

By-Laws
Of
Chadwick Place Homeowners' Association
Sections One and Two

Article I

Administration

1.01 Association. The Chadwick Place Homeowners' Association ("Association") may be formed as a not-for-profit corporation under the General Not-for-Profit Corporation Act of the State of Illinois and for the purposes and having the powers prescribed in the Declaration of Restrictions for Chadwick Place Sections One and Two ("Declaration"), and shall be the governing body for all of the maintenance, repair, replacement, administration and operation of the Common Areas ("Common Areas") of Chadwick Place Sections One and Two ("Subdivision"). The Board shall be deemed to be the "Board of Trustees" for the Lot Owners referred to in the Declaration. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Lot Owners in accordance with the provisions contained herein. Each Lot Owner shall be a member of the Association so long as he or she shall be a Lot Owner, and such membership shall automatically terminate when he or she ceases to be a Lot Owner, and upon the transfer of his or her ownership interest and transferee thereof shall likewise succeed to such membership in the Association. The Association shall have one class of membership.

Article II

Voting Rights

2.01 Meetings of Lot Owners.

(a) Quorum. Meetings of the Lot Owners shall be held in Peoria County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of at least twenty percent (20%) of the Lot Owners shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Lot Owners at which a quorum is present upon the affirmative vote of the Lot Owners having a majority of the total votes present at such meeting. One vote may be cast by the collective owners of any lot in the Subdivision.

(b) Annual Meeting. There shall be an annual meeting of the Lot Owners each year at such reasonable time or date as may be designated by written notice of the Board delivered to the Lot Owners.

(c) Special Meetings. Special meetings of the Lot Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Lot Owners, or for any other reasonable purpose. Special meetings may be called by written notice authorized by a majority of the Board, the President of the Board, or by twenty percent (20%) of the Lot Owners, and delivered not less than fourteen (14) days and no more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered. Matters to be submitted to the Lot Owners at special meetings shall be submitted by the Board.

2.02 Notices of Meetings. Except as otherwise provided herein, notices of meetings of the Lot Owners required to be given herein may be delivered personally, by mail, or by email to the persons entitled to

vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Lot of the Lot Owner to which such voting right applies, if no address has been given to the Board, provided that any such notice shall be delivered no less than fourteen (14) and no more than thirty (30) days prior to the date fixed for such meeting and shall state the time, place and purpose of such meeting. A copy of such notice of meeting required to be given herein shall be posted in a conspicuous place in the Subdivision or on the Association's web site at least fourteen (14) days prior to the time fixed for such meeting.

Article III

Board of Trustees

3.01 Board of Trustees

(a) At the first annual meeting, seven (7) Board members shall be elected. The four (4) persons receiving the highest number of votes shall be elected to a term of two (2) years, and the three (3) persons receiving the next highest number of votes shall be elected for a term of one (1) year. The election as between candidates receiving the same number of votes shall be determined by lot. All members of the Board shall be elected at large. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. The Lot Owners owning at least three fourths (3/4) of the Lots may from time to time at any annual or special meeting increase or decrease the term of office of Board members, provided that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board, shall be filled by the Lot Owners present at the meeting at which the vacancy occurs, the next annual meeting or a special meeting of the Lot Owners called for such purpose. Vacancies may also be filled by the Board by a three fourths (3/4) vote of the remaining Lot Owners thereof at a special meeting of the Board which vacancy shall be filled until the next annual meeting of the Lot Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Lot Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Lot Owners to fill the vacancy for the balance of the term. A meeting of the Lot Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the Lot Owners filing of a petition signed holding twenty percent (20%) of the votes of the Association requesting such a meeting. Except as otherwise provided in the Declaration, the Common Area shall be managed by the Board and the Board shall act by majority vote of those Trustees present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt; provided, however, that (i) each Lot Owner shall be entitled to notice, in the same manner as provided hereof, of any meeting of the Board called for the purpose of considering the adoption of the proposed annual budget or any increase or establishment of an assessment; and (ii) the Board shall meet no less than four (4) times each year. Two-thirds (2/3) of the total number of members on the Board shall constitute a quorum. Any member of the Board may succeed himself.

