

Sheffield Towne Association

Articles of Incorporation

By-Laws

**Declaration of Covenants, Restrictions,
Easements, Charges & Leins**

These are LEGAL DOCUMENTS which define the Sheffield Towne Homeowner's Association. They explain the Association's responsibility to the homeowner and the homeowner's responsibility to the Association.

**READ THEM and KEEP THEM!
They are VERY IMPORTANT**

**ARTICLES OF INCORPORATION
UNDER THE
GENERAL NOT FOR PROFIT CORPORATION ACT**

PAUL POWELL, Secretary of State, Springfield, Illinois.

We, the undersigned, Robert Brandwein, 9950 West Lawrence Avenue, Schiller Park, Illinois; Gabriele Riedl, 9950 West Lawrence Avenue, Schiller Park, Illinois, and Weston Till, 9950 West Lawrence Avenue, Schiller Park, Illinois, being natural persons of the age of twenty-one years or more and citizens of the United States, for the purpose of forming a corporation under the "General Not For Profit Corporation Act" of the State of Illinois, do hereby adopt the following Articles of Incorporation:

ARTICLE 1: NAME - The name of the Corporation is the Sheffield Towne Association, hereinafter called the "Association".

ARTICLE 2: DURATION - The period of duration of the corporation is perpetual.

ARTICLE 3: ADDRESS AND NAME OF REGISTERED OFFICE AND AGENT - The address of its Registered Office in the State of Illinois is: 1000 North Walnut Lane in the Village of Schaumburg, 60172, County of Cook and the name of its initial Registered Agent at said address is James Leakou.

ARTICLE 4: BOARD OF DIRECTORS - The first Board of Directors shall be nine in number, their names and addresses being as follows: James Leakou, 9950 West Lawrence Avenue, Schiller Park, Illinois, Weston Till, 9950 West Lawrence Avenue, Schiller Park, Illinois, Lawrence Soifer, 9950 West Lawrence Avenue, Schiller Park, Illinois, Robert Brandwein, 9950 West Lawrence Avenue, Schiller Park, Illinois, Allan Schlossberg, 9950 West Lawrence Avenue, Schiller Park, Illinois, Robert Craig, 9950 West Lawrence Avenue, Schiller Park, Illinois, William Witte, 9950 West Lawrence Avenue, Schiller Park, Illinois, Anthony DiTore, 9950 West Lawrence Avenue, Schiller Park, Illinois, Bernadette Brown, 9950 West Lawrence Avenue, Schiller Park, Illinois.

The first Board of Directors are to act as Directors until the first annual meeting of the members and until election and qualification of their successors. At the first annual meeting, the members shall elect three Directors for a term of one year, three Directors for a term of two years and three Directors for a term of three years. At each annual meeting thereafter, the members shall elect three Directors for a term of three years.

ARTICLE 5: Purpose or Purposes for which the Corporation is Organized and Powers This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to promote the health, safety and welfare of the residents within the land located in Cook County, State of Illinois, described as follows::

All those certain lots, pieces, tracts or parcels of land and premises situate, lying and being in Township 41, County of Cook, State of Illinois, as shown on final subdivision plate entitled and described as "Outlot No. 2 of Sheffield Town, Unit One" filed in the Office of the Recorder of Deeds of the County of Cook, State of Illinois, on the 13th day of May 1970, as Document No. 21157257 and "Sheffield Town, Unit Two" filed in the Office of the Recorder of Deeds of the County of Cook, State of Illinois, on the 12th day of June 1970, as Document No. 21182109, except public dedicated roads in both of said units. (such land hereinafter referred to as "The Properties"), and any additions thereto which hereafter may be brought within the jurisdiction of this Association by annexation, as provided in Article 9 herein, and for this purpose the Association shall have power to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in any Declaration of Covenants, Restrictions, Easements, Charges and Liens or other covenants, restrictions and agreements applicable to the Properties.

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection

with the affairs of the Association.

(d) borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(e) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Illinois by law may now or hereafter have or exercise.

ARTICLE 6: Membership - Every person who is a record Owner of any Lot which is subjected by this Declaration to assessment by the Association and the Developer, its successors and assigns to the extent provided by the next succeeding section of these Articles shall be a Member of the Association. An "Owner" shall mean and refer to the record owner, whether one or more persons or entities of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE 7: Voting Rights - The Association shall have two classes of voting membership.

CLASS A Class A Members shall be all Owners excepting the Developer and excepting any other person or entity which acquires title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article 6. When more than one person holds such an interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B The Class B Member shall be the Developer, its successors and assigns. The Class B Member shall be entitled to five votes for each Lot which it owns, or 590 votes, whichever is greater, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership:

- (a) when the total votes outstanding in the Class A membership equal 590 or
- (b) on October 1, 1973

When a purchaser of an individual Lot takes title thereto from the Developer, he becomes a Class A Member and the membership of the Developer with respect to such Lot shall cease.

ARTICLE 8: Liabilities - The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed Ten Thousand Dollars (\$10,000.00), while there is a Class B membership and thereafter shall not exceed one hundred and fifty percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds of the membership.

ARTICLE 9: Annexation of Additional Properties - The Association may, at any time, annex additional residential properties and Common Areas to The Properties described in Article 5 and so add to its membership as provided under Article 6 hereof, provided that any such annexation shall be made pursuant to the requirements of the Declaration.

ARTICLE 10: Mergers and Consolidations - To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds of the Class A membership and two-thirds of the Class B membership, if any.

