhancement of the landscape elements and other aesthetic additions on the property and provide for controls necessary to maintain the Property which if not maintained would adversely affect the property and the Lot Owners and provide for the maintenance of Association Property.

NOW, THEREFORE, the Developer declares as follows:

1. DEFINITIONS. Certain words and terms used in this Declaration are defined as follows:

- (a) Association: Waterford Place Homeowners' Association, which is the Association of all the Lot Owners acting pursuant to the By-Laws attached hereto as Exhibit B, through its duly elected Board. Until such time as the Association is formed, Association and Association Board shall be the Developer
- (b) Association Property: The sign, entranceway median and lake (owned as tenants in common with The Crystals at Waterford Place).
- (c) Board: The Board of Managers of the Association as constituted at any time and from time to time. In the event the Association is incorporated, the Board shall mean the Board of Directors of the incorporated Association.
- (d) By-Laws: The By-Laws of the Association, which are attached hereto as Exhibit C.
- (e) Developer: Waterford Place, LLC and its successors and assigns.
- (f) Lot: Any parcel of land or other tract in Waterford Place Subdivision, together with any and all improvements thereon, shown on the recorded plat of Waterford Place Subdivision.
- (g) Outlots: All Association Property.
- (h) Lot Owner or Owner: The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Lot.
- (i) Plat: The plat or plats of survey of the Subdivision recorded in Peoria County.
- (j) Record: To record in the Office of the Recorder of Deeds of Peoria County, Illinois.
- (k) Subdivision: Waterford Place in Peoria County, Illinois, and any

subsequent subdivision platted from property described in Exhibit B attached hereto and made a part hereof added to this Declaration.

2. APPLICATION OF RESTRICTIONS. All persons, corporations, trusts or other entities that now hold or shall hereafter acquire any interest in any part or the Subdivision shall be taken to agree to comply with the covenants, conditions, restrictions and stipulations contained herein as to the use of the Subdivision and the construction of residences and improvements therein, as hereinafter set forth. Developer shall have the right to add additional property, described in Exhibit B attached hereto and made a part hereof, to this Declaration by filing an amendment to this Declaration. All of the terms and provisions of this Declaration shall then apply to all Lots and Lot Owners within the additional Property.

3. PROPERTY USE. The Subdivision and all Lots therein shall be used only for single-family residences. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise designed for profit, altruism, or otherwise, shall be conducted, maintained, or permitted on any portion of the Subdivision, developed or undeveloped. This prohibition specifically includes day care and child care centers, the teaching of music and dance lessons and like uses. "Garage Sales" are specifically prohibited under this provision except as sponsored by the Homeowners' Association. This Section shall not be construed to prevent or prohibit an Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls on his Lot.

4. CONSTRUCTION REQUIREMENTS. The construction of residences on Lots in the Subdivision shall be governed by the following specifications:

- (a) Setback Lines. The exterior walls of any building, garage, enclosed porch, swimming pool or other outbuilding or structure shall not be erected or maintained closer to the front lot line than the setback lines shown on the plat of the Subdivision, which setback lines are at twenty-five (25) feet. Such structures shall also not be erected or maintained at any given point closer to the side or rear lot lines than eight feet. Larger setbacks may be required by applicable zoning regulations.
- (b) Footage Requirements. As to residences of one level, the first floor living area shall have a total living area, exclusive of garage and basement, of not less than one thousand five hundred fifty (1,550) square feet. Residences that are built in a Cape Cod style with a master bedroom on the first floor shall have a total living area, exclusive of garage and basement, of not less than one thousand eight hundred (1,800) square feet. Residences of more than one level shall have a total living area of not less than one thousand (1,000) square feet on the main level and not less than two thousand fifty (2,050) square feet total. No residence shall exceed two and one-half stories in height.
- (c) Permitted Exteriors. No wall board, aluminum siding, sheet metal, tar paper, or roofing paper shall be used for any exterior wall covering or roofs. Aluminum

may be used for gutters and downspouts, soffit and fascia boards. Stone, brick, wood, vinyl and stucco style materials shall be permitted exteriors, provided such materials are of suitable quality, grade and coloration so as to conform and harmonize with other improvements in the Subdivision. No excessively bright colors or light shadings shall be permitted on the exteriors of any building in the Subdivision. At least thirty-five percent (35%) of the front elevation of the residence is to be made of brick.

- (d) Garages. Each residence constructed on a Lot in the Subdivision shall contain an attached, enclosed garage adequate to store, at a minimum, two (2) standard-sized passenger vehicles, or, as a maximum, three (3) standard-sized passenger vehicles. Any such garage shall be in conformity with the attached residence as to exterior, architecture and location. The garage door must contain a window in accordance with specifications approved by the Developer.
- (e) Sewer Requirements. All residences shall connect with a sanitary sewer system in accordance with all applicable health codes.
- (f) Excavation. All materials excavated from any Lot in the Subdivision shall not be removed from the Subdivision unless permission is otherwise granted in writing by the Developer.
- (g) Swimming Pools. All Swimming pools must be enclosed by a specific style of white vinyl fencing that is approved by the Developer and shall, in all respects, comply with applicable ordinances and building codes. All devices used in connection with the swimming pool, including the filter and circulating pump, shall be located inside the required fence and concealed from view. Only in-ground pools shall be permitted.
- (h) Mailboxes. The mailboxes installed for each residence shall be Williamsburg by RAN Manufacturing, or a comparable style of mailbox in conformity with character and design of Waterford Place as approved by the Developer. In the event the United States Postal Service commences door-to-door mail delivery, all mailboxes near the street shall be removed by the Lot Owners within thirty (30) days.
- (i) Driveways and Curb Cuts. All driveways leading from the street to the garage must be made of concrete. Curbs which are removed for the purpose of making a driveway entrance shall be replaced as far as the nearest construction or expansion joint to insure a smoothly joining entrance with a radius of return of at least five (5) feet.
- (j) Sidewalks. Sidewalks must be installed by and at the expense of a Lot Owner upon the completion of construction of a residence on the Lot.