(b) In the event the Board adopts a budget requiring assessment against the Lot Owners in any fiscal or calendar year exceeding one hundred and fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by the Lot Owners with twenty percent (20%) of the votes of the Association filed within fourteen (14) days of the Board action, shall call a meeting of the Lot Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Lot Owners present are cast at the meeting to reject the budget, the budget shall be deemed to be ratified, regardless of whether or not a quorum is present. In any determination of whether assessments exceed one hundred and fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Common Area, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

(c) The Board shall elect from among its members a President who shall preside over both its meeting and those of the Lot Owners, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act; a Secretary who shall keep the minutes of all meetings of the Board and of the Lot Owners and who shall, in general, perform all the duties incident to the office of the Secretary; and a Treasurer to keep the financial records and books of account; and such additional officers as the Board shall see fit to elect from amongst the members of the Board. The term of office for each officer shall be until the next succeeding annual meeting of the Board, and until his successor shall be duly elected or appointed and qualified pursuant hereto. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any Trustee elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a special meeting hereof. Any officer may succeed himself.

(d) Written notice stating the place, date and hour of any meeting of the Board shall be delivered to each member of the Board not less than five (5) days prior to the date of such meeting. The purpose for which the meeting is called shall be stated in the notice.

(e) All meetings of the Board shall be open to attendance by any Lot Owner except for the portion of any meeting held (i) 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, (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 Lot Owner's unpaid share of common expenses. Any vote on matters which may be discussed in a meeting not open to attendance by any Lot Owners, shall be taken at a meeting or portion thereof open to any Lot Owners. Any Lot Owner may record the proceedings at meetings or portions thereof required to be open by tape, film or other means, provided, however, that the Board may prescribe reasonable rules and regulations to be given the right to make such recordings.

(f) Any Board member may be removed from office, at any time, by affirmative vote of the Lot Owners owning at least two-thirds (2/3) of the Lots, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the Lot Owners at the same meeting or any subsequent meeting called for that purpose.

3.02 General Powers of the Board. The Board shall have the following general powers:

(a) The Board may engage the services of an agent to manage the portions of the Common Areas for which the Board is responsible pursuant to the Declaration, to the extent deemed advisable by the Board; provided, however, that any agreement for professional management, except as hereinafter provided, shall provide for termination by the Board without cause upon ninety (90) days' written notice without payment of a termination fee, provide for termination with cause by the Board on thirty (30) days' written notice without payment of a termination fee and shall have a term not to exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods. The initial agreement for professional management may provide for a monthly rate and subject to such terms as are consistent with competitive rates and terms prevailing in the area in which the Subdivision is located.

(b) The Board or its agents, upon reasonable notice, may enter any Lot when necessary in connection with any maintenance or construction for which the Board is responsible or to make emergency repairs as may be necessary to prevent damage to the Common Areas.

(c) The Board's powers hereinafter enumerated shall be limited in that the Board shall have no authority to acquire and pay for from the maintenance fund any alterations, capital additions to, or capital improvements of the Common Areas (unless required for emergency repair, protection or operation of the Common Areas), requiring an expenditure in excess of Two Thousand Dollars (\$2,000.00) without

in each case the prior written approval of Lot Owners owning at least two thirds (2/3) of the Lots.

(d) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board.

(e) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Lot Owners or any of them.

(f) The Board shall have the power and duty to provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Areas, and to delegate any such powers to a manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(g) The Board shall exercise for the Association all powers, duties and authority vested therein by law or the Declaration except for such powers, duties and authority reserved thereby to the members of the Association. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

(i) Operation, care, upkeep, maintenance, replacement and improvement of the Common Areas in a neat and orderly manner and in accordance with the ordinances of the City;

(ii) Preparation, adoption and distribution of the annual budget for the Association;

(iii) Levying of assessments;

(iv) Collection of assessments from Lot Owners;

(v) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Areas;

(vi) Obtaining adequate and appropriate kinds of insurance;

(vii) Adoption and amendment of rules and regulations covering the details of the operation and use of the Association, after a meeting of the Lot Owners 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;

(vii) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Common Areas;

(x) Pay Common Area real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the Common Areas;

(xi) Impose a lien and/or charges for late payments of a Lot Owner's proportionate share of the Assessment, or any other expenses lawfully agreed upon, and after notice; and

(xvi) Maintain all landscaping, streetlights and other similar amenities located in any Common Area.