ARTICLE 11: Authority to Mortgage - Any mortgage by the Association of the Common Areas defined in the Declaration shall have the assent of two-thirds of the Class A membership and two-thirds of the Class B membership, if any.

ARTICLE 12: Authority to Dedicate - The Association shall have power to dedicate, sell, or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such

conditions as may be agreed to by the members. Any such dedication or transfer shall be effective only if made pursuant to the requirements of the Declaration.

ARTICLE 13: Dissolution - The Association may be dissolved with the assent given in writing and signed by not less than two-thirds of the Class A membership and two-thirds of the Class B membership, if any. Written notice of a proposal to dissolve shall be sent to all members at least thirty days in advance of any action taken. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. No such disposition of the Association's properties shall be effective to direct or diminish any right or title of any member vested in him under the aforesaid Declaration and deeds applicable to The Properties unless made in accordance with the provisions of such Declaration and deeds.

ARTICLE 14: Meetings for Actions Governed by Articles 8 Through 13 - In order to take action under Articles 8 through 13, unless otherwise provided therein, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than five days nor more than forty days in advance of the meeting. The presence at the meeting of members or of proxies entitled to cast sixty per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of the Class B membership, if any, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE 15: Amendments

(a) These Articles may be amended pursuant to law provided that no amendment shall be effective to impair or dilute any rights of members that are governed by the Declaration applicable to The Properties (as, for example, membership and voting rights) which are part of the property interests created thereby.

(b) In the case of any conflict between the Bylaws and these Articles, these Articles shall control; and in the case of any conflict between the Declaration applicable to The Properties and these Articles, the said Declaration shall control.

ARTICLE 16: FHA/VA Approval - As long as there is a Class B membership the following actions require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, dedication of Common Areas, dissolution and amendment of these Articles.

ARTICLE 17: The activities of this Association shall be conducted principally in the Village of Schaumburg, Cook County, Illinois.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 5th day of June 1970.

BYLAWS OF SHEFFIELD TOWNE ASSOCIATION

ARTICLE I NAME AND LOCATION

The name of the corporation is SHEFFIELD TOWNE ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1000 North Walnut Lane, Schaumburg, Illinois, 60172, but meetings of members and Directors may be held at such places within or without the State of Illinois as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to the SHEFFIELD TOWNE ASSOCIATION, its successors and assigns.

Section 2. "The Properties" shall mean and refer to those lands described in Exhibit "A" attached to and forming a part of a certain Declaration of Covenants, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") made by Levitt and Sons, Incorporated.

Section 3. "Common Areas" shall mean and refer to those areas of land described on Exhibit "B" attached to and forming a part of the Declaration for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon one of the recorded subdivision maps of The Properties, but shall not include the Common Areas as herein defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 6. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, of the Declaration.

Section 7. "Developer" shall mean and refer to Levitt and Sons, Incorporated, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens applicable to The Properties recorded or to be recorded among the land records in the Office of the County Clerk of Cook County, Illinois.

ARTICLE III MEMBERSHIP

Section 1. Membership. Membership in the Association shall be governed by Article III, Section 1, of the Declaration.

Section 2. Suspension of Membership. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of land and becomes a lien upon the property against which such assessments are made as provided by Article V of the Declaration to which The Properties are subject. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the Association's facilities of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Areas and facilities.

ARTICLE IV PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Areas and

facilities as provided by Article IV of the Declaration. Any Member may delegate his rights of enjoyment of the Common Areas and facilities to the members of his family residing in his household or to any of his tenants who reside upon The Properties under a leasehold interest for a term of one year or more. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

Section 2. Irrespective of the fact that Section 3(d) of Article IV of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Areas, this right shall not be exercised as to Members for a period of five years from the date of recordation of the Declaration, and after this period, only upon the written approval of two-thirds of the Class A membership.

ARTICLE V BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors comprised of nine Directors who need not be Members of the Association.

Section 2. Election. At the first annual meeting, the Members shall elect three Directors for a term of one year, three Directors for a term of two years and three Directors for a term of three years. At each annual meeting thereafter, the Members shall elect three Directors for a term of three years.

Section 3. Removal. Any Director may be removed from the Board with or without cause by a vote of two-thirds of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor and until his successor is elected and qualified.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed at the discretion of the Board for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held within a two week period following the annual meeting of Members, and at such other times as the Board of Directors may determine.

Section 2. Special Meetings. Special meetings of the Board of Directors shall also be called by the President of the Association and shall also be called by the Secretary of the Association upon the written request of two Directors.

Section 3. Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business. In the event a quorum of the Directors is not present a lesser number may adjourn the meeting to some future time. Notice of such adjourned meeting shall be given in the same manner required for any other meeting of the Board of Directors.

Section 4. Notice of Meetings Notice of meetings shall be given by service upon each Director in person or by mailing to him at his last known address in the records of the Association at least forty-eight hours before the date designated in such notice for the meeting specifying the time and the place of such meeting. At any meeting held without notice at which each Member of the Board of Directors shall be present or with respect to which all Directors not present shall execute a Waiver of Notice any business may be transacted which might have been transacted if the meeting had been called on notice.

ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Every nomination for election to the Board of Directors must be made in writing signed by at least five Members or Members holding at least five votes and accepted in writing by the

person nominated. Also such nominations must be received by the Secretary of the Association at least ten days prior to the meeting at which the election is to be held. The Secretary shall prepare and make available for inspection at least five days before such meeting a list of the nominees. Nominations may not be made in any manner other than the foregoing.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election Members or their proxies may cast in respect of each vacancy as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII POWERS AND DUTIES

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

- a. adopt and publish rules and regulations governing the use of the Common Areas and facilities,
- b. exercise for the Association all powers, duties and authority rested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and
- c. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth of the Class A Members who are entitled to vote;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. to establish, levy and assess, and collect the assessments or charges referred to in Article V of the Declaration.
- d. to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f. cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g. cause the Common Areas to be maintained; and
- h. cause the Lots to be maintained pursuant to Article VIII of the Declaration.

ARTICLE IX COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

- a. A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- b. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of The Properties, and shall perform such other functions as the Board, in its discretion, determines;

c. A Publicity Committee which shall inform the Members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

d. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditure to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8(d). The Treasurer shall be an ex officio member of the Committee.

Section 2. It shall be the duty each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the first Tuesday in May of each year at a time and place designated by the Board of Directors. If the day for the annual meeting of Members shall fall upon a holiday, the meeting shall be held on the first day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Board of Directors or upon the written request of the Members who are entitled to vote one third of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, or of proxies entitled to cast, one— tenth of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws and provided that the quorum requirements for any action governed by Articles 8 through 13 of the Articles of Incorporation shall be that the presence at the meeting of members or of proxies entitled to cast sixty percent of all the votes of each class of membership shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE XI OFFICERS AND THEIR DUTIES

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

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve, or until his successor is elected and qualified.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the affirmative vote of two-thirds of the Directors then in office. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified Therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Compensation. No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed at discretion of the Board for his actual expenses incurred in the performance of his duties.

Section 8. Multiple Offices. The offices of Secretary and Treasurer may held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 9. Duties. The Duties of the officers are as follows:

a. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

b. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

d. The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE XII ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The creation of the lien and personal obligation of assessments is governed by Article V, Section 1, if the Declaration.

Section 2. Purpose of Assessments. The purpose of assessment is as specified in Article V, Section 2, of the Declaration.

Section 3. Basis and Maximum of Annual Assessments. The basis and maximum of annual assessments is as specified in Article V, Section 3, of the Declaration.

Section 4. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Special Assessments for Capital Improvements. Special assessments for capital improvements are as specified in Article V, Section b, of the Declaration.

Section 6. Change in Maximum of Annual Assessments. The change in maximum of annual assessments shall be as provided for in Article V, Section 5, of the Declaration.

Section 7. Quorum for Any Action Authorized Under Sections 5 and 6. The quorum called for actions authorized under Sections 5 and 6 of this Article shall be as determined in Article V, Section 6, of the Declaration.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The dates of commencement of annual assessments are as specified in Article V, Section 7, of the Declaration.

Section 9. Effect of Non—Payment of Assessments: Remedies of the Association. The effect of non-payment of assessments and the remedies of the Association shall be as specified in Article V, Section 9, of the Declaration.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated pursuant to the provisions of Article V, Section 10, of the Declaration.

Section 11. Exempt Property. Property exempt from the assessments created in the Declaration shall be those properties specified in Article V, Section 11, of the Declaration.

ARTICLE XIII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV CORPORATE SEAL

The seal of the Association shall be as follows:

ARTICLE XV AMENDMENTS

These Bylaws may be amended by the Board of Directors provided that those provisions of these Bylaws which are governed by the Certificate of Incorporation of this Association may not be amended except as provided in the Certificate of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration applicable to the Properties may not be amended except as provided in such Declaration. The Federal Housing Administration or the Veterans Administration shall have the right to veto amendments to these Bylaws while there is Class B membership.

ARTICLE XVI FISCAL YEAR

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

ARTICLE XVII CONSTRUCTION

Section 1. In the case of any conflict between the Certificate of Incorporation and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and the Articles, the Declaration shall control. The General Not For Profit Corporation Act of the State of Illinois shall control over the Certificate, the Declaration and the ByLaws.

Section 2. Roberts Rules of Order, Revised, shall govern all deliberations of this Association and its Board of Directors, except as otherwise provided in these Bylaws, in the Certificate of Incorporation or in the Declaration..

**DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS**

THIS DECLARATION, made this 5th day of June, 1970, by LEVITT AND SONS, INCORPORATED, a Delaware corporation, hereinafter referred to as "Developer."

WITNESSETH:

WHEREAS, Developer is the owner of the real property referred to in Article II and described in Exhibit "A" of this Declaration, and desires to develop thereon a residential community together with common lands and facilities for recreational purposes for the benefit of such community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common lands and facilities; and, to this end, desires to subject the real property referred to in Article II and described in Exhibit "A" to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community to create an agency to which will be delegated and assigned the powers of maintaining and administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated or intends to incorporate under the laws of the State of Illinois, a non-profit corporation for the purpose of exercising the functions aforesaid, which is hereinafter called the "Association."

NOW, THEREFORE, the Developer declares that the real property described in Exhibit "A" attached hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to (a) the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth and (b) the easements referred to in Section 15, Article VIII hereof which are reserved to the Developer, its successors and assigns, and which shall be perpetual in duration and run with and bind forever the land and the owner thereof, itself, himself, themselves and their heirs, successors and assigns.