- (k) Developer Approval. No building, outbuilding, tower, satellite dish, or swimming pool shall be erected, placed, or altered on any Lot in the Subdivision until the building plans, specifications and site plans of said improvements have been submitted to and approved by the Developer. No prior approval shall be required for satellite dishes not exceeding a 20" diameter placed in the rear of a Lot and obscured from view by landscaping. The Developer, as part of the approval process, shall evaluate the proposed improvements as to conformity and harmony of external design with existing structures in the Subdivision and as to location of the building with respect to topography and finished ground elevation. A minimum of two (2) copies of all building plans, specifications, and site plans shall be submitted before commencement of any construction on a Lot. One copy of said building plans, specifications and site plans shall be retained by the Developer. The Developer, at Developer's option, may require that samples of all exterior materials be submitted for examination prior to approval. If the Developer fails to give written approval or disapproval to such plans and specifications within thirty (30) days after same have been received by the Developer, the plans and specifications shall be deemed approved. All improvements shall be constructed in strict conformity with approved plans and specifications. Any changes during construction of the size or exterior of the building, either as to materials or colors, must be approved in writing by the Developer prior to continuation of construction.

5. STRUCTURES. No trailer, basement, camper, RV, mobile home, tent, shack, garage, barn or other structure shall be at any time used as a residence, temporarily or permanently, in the Subdivision. No home shall be occupied as a residence until the exterior of such residence is completed in accordance with the approved plans and a certificate of occupancy (if required by a governmental agency) has been issued. No additional outbuildings including but not limited to sheds, detached garages, lawn buildings, and storage buildings shall be permitted.

6. REPLATTING. No Lot or Lots as platted shall be divided so as to result in creating additional Lots. Two (2) adjoining Lots may not be used for the construction of one residence. However, the Developer, at Developer's sole discretion, may permit a portion of a Lot to be added to an adjacent Lot to create a larger Lot provided that the remainder of the one Lot is of sufficient size to construct a residence upon it in accordance with the construction requirements detailed herein, and further provided that the location of the building setback lines shall be modified to reflect the new size of each Lot.

7. FOLIAGE REMOVAL. No trees or other significant foliage, other than trees or foliage which are dead, hazardous, or reasonably impede construction of a residence or interfere with an easement, shall be destroyed or removed from any Lot without the consent of the Developer.

8. OFFENSIVE ACTIVITIES. No noxious, hazardous, or offensive trade, object, or activity which may be or may become a nuisance, hazard or danger to the neighborhood, by sight, sound, odor, or otherwise, shall be performed or maintained on any Lot or other part of the Subdivision.

9. ANIMALS. No animals other than domesticated house pets shall be kept or maintained within the Subdivision. No pet runs or enclosures are permitted. No Lot Owner shall keep more than two dogs and two cats.

10. PROPERTY MAINTENANCE. All Lot Owners shall keep their property well maintained and in a presentable condition. All Lots shall be kept free and clear of rubbish, debris and other unsightly materials. In the event a Lot presents a nuisance or an unattractive appearance because of accumulated debris, weeds or grasses, the Developer shall attempt to notify the Owner of said Lot in writing of the objectionable condition of the Lot, with said notice to be mailed by certified mail, if more current information is not available, to the address listed with the Peoria County Supervisor of Assessments for the mailing of tax bills for said Lot. If the condition of said Lot is not adequately improved, within ten days of the mailing of such notice, the Developer may undertake any such reasonable acts as may be necessary to improve the condition of the Lot. Any charges sustained by the Developer may be charged to the Lot Owner, and, at the option of the Developer, may constitute and be recorded as a lien against said Lot. Such liens may be enforced against the Owner's property as permitted by law. Such liens must be recorded within two years of the time the debt was incurred and, unless enforced shall expire within 2 years or recording. Attorney's fees and court costs shall be recoverable for enforcement of such liens.

11. VEHICLE STORAGE. Inoperable passenger cars, recreational vehicles, campers, trailers, trucks, vans, mobile homes, boats or other objects of substantial size, whether operative or inoperative may not be parked or stored within the confines of the Subdivision unless same is enclosed and concealed from view within a garage on the Owner's property. This provision shall apply to those parts of the Subdivision dedicated as public roadways. Passenger cars shall not be parked overnight on the public roadways within the subdivision.

12. SUPPLY STORAGE. Except as necessarily incidental to construction of buildings and structures on Lots, no new or used construction materials; supplies, unused machinery, or the like shall be kept or allowed to remain in the Subdivision unless stored inside a building and concealed from view.

13. EASEMENTS. Easements for public utility installation and maintenance are reserved as shown on the recorded plat. Said utilities shall be permitted access to the indicated easements for the purpose of serving individual Lots, the Subdivision, and adjoining property with standard public utilities, including, without limitation, electric, gas, water, sewer, television cable and telephone service. No permanent buildings, structures, or other significant foliage shall be placed on said easements, but the easements may be used for gardens, shrubs, landscaping, and other purposes that do not interfere with the maintenance or use of the easements. In the event the Developer should elect to construct a fence along the perimeter of the Subdivision, affected Lot Owners shall grant an easement to the Developer for construction and maintenance of such fence, provided that any damage to the Lot Owner's property by such construction or maintenance shall be repaired by the Developer at the Developer's expense.

14. COMMENCEMENT OF CONSTRUCTION. Any individual or entity acquiring a Lot from the Developer must commence construction within twenty-four (24) months after the

conveyance of title, unless a written extension is granted by the Developer. If the Developer elects to grant any such extension, as a condition to any such extension Developer may demand reimbursement of any utility deposits which remain unrefunded due to failure to hookup a residence on such Lot, with the right to any future refund for such Lot to be assigned to the Lot Owner. All construction must be completed in accordance with approved plans, including all landscaping work, within nine (9) months after commencement of construction. In the event such construction is not commenced within the allotted time, the Developer shall have the absolute right, at its sole option, to repurchase the Lot by repayment of the original purchase price, in cash, with no interest to have accrued thereon. In the event a dwelling is commenced but not completed within the allotted time, the Developer shall have the absolute right, at its sole option, to repurchase the Lot for the original purchase price, plus 85% of the fair market value of the partially completed dwelling thereon. If an agreement cannot be reached as to the fair market value thereof, same shall be determined by arbitration by an arbitrator to be appointed by the Lot Owner, an arbitrator to be appointed by the Developer, and, if necessary, a third arbitrator to be appointed by the first two arbitrators, with a decision of the majority of arbitrators to be binding upon both the Developer and the Lot Owner. Costs of the arbitration shall be equally shared between the Developer and the Lot Owner.