3.03 Insurance. The Board shall have the authority to and shall obtain insurance for physical damage insurance on the Common Areas.

3.04 Liability of the Board of Trustees. Neither the members of the Board nor the officers of the Association shall be liable to the Lot Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board Members and Officers except for any acts or omissions found by a court to constitute gross negligence or fraud. The Lot Owners shall indemnify and hold harmless each of the members of the Board and each of the Officers of the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board and Officers of the Association on behalf of the Lot Owners or arising out of their status as Board Members or Officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of the Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. It is also intended that the liability of any Lot Owner arising out of any contract made by or other acts of the Board or officers of the Association, or out of the aforesaid indemnity in favor of the members of the Board and officers of the Association, shall be limited to such proportion of the total number of lots in the Subdivision owned by the Lot Owner divided by the total number of lots in the Subdivision. Every agreement made by the Board on behalf of the Lot Owners shall provide that the members of the Board are acting only as agents for the Lot Owners, and shall have no personal liability thereunder (except as Lot Owners).

Article IV

Common Expenses - Maintenance Fund

4.01 Preparation of Estimated Budget. No later than sixty (60) days prior to the date of the Annual Meeting, the Board shall estimate the total amount necessary to pay 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 Board to be necessary for adequate reserves. Within fifteen (15) days thereafter, the Board shall notify each Lot Owner in writing as to the amount of such estimate, with reasonable itemization thereof and containing each Lot Owner's respective assessment, provided, however, that such annual budget shall be furnished to each Lot Owner at least thirty (30) days prior to its adoption by the Board. On or before January 1 of the ensuing year each Lot Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct the assessments made pursuant to this paragraph. On or before April 1 of each calendar year, the Board shall supply to all Lot Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves.

4.02 Capital Reserve; Supplemental Budget. The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Areas (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve

based on a periodic review of the useful life of improvements to the Common Areas and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Areas or the purchase of equipment to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the annual assessment, which shall be added to the Capital Reserve. Extraordinary expenditures not originally included in the annual estimate, which may become necessary during the year shall be charged first against such portions of any Capital Reserve, as applicable, which remains unallocated. If the estimated expenses related to the Common Areas ("Common Expenses") contained in the budget prove inadequate for any reason or in the event a nonrecurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a special or separate assessment shall be made to each Lot Owner for his proportionate share of such supplemental budget. All Lot Owners shall be personally liable for and obligated to pay their respective adjusted amount. Any such special or separate assessment, if it involves proposed expenditures resulting in a total payment assessed to a Lot Owner equal to an increase of twenty-five (25) percent of the most recent assessment shall be subject to the affirmative vote of at least two-thirds (2/3) of

4.03 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Lot Owners shall not constitute a waiver or release in any manner of such Lot Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Lot Owner shall continue to pay the maintenance charge at the then existing rate established for the previous period until such new annual or adjusted estimate shall have been mailed or delivered.

4.04 Records of the Association. The Board shall maintain the following records of the Association and make them available for examination and copying at convenient hours of weekdays by the Lot Owners or their mortgagees and their duly authorized agents or attorneys: the total ownership of the Lot Owners at a meeting specifically called for approving such special or separate assessment.

(a) Copies of this Declaration and any amendments, Articles of Incorporation of the Association, annual reports and any rules and regulations adopted by the Association or its Board.

(b) Detailed accurate records, in chronological order, of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expense incurred, and copies of all contracts, leases, or other agreements entered into by the Association.

(c) The minutes of all meetings of the Association and the Board. The Association shall maintain these minutes for a period of not less than seven (7) years.

(d) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to the General Not-for-Profit Corporation Act of the State of Illinois.

(e) Upon ten (10) days' notice to the Board and payment of a reasonable fee, 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. A reasonable fee may be charged by the Association or its Board for the cost of copying.

4.05 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments or user charges) shall be deemed to be held for the benefit, use and account

of all Lot Owners.