**ARTICLE I
DEFINITIONS**

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to the Association, its successors and assigns, incorporated or to be incorporated for the purposes set forth in these covenants.
- (b) "The Properties" shall mean and refer to all properties, both lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit "A", attached hereto and forming a part hereof.
- (c) "Common Areas" shall mean and refer to those areas of land shown on the recorded subdivision plats of The Properties and described in Exhibit "B" attached hereto and forming a part hereof. Said areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public.
- (d) "lot" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon one of the recorded subdivision maps of The Properties, but shall not include the Common Areas as herein defined.
- (e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lien of foreclosure.
- (f) "Party Wall" shall mean and refer to the entire wall, all or a portion of which is used for support of each adjoining property situate, or intended to be situate, on the boundary line between adjoining properties.
- (g) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION:
ADDITIONS THERETO

Section 1. Additions to The Properties by the Association. Annexation of additional property shall require the assent of two-thirds of the Class A Members and two-thirds of the Class B Members, if any, at a meeting duly called for the purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast sixty per cent of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

Section 2. Additions to the Properties by Developer. If the Developer, its successors and assigns, should develop additional lands within the area set forth on Exhibit C attached hereto and forming a part hereof, such additional lands may be annexed to The Properties without the assent of the Class A members; provided, however, that the development of the additional lands described in this section shall be in accordance with the general plan or master plan, both as amended, submitted to the Federal Housing Administration and the Veterans Administration if applicable, with the processing papers for the first section or as later amended. Detailed plans for the development of additional lands must be submitted to the FHA and VA, if applicable, prior to such development. If FHA and VA, if applicable, determine that such detailed plans are not in accordance with the general plan or master plan, both as amended, on file or as later amended and so advise the Association and the Developer, the development of additional lands must have the assent of two-thirds of the Class A members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting, setting forth the purpose of the meeting. At this meeting the presence of Members or of proxies entitled to cast sixty per cent of all the votes of the Class A membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at a subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 3. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Certificate of Incorporation, its properties, rights and obligations may, by operation* or, alternatively the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligation' of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration upon The Properties together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants established by this Declaration upon The Properties except as hereinafter provided.

*(of law, be transferred to another surviving or consolidated association)

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person who is a record Owner (as defined in Article I) of any Lot which is subjected by this Declaration to assessment by the Association and the Developer, its successors and assigns to the extent provided by Section 2 of this Article shall be a Member of the Association:

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A Member shall be all owners excepting the Developer and excepting any other person or entity which acquires title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 of this Article III. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

Class B Member shall be the Developer, its successors and assigns. The Class B Member shall be entitled to three votes for each Lot which it owns, or 562 votes, whichever is greater, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership.

- (a) when the total votes outstanding in the class A membership equal 562, or
- (b) on October 1, 1974

When a purchaser of an individual lot takes title thereto from the Developer, he becomes a Class A Member and the membership of the Developer with respect to such lot shall cease.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the provision of Section 3 of this Article IV and the by-laws of the Association.

Section 2. Title to Common Areas. The Developer hereby covenants for itself, its heirs and assigns, that prior to the conveyance of the first lot it will convey by Special Warranty Deed fee title to the Common Areas to the Association free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, subject, however, to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns.

In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said properties and the rights of such mortgagee in said properties shall be subordinate to the rights of the owners hereunder;
- (b) the right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure;
- (c) the right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty days for any infraction of its published rules and regulations;
- (d) the right of the Association to charge reasonable admission and other fees for the use of the Common areas;
- (e) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the action is sent to every Member at least sixty days in advance of any action taken;
- (f) the right of the Developer, and of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities;

(g) the right of individual Members to the exclusive use of parking spaces as provided in Section 4 hereof.

(h) the right of the Developer to the use of all of the Common Areas in connection with the sale of the Lots remaining to be sold.

Section 4. Parking Rights. The Association shall maintain upon the Common Areas as many parking spaces as are designated by the Developer, including at least one parking space for each Lot, subject to reasonable rules and conditions. The Developer shall designate at least one parking space with respect to each Lot as near and convenient to said Lot as reasonably possible for the exclusive use of the Members residing thereon, their families and guests. The use of such space by any other Member or person may be enjoined by the Association or the Members entitled thereto. The right to the exclusive use of such parking space, together with the right of ingress and egress in and upon the parking or Common Areas which is hereby granted and to the maintenance thereof by the Association shall be appurtenant to and shall pass with the title to each Lot.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned by it within The Properties, hereby covenants and each subsequent Owner of any such Lot by acceptance of a deed thereof or, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The Association may designate an agent to whom payment of assessments shall be made and said agent may be authorized to collect said assessments.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of The Properties (including exterior maintenance of Lots and Living Units), services and facilities related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. Commencing with the conveyance of the first Lot to an Owner and until January 1 of the second year immediately following such conveyance, the annual assessment (which must be fixed at a uniform rate for all Lots) shall be at the rate of \$228.00 payable monthly in the amount of \$19.00 per month. From and after the first day of said January, the annual assessment may be increased as hereinafter provided for the next succeeding three years and at the end of each such period of three years for each succeeding three years.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount, provided that it shall be an affirmative obligation of the Association and its Board of Directors, to fix such assessments at an amount sufficient to maintain and operate the Common Areas and facilities and Lots to the extent imposed upon the Association in this Declaration.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 of this Article V, the Association may levy in any assessment year a special assessment (which must be fixed at a uniform rate for all Lots) applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Change in Maximum of Annual Assessments. The Board of Directors of the Association may prospectively increase the maximum of the Annual Assessments (fixed by Section 3 hereof) in an

amount equal to the projected estimated increase in operating and maintenance costs of the Association.