15. OUTDOOR LIGHTING. All Lot Owners, upon completion of construction of the residence, shall install in the front area of their Lot suitable, Developer-approved lighting for night illumination of the frontage area of their Lot unless adequate street lighting is otherwise provided.

16. FENCING. Except as to a fence along the perimeter of the Subdivision that may be constructed by the Developer, no enclosures or fences shall be constructed along or within the borderline of any Lot without the written permission of the Developer. All fencing must be of a specific style of white vinyl fencing that has been approved by the Developer, and shall not be lower than four (4) feet nor exceed six (6) feet in height. The Developer may unilaterally approve fences required by applicable ordinances necessary to enclose outdoor, in-ground swimming pools. No other type of fence shall be constructed on any Lot.

17. LANDSCAPING. The Builder shall install one (1) Sunset Maple or Oak tree in the front yard within nine (9) months of the start of construction. The Association shall maintain the median.

18. CERTIFICATE OF COMPLIANCE. Upon receipt of a written request by the Owner of any Lot, plus payment of a reasonable fee if so required, the Developer will issue a Certificate of Compliance stating that the building or buildings on said Lot comply with this Declaration, if such is the fact to the best of the Developer's knowledge. Such Certificate shall be conclusive evidence of satisfactory compliance with this Declaration as of the date of the Certificate, except said Certificate shall not be conclusive as to matters of survey.

19. LIMITATION OF LIABILITY. In no event shall any action or inaction by the Developer in regards to the Developer's powers or duties expressed herein constitute or give rise to any liability against the Developer.

20. ASSIGNMENT OF RIGHTS BY DEVELOPER. The Developer shall have the right to sell, assign, transfer, or convey the rights of the Developer. Any such transfer shall be in writing and recorded in the office of the Recorder of Deeds of Peoria County. The Developer may, from time to time, appoint a designated agent to act for the Developer, and shall, upon request, furnish satisfactory evidence concerning the appointment and authority of said representative. If all Lots in the Subdivision have not been sold at the time of formation of the Association, upon the formation of the Association and the recording of written authorization from the Developer, all rights, duties, and obligations of the Developer herein contained shall be transferred to such Association unless certain rights are specifically retained. The Developer, in such written transfer of rights, duties, and obligations may retain specific rights, including, without limitation, the right to approve construction plans and grant extensions for commencement of construction. Upon the sale of all Lots in the Subdivision, such transfer of all such rights, duties and obligations shall be automatic, provided, however, there shall be no transfer of the Developer's right to collect utility deposits.

21. INSURANCE. Each Lot Owner shall be responsible for providing insurance coverage on his or her Lot, residence or other structures located on the Lot, furnishings and other items of personal property belonging to the Lot Owner and insurance for personal liability. The Association shall obtain insurance on Association Property.

22. OUTLOTS. The subdivision consists of a part of a lake which at the time the Association is created, the Developer shall convey to Waterford Place Homeowners' Association and The Crystals at Waterford Place Homeowners' Association as tenants in common. The Property comprising the Crystals at Waterford Place is described in Exhibit C attached hereto and made a part hereof. The Association shall maintain and insure the lake jointly with the Crystals at Waterford Place Homeowners' Association, with cost shared on a per lot basis based upon the number of lots in each subdivision.

23. ASSOCIATION MAINTENANCE. In addition to the lake, the Waterford Place Homeowners' Association shall be responsible for maintaining the entryway signage and landscaped median.

24. HOMEOWNERS' ASSOCIATION.

- (a) Membership. Upon its formation, all Lot Owners in the Subdivision shall become members of the WATERFORD PLACE HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association"). Membership in the Association shall run with the land, and any conveyance of an interest to property in the Subdivision shall be deemed a conveyance of the associated membership in the Association. Each Lot Owner shall be a member of such Association, which membership shall terminate upon the sale or other disposition by such member of his Lot; at such time the new Lot Owner shall automatically become a member therein. As more particularly set forth in the By-Laws, a Lot Owner shall be entitled to one (1) vote per Lot.



- (b) Formation. The Association shall be formed the earlier of: a) the sale of all of the Developer's interest in the Subdivision, or b) the sale of seventy-five percent (75%) of the total Lots in the Subdivision plus written approval by the Developer for formation of the Association. The Association shall not be deemed formed until written notice of the formation of the Association has been recorded in the Office of the Peoria County Recorder of Deeds and indexed to each Lot in the Subdivision.
- (c) By-Laws. The provision of Exhibit D of this Declaration shall be adopted as the By-Laws of such Association.
- (d) Full Powers. Upon the sale of all of the lots or upon written grant of authority from the Developer, the Association shall have all rights otherwise reserved to the Developer.
- (e) Organization. Once formed the Association shall organize and operate as a non-profit group. The Association may elect to incorporate as a not-for-profit corporation by filing Articles of Incorporation with the Secretary of State of Illinois.
- (f) Amendment of By-Laws. The Association may amend the By-laws of the Association upon the affirmative vote of three-fourths (3/4) of all Lot Owners in the Subdivision.
- (g) Liens. Any amount assessed against an individual Lot which remains unpaid thirty (30) days after said assessment becomes due may, at the option of the Association, become a lien against the Lot by placing notice of record with the Peoria County Recorder of Deeds. In order to become a valid lien said lien must be placed of record within two years of the time said amount claimed became due, with the lien to expire two years after recording of same. Payment or said lien may be enforced by foreclosure or lien, or any other method permitted by law, and the Association may recover reasonable attorney's fees and court costs incurred in recovery or amounts due.
- (h) Merger of Association. If the Developer shall elect to develop contiguous subdivisions which shall be called subsequent sections of Waterford Place upon written demand from the Developer the Association shall merge with the homeowners' association for such subdivisions. Absent such written demand, upon receipt of written approval of two-thirds (2/3) of the Lot Owners in the Subdivision the Association may merge with homeowners' associations for contiguous subdivisions.