The Association may prospectively increase the maximum of the assessments above such amount, provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 of this Article V, shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 of this Article V, the presence at the meeting of Members or of proxies, entitled to cast sixty per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that such subsequent meeting shall not be held more than sixty days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the first day of the month following the conveyance of the first Lot from the Developer to an Owner and shall be due and payable in advance on the first day of each calendar month. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. In the event of any change in the annual assessments as set forth herein, the Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto.

The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be prima facie evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect on Non-Payment of Assessment. The Personal Obligation of the Owner. The Lien: Remedies of Association. If any assessment is not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the Lot which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of six per cent per annum and the Association may bring legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the property; and in the event a judgement is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon The Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following properties subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority, and devoted to public use; (b) all Common Areas as defined in Article I, Section 1, hereof. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VI PARTY WALLS

Section 1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article the general rules of law regarding party walls and liability for property damage use to negligence or willful acts or

omissions shall apply to each party wall which is built as part of the original construction of the houses upon The Properties and any replacement thereof.

In the event that any portion of any structure, as originally constructed by the Developer, including any party wall, shall protrude over an adjoining lot, such structure or party wall shall not be deemed to be an encroachment upon the adjoining lot or lots, and Owners shall neither maintain any action for the removal of a party wall or projection, nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or party wall. The foregoing shall also apply to any replacements of any structures or party walls if same are constructed in conformance with the original structure or party wall constructed by the Developer. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and be binding upon the parties.

ARTICLE VII ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, or maintained upon The Properties, nor shall any exterior addition to or change or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials, and locations of the same shall have been submitted to and approved in writing as to the quality and harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. This Article VII is not applicable to the Developer.

ARTICLE VIII USE OF PROPERTY

Section 1. Uses and Structures. No Lot shall be used except for residential purposes and the Developer's construction, sales office, sales office parking or model homes during the construction and sales period. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one attached single-family dwelling not exceeding two and one-half stories in height. No detached garage, carport or accessory building may be erected. An attached addition to the dwelling may be erected only on condition that it shall not project (a) beyond the front wall of the dwelling or structure as originally erected by the Developer, (b) more than ten feet beyond the rear wall of the dwelling or structure as originally erected by the Developer, and (c) that it and any breeze way or other structure connecting it with the dwelling shall conform in architecture, material and color to the dwelling, and upon the further conditions set forth in Section 2 hereof. No dwelling or any part thereof shall be used for any purpose except as a private dwelling for one family, nor shall any business of any kind be conducted therein. No motor vehicle other than a private passenger type shall be garaged or stored in any garage or carport, on any Lot, parking compound or regularly parked in residential areas. No business or trade of any kind or noxious or offensive activity shall be carried on upon any Lot nor shall anything to be done thereon which may be or become an annoyance or nuisance to the neighborhood. No boat, trailer, tent, shack or other such structure shall be located, erected

or used on any Lot, temporarily or permanently. No awnings or outside window coverings shall be placed or maintained on any structure erected on any Lot. Nothing in this instrument shall be deemed to preclude the Developer from erecting a front courtyard or wall on any Lot.

Section 2. Alterations and Additions. No building, structures, dwelling, garage, carport or breeze way shall be erected nor shall any alteration or addition to or repainting of the exterior thereof be made unless it shall conform in architecture, material and color to the dwelling as originally constructed by the Developer. No patio or other type platform or structures may be constructed in the rear garden area without the consent of the Developer or Architectural Control Committee established by the Developer.

Section 3. Cost and Size of Dwelling. No dwelling shall be erected on any Lot at a cost of less than Ten Thousand Dollars (\$10,000) based upon cost levels prevailing on the date this Declaration is recorded, it being the intention and purpose of this covenant to assure that all dwellings shall be of a quality of workmanship and materials substantially the same as or better than that which can be produced on the date this Declaration is recorded at the minimum cost stated therein for the minimum permitted dwelling size. The ground floor area of the main structure, exclusive of one—story open porches, garages and carports, shall be not less than 600 square feet.

Section 4. Setbacks. No building or structure shall be located nearer than ten feet to the front and rear lot lines.

Section 5. Lot Width and Area. No dwelling shall be erected or placed on any Lot having a width of less than sixteen feet minimum nor shall any dwelling be erected or placed on any Lot having an area of less than twelve hundred square feet.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any dwelling or Lot except a one-family name or professional sign of not more than two hundred and forty square inches, or one temporary sign of not more than five square feet, advertising the property for sale or rent. No such sign shall be illuminated except by non-flashing white light emanating from within or on the sign itself and shielded from direct view. The foregoing to the contrary notwithstanding, the Developer may maintain on The Properties, temporary signs advertising the houses for sale during the period it maintains a sales office.

Section 7. Drilling and Mining. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any Lot, except that dogs, cats or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that not more than two pets in the aggregate may be kept in any such dwelling or Lot.

Section 9. Garbage and Rubbish. Garbage and rubbish shall not be dumped or allowed to remain on any Lot. If contained in a closed metal receptacle it may be placed outside the dwelling for collection in accordance with the regulations of the collecting agency and the Association.

Section 10. Fences. An ornamental corner fence of not more than two sides, no one side of which is longer than ten feet or higher than three feet is permitted on each corner Lot. With the exception of said ornamental corner fences, fabricated fences are prohibited on any part of the Lot, except for those fences, if any, to be built by or on behalf of the Developer or by the Owner after the approval required by Article VII. The position of the original installation of said fences shall not be changed, and the Owner of the Lot shall maintain said fences intact and shall not remove any part thereof or add to the same. If all or any part of said fences are damaged or destroyed, the Owner of the Lot shall forthwith replace or repair the same in the same style and manner as originally erected by the Developer.

Section 11. Laundry Lines. Laundry poles and lines outside of houses are prohibited except that one portable laundry dryer, not more than seven feet high, may be used in the rear yard of each dwelling on days other than Sundays and legal holidays; and such dryer shall be removed from the outside when not in actual use.

Section 12. Lawn Mowing. Rear yard lawns in the area between the rear— most wall of the dwelling as originally erected by the Developer and any fence that is erected on the Lot and front yard lawns which are enclosed or partially enclosed shall be mowed and weeds removed at least once a week between April 15 and November 15 of each year by the Owner. The Association shall mow rear yard lawns not which such an area and front yard lawns not so enclosed or obstructed.

Section 13. Antennae. No radio, television or similar tower shall be erected on any Lot or attached to the exterior of any dwelling.

Section 14. Planting. The Association shall maintain at its own expense planting, if any, used for screening located outside of the Lot lines of any Lot.

Section 15. Easements.

(a) Perpetual easements for the installation, construction, reconstruction, maintenance, repair, operation and inspection of sewer, water, gas and drainage facilities, for the benefit of the adjoining land owners and/or the Developer, authority, commission, municipality, utility or other agency ultimately operating such facilities, are reserved as shown on the subdivision plats described in Exhibit "A" attached hereto. Except as determined by the Developer, no building, fences or structures shall be erected nor any paving laid within the easement areas occupied by such facilities. Except as determined by the Developer, no trees or shrubs shall be planted in the easement areas and no excavation or filling shall be done in the easement areas, without the written consent of the Developer, authority, commission, municipality, utility or other agency supplying sewer, water, gas and/or drainage facilities for said subdivision.

(b) Perpetual right of ingress and egress over the front and rear yards of each Lot for the purpose of maintaining lawns, trees, or shrubs planted thereon, such maintenance to be performed by the Association, if required by other provisions of this instrument.

(c) The Developer, its successors and assigns, shall at all times have the right of ingress and egress over said easements for the purpose of installing, constructing, reconstructing, maintaining, repairing, operating and inspecting any sewer, gas, water and/or drainage facilities within, said easements and shall also have a right-of-way in general in and over each Lot for access to such easement areas and the sewer, gas, water and/or drainage facilities located therein and for installing, operating, maintaining, repairing, inspecting and reading any meters appurtenant to such facilities. The Developer, its successors and assigns, and any party for whose benefit the within stated provisions concerning sewer, water, gas and drainage easements are made shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right of clearing said easement areas of timber, tree, or shrubs, or any building, fence, structure or paving erected on or laid within the easement areas, and no charge, claim or demand may be made against such parties for any or all activities in the exercise of their rights herein granted. The provisions of the within Declaration concerning violations, enforcement and severability are hereby made a part of these provisions for perpetual sewer, water, gas and drainage easements; and notwithstanding any change which may be made with respect to any other provision of the within Declaration, the aforesaid provisions incorporated in these provisions shall be perpetual and run with and bind the land forever.

(d) Perpetual easements are also reserved in general in and over each lot and across all Common Areas for the installation, construction, reconstruction, maintenance, repair, operation and inspection of electric, gas and telephone facilities and for reading any meters appurtenant thereto.

(e) Perpetual easements for the installation, construction, reconstruction, maintenance, repair, operation and inspection of sewer, water, gas and drainage facilities for the benefit of the Developer, Association, authority, commission, municipality, utility or other agency ultimately operating such facilities are reserved across all Common Areas.

(f) The Developer shall reserve the right to enter upon the aforesaid Lots for the purpose of regrading or otherwise altering the slopes and surfaces of said lots so as to improve drainage in the event that Developer in its sole discretion deems such action necessary.

(g) In addition, easements as shown or described on the subdivision plats described in Exhibit A are hereby reserved and easements for walkways constructed and to be constructed are also hereby reserved.

(h) Police, fire, water, health and other authorized municipal officials shall have reasonable ingress and egress to the Properties for performance of official duties.

Section 16. No power driven boat or craft may be placed or operated on any portion of the Common Areas.

ARTICLE IX
GENERAL PROVISIONS
Exterior Maintenance

Section 1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the representatives, heirs, successors, and assigns, until December 31, 2001, unless otherwise expressly limited herein, after which time said covenants shall be automatically extended for successive periods of ten years each unless an instrument signed by the then Owners of two-thirds of the Lots in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded two years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety days in advance of any action taken. Unless specifically prohibited herein, Articles I through IX of this Declaration may be amended by an instrument signed by Owners holding not less

than ninety percent of the votes of the membership at any time until December 31, 2001, and thereafter by an instrument signed by the Owners holding not less than two-thirds of the votes of the membership. Any amendment must be properly recorded to be effective.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. The Association, or any Owner, shall have the right to enforce these covenants and restrictions by any Proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot violating these covenants and restrictions and shall constitute a lien on the Lot, collectible in the same manner as assessments hereunder.

Section 4. Severability. Invalidation of any one of these covenants or of any other provisions, which shall remain in full force and effect.