25. AMENDMENT OF PLAT/DECLARATION OF RESTRICTIONS. Until the Developer divests himself of all interest in all Lots of the Subdivision, the Developer shall retain the right to amend, modify or annul the Declaration or part thereof or restrictions contained on the Plat of the

Subdivision by a written instrument to be recorded in the Office of the Recorder of Deeds, Peoria County, Illinois. Upon the sale of all of the Developer's interest in the Subdivision, this Declaration may be amended by the affirmative vote of two-thirds (2/3) of the total Lot Owners in the Subdivision, with the collective Owners of each Lot to have one vote in regards to any such issue. However, after the Developer's sale of any Lot, no amendment of this Declaration or the Plat of the Subdivision shall significantly impede or alter the continued development of the Subdivision in accordance with the general intent of the Developer as expressed herein. No amendment shall be made divesting the Association of the maintenance responsibilities set forth in paragraphs 22 and 23 of this Declaration.

26. ENFORCEMENT OF DECLARATION OF RESTRICTIONS. The Association or the Developer (in their discretion) or any Lot Owner in the Subdivision shall be entitled to prosecute, in any proceeding in law or equity, any Owner violating or attempting to violate any of the restrictions or covenants contained herein, to either prevent said Owner from committing said violation or to recover damages for such violation. Neither the Developer nor the Association shall have liability for failure to enforce the restrictions or covenants.

27. INVALIDATION OF DECLARATION OF RESTRICTIONS. Invalidation of any portion of this Declaration by judgment or court order shall not affect any remaining portions of this Declaration, which shall remain in full force and effect and be construed, as closely as possible, with the original intent of the Developer. If any provision or application thereof is held to be invalid or unenforceable, then a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid or unenforceable provision.

28. FAILURE TO ENFORCE. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

29. GRANTEES. Each grantee of the Developer, each subsequent purchaser including those under articles of agreements for deed and each tenant under a lease accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the By-Laws, the rules and regulations of the Association, and the jurisdiction, rights and power created or reserved by this Declaration, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

30. NOTICES. Whenever any notice is required to be given under the provisions of the Declaration, or the By-Laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice. Notices required to be given to any devisee or personal representatives of a deceased Lot Owner shall be delivered by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

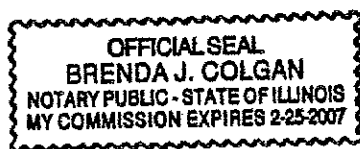
32. TRUSTEES. In the event title to any Lot should be conveyed to a land title holding trust, under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust, and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against such Lot. No claim shall be made against any such title holding trustee personally for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated or sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien upon the premises notwithstanding any transfer or beneficial interest or the title of such real estate.

WATERFORD PLACE, LLC

BY: Pat Tj  
ITS: Munroe

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF PEORIA )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Robert F. Brady, personally known to me as Manager of Waterford Place, LLC, and to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her free and voluntary act, for the uses and purposes therein set forth. Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2004.



Barbara J. Colgan  
Notary Public

**Exhibit A**  
**Legal Description**

(Insert Waterford Place Section One Platted Lots)

**LOTS 11-35 OF WATERFORD PLACE, SECTION ONE, A PART OF THE  
SOUTHEAST QUARTER OF SECTION NINETEEN (19), TOWNSHIP TEN (10)  
NORTH, RANGE EIGHT (8) EAST OF THE FOURTH PRINCIPAL MERIDIAN AS  
SHOWN ON PLAT RECORDED OCTOBER 10, 2003 AS DOCUMENT NUMBER 51363  
IN PLAT BOOK EIGHT, PAGE 103, LOCATED IN THE COUNTY OF PEORIA AND  
STATE OF ILLINOIS.**

**TAX LD. NO.: A PART OF 09-19-400-007**

**Exhibit C**

**(The Crystals at Waterford Place)**

**LOTS 1-10 OF WATERFORD PLACE, SECTION ONE, A PART OF THE SOUTHEAST QUARTER OF SECTION NINETEEN (19), TOWNSHIP TEN (10) NORTH, RANGE EIGHT (8) EAST OF THE FOURTH PRINCIPAL MERIDIAN AS SHOWN ON PLAT RECORDED OCTOBER 10, 2003 AS DOCUMENT NUMBER 51363 IN PLAT BOOK EIGHT, PAGE 103, LOCATED IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS.**

**TAX I.D. NO.: A PART OF 09-19-400-007**

## **Exhibit D**

### **BY-LAWS OF** **WATERFORD PLACE HOMEOWNERS' ASSOCIATION**

#### **ARTICLE I** **General Provisions**

The Waterford Place Homeowners' Association ("Association") is responsible for the overall administration of the Subdivision through its duly elected Board. Whether or not incorporated, the Association shall have such powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration of Restrictions for Waterford Place Subdivision which such Declaration and all privileges, powers, duties and terms therein contained are hereby incorporated and made a part of these by-laws ("By-laws").

#### **ARTICLE II** **Members**

Section 1. Classes of Members. Membership, and Termination Thereof. The Association shall have one class of members. Each lot owner shall be a member of the Association, which membership shall terminate upon the sale or other disposition of such member's lot, at which time the new lot owner shall automatically become a member of the Association. Such termination shall not relieve or release any such former lot owner from any liability or obligation incurred under or in any way connected with the Association, during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies which the Board or other may have against such former lot owner arising from, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificate evidencing membership shall be issued by the Association.

#### **Section 2. Votes and Voting Rights.**

(a) Commencing with the date of the said first annual meeting of the members, the total number of votes of all members shall be equal to the number of lots. Each lot owner shall be entitled to one vote for each lot owned. Developer shall be entitled to the number of votes which reflect the number of lots owned by Developer.

(b) If a lot is owned by more than one person, the voting rights with respect to such lot shall not be divided, but shall be exercised as if the lot owner consisted of only one person in

accordance with the proxy or other designation made by the persons constituting such lot owner. If only one of such persons constituting such owner is present, he shall be entitled to cast the vote. If more than one of such persons constituting such owner is present, the vote allocated to such lot may be cast only in accordance with the agreement of a majority in interest of such persons. Agreement by a majority in interest of such persons shall be deemed to exist if any of such person casts the vote allocated to such lot without protest being made promptly to the person presiding over the meeting by any such persons constituting such lot owner. In the event of a protest neither vote shall be counted.

Section 3. Transfer of Membership. Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1 hereof.

### ARTICLE III

#### Meeting of Members

Section 1. Annual Meeting. The first annual meeting of the members shall be held on such date as is fixed by the Developer, which date shall in no event be later than the earlier of (a) three years from the date the Declaration is recorded in the Office of the Recorder of Peoria County, Illinois, (b) sixty (60) days from the date when the all common areas and entryways of the Subdivision, with said areas to include, without limitation, such areas as may hereinafter be subject to easements in favor of the Developer or the Association for maintenance of Subdivision signs, landscaping, or common areas (collectively known as "Association Property") are conveyed by the Developer to the Association, or (c) such earlier time as selected by the Developer. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held on such date as is selected by the Board which date is within thirty (30) days before or after the anniversary of the first annual meeting of the members. If the election of Members of the Board shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be. If Developer should fail to schedule the initial meeting of the Association after such time as when the Association should have been formed, the initial meeting can be scheduled by any individual lot owner in the Subdivision by following the procedures noted herein.

Section 2. Special Meetings. Special meeting of the members may be called by the Board, the President, or not less than twenty percent (20%) of the members. All matters to be considered at special meetings of the members called by not less than twenty percent (20%) of the members shall first be submitted in writing to the Board not less than ten (10) days prior to the date of the special meeting of the members called to consider such matters.

Section 3. Place and Time of Meeting. All meetings of the members shall take place at 8:00 p.m., at a reasonable place designated by the person or persons calling the meeting, or at such other reasonable time designated by the Board or the person or persons calling the meeting.

Section 4. Notice of Meetings. Written or printed notice stating the purpose, place, day and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary or the officer or persons calling the meeting, except that notice of the first annual meeting of the members shall be given by the Developer to the lot owners at least twenty-one (21) days prior thereto. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. Quorum. The members present at a meeting in person or by proxy, holding twenty percent (20%) of the votes which may be cast at any meeting, shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-laws.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution. Every proxy must bear the date of its execution.

Section 7. Manner of Acting. Except as set forth below and except as otherwise required by the Declaration and these By-laws, any action to be taken at any meeting of the members at which a quorum is present. A quorum shall consist of twenty percent (20%) of the Lot Owners. Approved actions shall be upon the affirmative vote of more than fifty percent (50%) of the members represented at such meeting. The following matters shall require the affirmative vote of two-thirds (2/3) or more of all the lot owners at a meeting duly called for that purpose:

(a) Sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, of the property and assets of the Association,

(b) Dedication of a portion or portions of any Association Property owned by the Association to a public body for the purposes of streets or utilities; or

(c) The purchase and sale of land.



## ARTICLE IV

### Board

Section 1. In General. The affairs of the Association shall be managed by its Board of Managers.

Section 2. Number, Tenure and Qualifications. The number of members of the Board shall be three (3) to five (5) as determined by the Members from time to time. Until the date of the first annual meeting of the members as hereinabove provided, the members of the Board shall be the directors named in the Articles of Incorporation of the Association, if the Association is incorporated; otherwise, the members of the Board shall be as appointed by the Developer. Such members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the members of the Board shall each be elected at large solely by, from and among, the members. At the first annual meeting the members shall elect one director for a term of one year, one or two directors for a term of two years and one or two directors for term of three years; and at each annual meeting thereafter the members shall elect directors for a term of three years. Each member of the Board shall serve until his successor shall have been elected and qualified. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a member of the Board. Notwithstanding the above, only one person from each lot may be a member of the Board. A member of the Board may succeed himself in office.

Section 3. Regular Meetings. A regular annual meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of members. The Board shall, by regulations which the Board may adopt from time to time, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four times per year.

Section 4. Special Meetings. Special meetings of the Board may be called by or at the request of the President or any two members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 5. Notice. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least forty-eight (48) hours prior to date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least forty-eight (48) hours prior to the date of such meeting. All such notice shall be deemed to be mailed when deposited in the United States mail addressed to each member at his address as it

appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at, or the purpose of any regular or special meeting of the Board, shall be specified in the notice. Notices of a regular meeting of the Board need not be served on members of the Board.

Section 6. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are present at the commencement of said meeting, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-laws.

Section 7. Manner of Acting. The act of a majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except where otherwise provided by law or in the Declaration.

Section 8. Vacancies. Any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by a two-thirds (2/3) vote of the remaining members of the Board for the unexpired portion of the term. Members of the Board, including those appointed by the Developer, may resign at any time by written resignation delivered or mailed to any office of the Association, which resignation shall be effective upon receipt of said resignation. If, as a result of the death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of members may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 9. Removal. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of two-thirds (2/3) of all the members of the Association at a special meeting called for such purpose.

Section 10. Adoption of Rules and Regulations. All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations. No rules and regulations may impair rights granted by the Declaration of Restrictions. Such rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto the rule or regulation at a special meeting of the members called for such purpose, and held before the effective date of the rule or regulation, by a vote of seventy-five percent (75%) of all members of the Association.

Section 11. Open Meetings. All meetings of the Board, whether regular or special, shall be open to the members of the Associations, except for meetings that have been called for the following reasons;

(a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent;

(b) to consider information regarding appointment, employment or dismissal of an employee; or

(c) to discuss violations of rules and regulations of the Association or member's unpaid share of assessments.