Section 5. Government Approvals. As long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration and Veterans Administration, if applicable; annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Restrictions, Easements, Charges and Liens.

Section 6. Exterior Maintenance. In addition to maintenance upon the Common Properties, the Association shall provide exterior maintenance upon each Lot and Living Unit which is subject to assessment under Article V hereof, as follows: paint, repair, replace and care for roofs, gutters, down-spouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements.

Section 7. Maintenance on Behalf of the Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such lot is subject. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 8. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article, the Association through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday.

**AMENDMENT TO
DECLARATION OF COVENANTS, RESTRICTIONS
EASEMENTS, CHARGES AND LIENS**

THIS AMENDMENT made this 2nd day of December, 1970, by LEVITT AND SONS, INCORPORATED, a Delaware corporation, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, the Developer has caused to be recorded an original Declaration of Covenants, Restrictions, Easements, Charges and Liens relating to the property described in Exhibit "A" of this Amendment, which Declaration was dated June 5, 1970, and recorded as Document No. 21298600 on October 23, 1970, with the Recorder of Deeds of Cook County, Illinois; and

WHEREAS, the Developer desires to add an alternative provision for provision for providing of parking spaces for the use and enjoyment of the purchasers of lots in its development of Sheffield Towne in the Village of Schaumburg, Illinois; and

WHEREAS, the Developer holds 562 votes of the membership, being in excess of 90% of the votes of the membership and desires to amend said Declaration dated June 5, 1970, as permitted under Article IX, Section 1. of the original Declaration.

NOW, THEREFORE, the Developer declares that the aforesaid original Declaration be revised so that Article IV, Section 4. reads as follows:

"Section 4. Parking Rights. The Association shall maintain upon the Common Areas as many parking spaces as are designated by the Developer, including at least one parking space for each Lot, subject to reasonable rules and conditions. The Developer shall designate at least one parking space with respect to each Lot as near and convenient to said Lot as reasonable possible for the exclusive use of the Members residing thereon, their families and guests. The use of such space by any other Member or person may be enjoined by the Association or the Members entitled thereto. The right to the exclusive use of such parking space, together with the right of ingress and egress in and upon the parking or Common Areas which is hereby granted and to the maintenance thereof by the Association shall be appurtenant to and shall pass with the title to each Lot. As an alternative to the above provisions for parking spaces, the Developer may provide or designate at least one parking space upon each Lot or within the dwelling structure on each Lot to be conveyed."

IN WITNESS WHEREOF, the undersigned being the Developer herein, has caused its seal to be hereunto affixed and these presents to be signed by its officer there unto duly authorized the day and year first above written.

RESOLUTION TO ACCEPT THE BENEFITS
AND BE BOUND BY THE OBLIGATIONS OF
ARTICLE IX OF THE ILLINOIS CODE OF CIVIL PROCEDURE

WHEREAS, this organization is a not-for-profit corporation organized and existing under the laws of the State of Illinois; and

WHEREAS, the affairs of this corporation are managed by its Board of Directors; and

WHEREAS, this corporation and its Board of Directors are responsible for managing certain real estate in the County of Cook, State of Illinois which real property is subject to the provisions of the Declaration of Covenants, Restrictions, Easements, Charges and Liens which was recorded in the Office of the Recorder of Deeds of Cook County, Illinois on June 5, 1970 as Document No. 21298600 (hereinafter "Declaration"); and

WHEREAS, the Declaration establishes a common interest community which requires the Owner to pay regular or special assessments for the maintenance or repair of common areas owned in common by all of the Owners of the common interest community or requires the Unit Owner to pay regular or special assessments for the maintenance or repair of common areas owned in common by all of the Owners of the common interest community or by the community association itself; and

WHEREAS, this Association, from time to time, is obligated under the Declaration to take legal action against its Unit Owner members to collect the amounts of unpaid regular or special assessments or other charges lawfully assessed by the Association; and

WHEREAS, Article IX of the Illinois Code of Civil Procedure provides a legal mechanism for this Association to collect such assessments or charges by means of the procedure known as an Action in Forcible Entry and Detainer; and

WHEREAS, the Board of Directors of this Association has determined that it wishes to obtain the benefits and be bound by the obligations contained in Article IX of the Illinois Code of Civil Procedure in order to make use of such legal mechanism; and

WHEREAS, in order to make use of the provisions contained in Article IX of the Illinois Code of Civil Procedure, certain requirements must be met by this Association; and

WHEREAS, Article IX of the Code of Civil Procedure can apply to common interest communities as defined in Section 9-102 (c) thereof; and

WHEREAS, this Association is a common interest community as defined in Section 9-102(c) of the Code of Civil Procedure; and

WHEREAS, Article IX of the Code of Civil Procedure requires that this Association is an Illinois not-for-profit corporation; and

WHEREAS, Article IX of the Code of Civil Procedure requires that Unit Owners be authorized to attend meetings of the Board of this Association in the same manner as provided for condominiums under the Illinois Condominium Property Act; and

WHEREAS, the Board of Directors has determined that it shall be the policy of this Association to allow Unit Owners to attend meetings of this Board in the same manner as provided for condominiums under the Illinois Condominium Property Act; and

WHEREAS, the Board of this Association desires to elect to have the provisions of Article IX of the Code of Civil Procedure apply to this Association and intends to deliver or mail notice of such action to the Unit Owners of the Association as required by Article IX of the Code of Civil Procedure;

NOW THEREFORE, in furtherance of the above stated determinations, objectives and goals, this Association, through its Board of Directors, resolves as follows:

1. This Association shall be bound by the requirements of Section 9-102 of the Illinois Code of Civil Procedure. Specifically, it is the policy of this Board and this Association that all Unit Owners shall be and are authorized to attend meetings of this Board in the same manner as provided for condominiums under the Illinois Condominium Property Act. In furtherance of this policy, the following procedures shall be applicable:

A. Meetings of the Board of this Association shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of this Association has been filed and is pending in a court or administrative tribunal, or when the Board of this Association finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of assessments or other lawful charges of this Association.

B. Any vote on matters discussed in closed sessions of the Board shall be taken at a meeting or portion thereof which is open to Unit Owners.

C. Any Unit Owner may record the proceedings of any portion of a Board meeting which is open for Unit Owner attendance by use of tape, film or other means; provided however, that the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

D. Notice of all Board meetings shall be mailed or delivered to Board members at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the Board member entitled to such notice before the meeting is convened.

E. Copies of notices of Board meetings shall be posted in entranceways, elevators or other conspicuous places in the Association at least forty-eight (48) hours prior to any Board meeting; provided however that where there is no common entranceway for seven (7) or more units, the Board designate one or more locations in the proximity of the units where notices of the meetings shall be posted.

F. Each Unit Owner shall receive notice of any Board meeting concerning the adoption of the Association's annual budget or any increase or establishment of an assessment. Such notice shall be mailed or delivered to members of this Association no less than ten (10) and no more than thirty (30) days in advance of such meeting stating the time, place and purpose of the Board meeting.

G. Any subsequent amendments to the Illinois Condominium Property Act which affect the rights of Unit Owners to attend meetings shall also be applicable to this Association in the same manner as they are applicable to condominium associations in this state.

2. Notice of this resolution shall be delivered or mailed to each Unit Owner within a reasonable time after the date of this meeting.

3. After notice of this Board's action to have the provisions of Article IX of the Illinois Code of Civil Procedure applied to this Board and this Association, the Board shall be entitled to use and shall direct its attorneys to use Actions in Forcible Entry and Detainer in order to collect the assessments and lawful charges of this Association, which actions shall entitle the Board to evict any Unit Owner and to take possession of his or her Unit upon a finding by a court of competent jurisdiction that they have failed to pay the assessments or other lawful charges of this Association.

4. The secretary of this Association is authorized to prepare any certified copies of this resolution which may be needed as evidence in any legal action brought under the authority of this resolution.

Adopted by the Board of Directors at a meeting held on October 15, 1984 at Schaumburg, Illinois.

CERTIFICATION OF CORPORATE RESOLUTION

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of Sheffield Towne Association, a not-for-profit corporation organized and existing under the laws of the State of Illinois, that as such Secretary I am the custodian of the records and seal of said corporation, and that at a duly called and regularly held meeting of the Board of Directors of said corporation, convened and held in accordance with the law and the Declaration and By-laws of said corporation and pursuant to requisite notice, on October 15, 1984, at which meeting a majority and quorum of the Board of Directors of said corporation was present throughout, the attached resolution was adopted by the affirmative vote of the majority of the Board of Directors of said corporation.

I do further certify that the attached resolution has not been in any way altered, amended or rescinded and is now in full force and effect.

I do further certify that the attached resolution was mailed in the ordinary course of business to the owners and members of said corporation on October 31, 1984 with proper postage prepaid.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the corporate seal of said corporation this 31st day of October 1984.

Carol A. Schubert, Secretary

AMENDMENT TO BYLAWS

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of Sheffield Towne Association, a not-for-profit corporation organized and existing under the laws of the State of Illinois, that as such Secretary I am the custodian of the records and seal of said corporation, and that at a duly called and regularly held meeting of the Board of Directors of said corporation, convened and held in accordance with the law and Declaration and Bylaws of said corporation and pursuant to requisite notice, on April 27, 1994, at which meeting a majority and quorum of the Board of Directors of said corporation was present throughout, the following amendment was adopted by affirmative vote of the majority of the Board of Directors of said corporation:

ARTICLE X - MEETINGS OF MEMBERS
Section 1. Annual Meetings

The Annual Meeting of the Members shall be held on the date to coincide with the regularly scheduled May Homeowners - Board of Directors Meeting each year at a time and place designated by the Board of Directors.

I do further certify that the following amendment has not been in any way altered, amended or rescinded and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 27th day of April, 1994.

Carol A. Schubert, Secretary

AMENDMENT TO BYLAWS

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of Sheffield Towne Association, a not-for-profit corporation organized and existing under the laws of the State of Illinois, that as such Secretary I am the custodian of the records and seal of said corporation, and that at a duly called and regularly held meeting of the Board of Directors of said corporation, convened and held in accordance with the law and Declaration and Bylaws of said corporation and pursuant to requisite notice, on July 25, 1994, at which meeting a majority and quorum of the Board of Directors of said corporation was present throughout, the following amendment was adopted by affirmative vote of the majority of the Board of Directors of said corporation.

ARTICLE V - BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE Section 1. Number.

The affairs of this Association shall be managed by a Board of Directors comprised of nine Directors who need to be MEMBERS/HOMEOWNERS of the Association.

I do further certify that the following amendment has not in any way been altered, amended or rescinded and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this day of 25th day of July, 1994.

Adrienne E. Stuko