Any vote on the above matters shall be taken at a meeting or portion thereof open to any member. Any member may record the proceedings at meetings required to be open by these By-laws by tape, film, or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

## **ARTICLE V**

### **Special Provisions Regarding the Lake**

The Association shall own the lake as tenants in common with the Crystals at Waterford Place Association. Maintenance shall be a shared expense between the Lot Owners and the Lot Owners in the Crystals at Waterford Place. Any expenditures shall be approved by a collective majority vote of all of the Lot Owners in both Associations, with each Lot Owner having one vote. Assessments shall be divided by the number of total lots in both subdivisions and applied equally to all lots.

The Boards of the two Associations shall meet annually to develop a budget regarding the lake and assessment for maintenance and shall present the same to the Members of both Associations for a vote. Approval shall require a majority of those total lots voting.

## **ARTICLE VI**

### **Officers**

Section 1. Officers. The officers of the Association shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board), a Treasurer and a Secretary.

Section 2. Election and Term of Office. The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board, from among the members of the Association provided the president must also be a member of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. An officer may succeed himself in office. Officers shall serve without compensation.

Section 3. Removal. Any officer elected by the Board may be removed by a majority vote of the members of the Board.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments which the Board has authorized to be executed and any amendment to the Declaration, and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice-President. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents, in order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any Vice-President shall perform such other duties as from time to time may be assigned by the President or by the Board.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VIII of these By-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; receive all notices on behalf of the Association and, together with the President, execute on behalf of the Association amendments to documents as required or permitted by the Declaration or these By-laws; be custodian of the records and, if incorporated, of the seal of the Association and, if the Association is incorporated, see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-laws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

## ARTICLE VII

### **Powers and Duties of the Association and Board**

Section 1. General Duties, Powers, Etc. of the Board. The Board shall exercise for the Association all powers and duties; including but not limited to the following:

- (a) Care, maintenance, and upkeep of the Association Property and the entryway sign and median strip;
- (b) Maintenance in a well kept condition any fence the Developer may choose to erect around the perimeter of the Subdivision and mow and maintain the property extending outward from the Subdivision to adjacent roadways.
- (a) Preparation, adoption and distribution of the annual budget for the Association;
- (b) Collection of assessments, if any, from lot owners;
- (c) Employment and dismissal of such maintenance or service personnel as may be required to provide maintenance of the Association Property, and employment and retention of such legal, accounting or professional services as may be required by the Association;
- (d) Adoption and amendment of rules and regulations covering the details of the operation and use of the Subdivision;
- (e) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Subdivision and Association Property;
- (f) Imposing charges for late payments of a lot owner's proportionate share of the maintenance fees as provided for in the Declaration or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, By-laws, and rules and regulations of the Association;
- (g) Assigning its rights to future income, including the right to receive assessments;
- (h) Enforce, in the name of the Association or in the name of any lot owner, any and all restrictions and covenants which have or may hereafter be imposed upon lots;

In performance of their duties, the officers and members of the Board shall exercise, whether appointed by the Developer or elected by the members, the care required of a fiduciary of the members.

Section 2. Specific Powers and Duties. Anything herein contained to the contrary notwithstanding, the Association shall have the power:

- (a) to engage the services of a manager or managing agents, who may be any person, firm or corporation, upon such terms and compensation as the Association deems fit, and to remove

such manager or managing agent at any time, provided any agreement with such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days of less prior written notice;

(b) to engage the services of any person (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the repair and maintenance of the Property as provided in this Article VII, Section 1, or in connection with any duty, responsibility or right of the Association and to remove, at any time, any such personnel;

(c) to establish or maintain one or more bank accounts for the deposit of any funds paid to, or receive by, the Association;

(d) to invest any funds of the Association in certificated of deposits, money market funds, or comparable investments;

Section 3. Authorized Expenditures. The Associations shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent or other personnel above provided for, the following:

- (a) maintenance and repair upon the Association Property, including the entryway sign, the median, its share of the lake and any fence that Developer may install around the perimeter of the Subdivision, and all outlots;
- (b) maintenance and repair of any lot which a lot owner is obligated to maintain or repair under the terms herein or under the terms of the Declaration if such maintenance or repair is necessary, in the discretion of the Association, and the owner of said Lot has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said lot Owner; provided that any costs incurred by the Association hereunder shall be added to and become part of the assessment to which such lot is subject.

All expenses, charges and costs of the maintenance, repair or replacement and any other expenses, charges or cost which the Association may incur or expend pursuant hereto, shall be approved by the Association, and a written memorandum thereof prepared and signed by the Treasurer. There shall be no expenditures in excess of Five Thousand Dollars (\$5,000) without the prior approval of sixty-six and two-thirds percent (66 2/3%) of the lot owners.

Section 4. Annual Budget. Each year on or before November 1st, the Board shall estimate the annual budget of expenses (the "Annual Budget") including: the total amount required for the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount

considered by the Association to be necessary for a reserve for contingencies and replacements, all anticipated assessments and income and each lot owner's proposed expense assessment. The Board shall deliver a copy of the proposed Annual Budget to each lot owner at least thirty (30) days prior to the adoption thereof. The Association shall give lot owners notice as provided in Article III, Section 4 of the By-laws of the meeting of the Board at which the Board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted. Said Annual Budget shall be assessed pro-rata to the lot owners. Each lot owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1<sup>st</sup> of the ensuing year, and the 1<sup>st</sup> day of each and every month of said year. The Association shall have no authority to forebear the payment of assessments by any lot owner.

- (a) The failure or delay of the Associations to prepare or serve the annual or adjusted budget on the lot owners shall not constitute a waiver or release in any manner of the lot owner's obligation to pay the maintenance and other costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted budget, the lot owners shall continue to pay the monthly assessment charges at the then existing monthly rate establish for the previous period until the monthly assessment payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed.
- (b) If an adopted Annual Budget requires assessments against the lot in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by lot owners with twenty percent (20%) of the votes of the Association filed within fourteen (14) days of the Board action, shall call a special meeting of the lot owners within thirty (30) days of the date of filing of the petition to consider the Annual Budget. Unless a majority of the votes of the lot owners are cast at the meeting to reject the Annual Budget, it shall be deemed to be ratified, whether or not a quorum is present. If a majority of votes of the lot owners are cast to reject the Annual Budget at a special meeting of the lot owners, a meeting of the Board shall be held within thirty (30) days of the date of such special meeting to prepare a revised Annual Budget to send to the lot owners together with a notice of the meeting of the Board at which adoption of such Annual Budget will be considered.

Section 5. Annual Accounting. On or before the 1<sup>st</sup> day of May of each calendar year commencing with the year subsequent to the year in which the first annual meeting of the members is held, the Association shall supply to all lot owners an itemized accounting of the expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus Reserves. Upon the written request of any of FHLMC, FNMA, HUD, or VA, the Association shall prepare and furnish within a reasonable time an audited financial statement of the Association for the preceding calendar year.

Section 6. Reserves. The Association may build up and maintain a reasonable reserve for operation, contingencies and replacement.

Section 7. Special Assessments. If said Annual Budget proves inadequate for any reason, including nonpayment of any lot owner's assessment, or any nonrecurring expense or any expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be assessed pro-rata to the lot owners and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of such further assessment on all lot owners (as provided in Article III, Section 4 of the By-laws) by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective and shall be payable at such time or times as determined by the Board, provided, however, that in the event such further assessment with respect to any Lot exceeds \$300, such further assessment for all lots shall not be effective until approved by sixty-six and two-thirds percent (66 2/3%) of the lot owners at a meeting of lot owners duly called for such purpose. All lot owners shall be obligated to pay the further assessment.

Section 8. Books of Account, Default, Statement of Account.

(a) The Association shall keep full and correct books of account and the same shall be open for inspection by any lot owner or any representative of a lot owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the lot owner.

(b) If a lot owner is in default in the payment of the aforesaid charges or assessment for thirty (30) days, the Association may assess a service charge of four percent (4%) of the balance of the aforesaid charges and assessments for each month, or part thereof, that said balance, or any part thereof remains unpaid. In addition to any remedies or liens provided by law, if a lot owner is in default in the monthly payment of the aforesaid charges or assessments for sixty (60) days, all other monthly payments of charges and assessments due for the calendar year in which such default occurs shall accelerate and become immediately due and payable. The Association may bring suit for and on behalf of itself and as representative of all lot owners, to enforce collection thereof; and there shall be added to the amount due, the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. No lot owner may waive or otherwise escape liability for the assessment provided for herein by nonuse or abandonment of his lot. Each such assessment, together with interest, costs, and attorneys' fees shall also be the personal obligation of the person who was the lot owner at the time the assessment fell due. The personal obligation for delinquent assessment shall not pass to successors in title or interest unless assumed by them, or required by applicable law.

(c) Upon ten (10) days' notice to the Association, and the payment of a reasonable fee fixed by the Association not to exceed Fifteen Dollars (\$15), any lot owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such lot owner.



Section 9. Priority of Liens. Any mortgage or trust deed owned or held by a First Mortgagee and recorded prior to the recording of a notice by the Association of the amount owing by a lot owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the unpaid fees set forth in said notice and to all assessments for expenses which become due and are unpaid subsequent to the date of recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a lot pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed or deed (or assignment) in lieu of foreclosure shall not be liable for, and shall take the lot free from claims for unpaid expenses or assessments levied by the Association which accrue prior to the date of possession as aforesaid.

## **ARTICLE VIII**

### **Contracts, Checks, Deposits, and Funds**

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

Section 2. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Association. In the absence of such determination by the Association, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

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

Section 4. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

## **ARTICLE IX**

### **Books and Records**

Section 1. Maintaining Books and Records. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board and committees having any of the authority of the Board.

Section 2. Availability for Examination. The Board shall maintain the following records of the Association available for examinations and copy at convenient hours of weekdays by the Lot Owners or their mortgagees and their duly authorized agents or attorneys:

- (a) Copies of the recorded Declaration and By-Laws and any amendments, Articles of Incorporation of the Association if incorporated, annual reports, and any rules and regulations adopted by the Association or the Board shall be available. Prior to the first annual meeting of members of the Association, the Developer shall maintain and make available the records set forth in this subsection (a) for examination and copying;
- (b) The minutes of all meetings of the Association and the Board shall be maintained. The Association shall maintain these minutes for a period of not less than seven (7) years;
- (c) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to section 25 of the General Not-For-Profit Corporation Act, approved July 19, 1943, as amended, shall be maintained; and
- (d) A record giving the names and addresses of the members entitled to vote. A reasonable fee may be charged by the Association or its Board for the cost of copying.

## **ARTICLE X**

### **Fiscal Year**

The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

## **ARTICLE XI**

### **Seal**

If the Association is incorporated, the Board shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois".

## **ARTICLE XII**

### **Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or By-laws of the Association, or the Declaration, a waiver thereof (subject to all the provisions of such instruments) in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XIII**

### **Amendments to By-laws**

These By-laws, may be altered, amended or repealed and new By-laws may be adopted upon the affirmative vote of a majority of the Board or upon the affirmative vote of seventy-five percent (75%) of all of the members at a regular meeting or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment or repeal, which is signed and acknowledged by an authorized member of the Board and which contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.

## **ARTICLE XIV**

### **Indemnification**

Each person who at any time is or shall have been a manager, director or officer of this Association, or is or shall have been serving at the request of the Association as a director or officer of another Association, partnership, joint venture, trust or other enterprise, shall be indemnified by this Association in accordance with and to the full extent permitted by the Illinois General Not-For-Profit Corporation Act of 1986 as in effect at the time of adoption of this Bylaw or as amended from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested directors or otherwise. If authorized by the Board of Managers, the Association may purchase and maintain insurance on behalf of any person to the full extent permitted by the Illinois General Not-For-Profit Corporation Act of 1986 as in effect at the time of the adoption of this Bylaw or as amended from time to time.

The Association shall have power to indemnify any person 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 (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee or agent of another association, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, or with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the

right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a manager, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

To the extent that a present or former director, manager, officer, or employee, or agent of the Association has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1, 2 or 3 above of this Article XIV, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, if that 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 corporation.

Any indemnification under Sections 1, 2 and 3 above of this Article XIV (unless ordered by a court) shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the present or former director, manager, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said sections above. Such determination shall be made: (a) by the majority vote of the directors who are not parties to such action suit or proceeding, even though less than a quorum, (b) by a committee of the directors designated by a majority vote of the directors, even though less than a quorum, (c) if there are no such directors, or if the directors so direct, by independent legal counsel in a written opinion, or (d) by the members entitled to vote, if any.

Expenses, including attorney's fees, incurred by an officer, manager or director in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Managers in the specific case, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article XIV. Since expenses (including attorney's fees) incurred by former directors, managers, and officers or other employees and agents may be so paid on such terms and conditions, if any, as the Association deems appropriate.

The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any contract, agreement, vote of disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, manager, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall have power to purchase and maintain insurance on behalf of any

person who is or was a director, manager, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, manager, officer, employee or agent of another Association, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article XIV.

For purposes of this Article XIV, references to "the Association" shall include, in addition to the surviving Association, any merging association (including any association having merged with a merging association) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, and employees or agents, so that any person who was a director, officer, employee or agent of such merging association, or was serving at the request of such merging association as a director, manager, officer, employee or agent of another association, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving association as such person would have with respect to such merging association if its separate existence had continued.

For purposes of this Article XIV, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Association" shall include any service as a director, manager, officer, employee or agent of the Association which imposes duties on, or involves services by such director, manager, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Association" as referred to in this Article XIV.

## ARTICLE XV

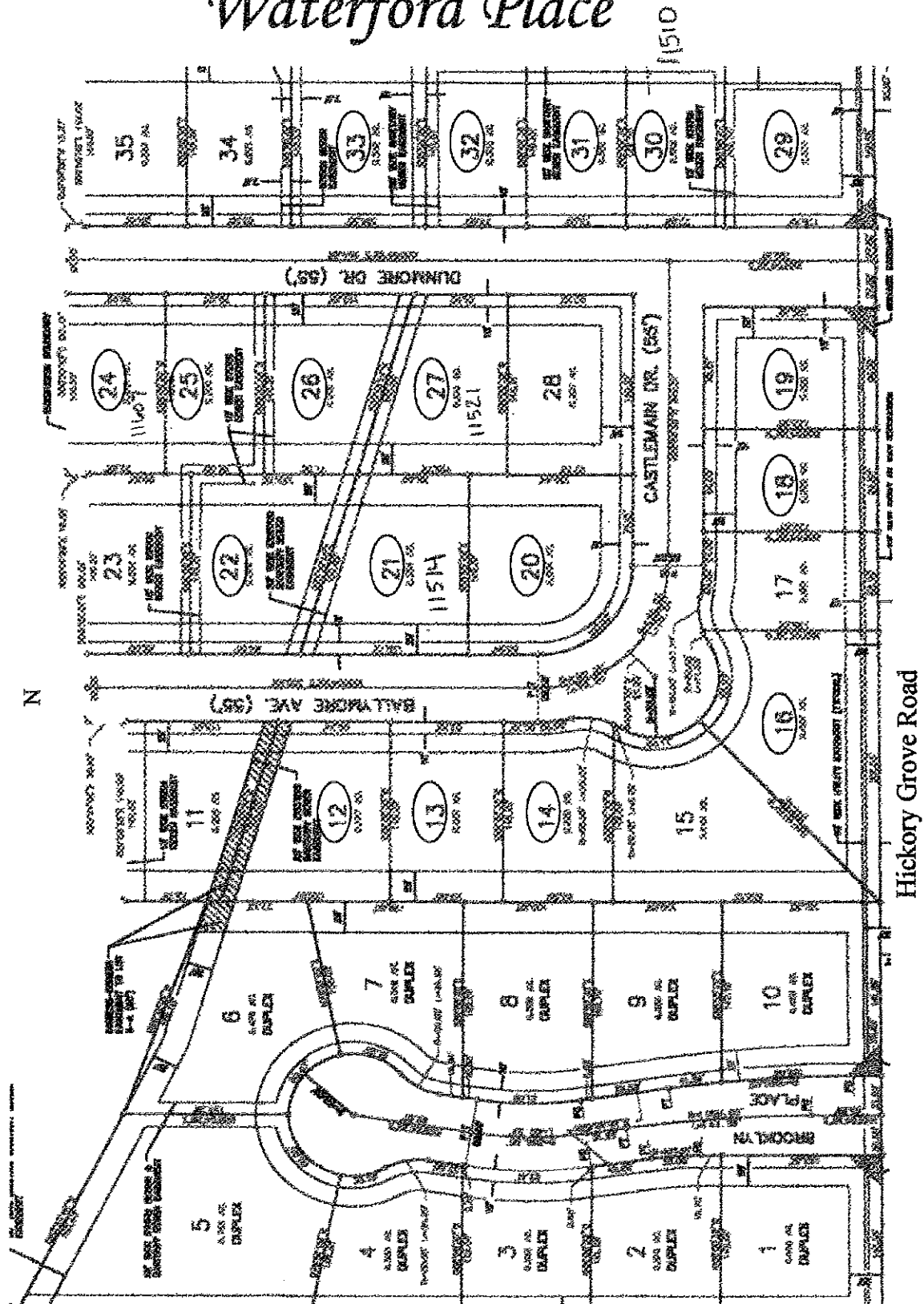
### Construction

Section 1. Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. Said Declaration and these By-laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these By-laws and the aforesaid Declaration, the provisions of the Declaration shall control.

Section 2. All words and terms used herein which are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

Section 3. In the event the Association is incorporated, the words, "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.

# Waterford Place



Lot 12- \$59,400. Lot 13- Model Home  
 Lot 19- \$46,200. Lot 20- \$48,400.  
 Lot 25- \$47,300. Lot 26- \$50,600  
 Lot 31- \$48,400. Lot 32- \$48,400.

Lot 14- \$48,400.  
 Lot 21- Spec Home  
 Lot 27- Spec Home  
 Lot 33- \$51,700.

Lot 16- \$52,800. Lot 18- \$48,400.  
 Lot 22- \$51,700. Lot 24- Spec Home  
 Lot 29- \$46,200. Lot 30- Spec Home