4.06 User Charges. The Board may establish, and each Lot Owner shall pay, user charges to defray the expense of providing services, facilities, or benefits, which may not be used equally or proportionately by all of the Lot Owners or which, in the judgment of the Board, should not be charged to every Lot Owner. Such expense may include such services and facilities provided to Lot Owners, which the Board determines should not be allocated among all of the Lot Owners in the same manner as the Common Areas. Such user charges may be billed separately to each Lot Owner benefited thereby, or may be added to such Lot Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall require the establishment of user charges and the Board may elect to treat all or any portion thereof as Common Expenses.

4.07 Non-Use and Abandonment. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his or their Lots.

The By-Laws contained herein were approved by an affirmative vote of no less than three-fourths of all Lot Owners of Chadwick Place Sections One and Two.

Chadwick Place Homeowners' Association

Amendment 1 to Declaration of Restrictions

In addition to the Chadwick Place Declaration of Restrictions (hereinafter "Restrictions") and the Chadwick Place Homeowners' Association Bylaws (hereinafter "Bylaws"), each Chadwick Place Lot Owner (hereinafter "Owner") is bound by these Rules and Regulations, enacted by the Chadwick Place Board of Trustees (hereinafter the "Board") and approved by the Chadwick Place Owners:

1. An Owner's dog or cat must be on a leash at all times when outside the Owner's lot.
2. Except for the occasions when an Owner's dog or cat is on a leash (see paragraph one), cats and dogs shall be confined to the Owner's property. Confinement outside may be by traditional fence (approved by the Homeowners' Association) or by an invisible fence that is demarcated as such.
3. Dog houses and storage sheds are not allowed within Chadwick Place unless concealed from view within the Owner's garage.
4. All residents shall clean up after their dogs and cats and dispose of waste in the Owner's trash receptacle.
5. Owners shall be responsible for their dogs so as to not disturb fellow homeowners with barking dogs. At no time should a dog be outside barking for a period greater than 30 minutes during daytime hours (9:00 am to 8:00 pm) and greater than 15 minutes during evening hours (8:00 pm to 9:00 am).
6. No vehicle that has license plates other than that of passenger plates shall be parked or stored on a regular basis in any location other than the Owner's garage concealed from view. In addition, any vehicles that are unsightly shall be confined in the Owner's garage concealed from view.
7. An Owner's vehicle or vehicles and Owners' guest's vehicles shall be parked in the garage or in the Owner's driveway whenever practicable. At no time should an Owner's vehicle be parked in the street other than on a temporary basis. No vehicle shall ever block any Owner's sidewalk, entryway, mailbox

or driveway.

8. Playgrounds, playground equipment and trampolines shall be located in the backyard only.

9. Clotheslines are prohibited.

10. Paragraphs 3(i) and 3(n) of the Restrictions shall apply. However, Owners are permitted to have a child's pool within the following parameters:

a. The pool shall measure no more than six (6) feet at its widest point.

b. The pool shall not hold greater than twenty-four (24) inches of water.

c. Water shall be emptied from the pool when not in use. At a minimum, the pool shall be emptied during evening hours, starting at sundown, each and every day. When empty of water, the pool shall be stored and concealed inside the Owner's house or garage.

d. Owners shall be responsible for monitoring and supervising their pools so as to not pose a risk to children in the neighborhood. At no time shall any pool containing water be left unattended by the Owner or a responsible adult designated by the Owner.

11. Paragraph 3(n) of the Restrictions shall apply with regard to buildings and structures that require Board approval. Board approval is also required before an Owner may begin constructing any deck, patio, spa, hot tub, gazebo, pergola, retaining wall, or other similar permanent structure, or any substantial modification to existing structures unless said construction or modification was previously approved by the developer.

12. Construction projects on an Owner's property, including, but not limited to, building additions, swimming pools, patios, decks, landscaping, play equipment, spas, hot tubs, and fences, shall be completed within a reasonable time period and as soon as practicable. During the construction phase of any project, the Owner shall keep his or her property as neat and clean as practicable. This paragraph shall not be construed as to eliminate any Owner's obligation to obtain approval from the Board for any such project as required by the Bylaws, Restrictions, or these Rules and Regulations.

13. Owners are responsible for the general upkeep of their property. Each Owner shall keep his or her yard mowed and generally free of weeds. The Owner shall keep trees, shrubs, and other plant material on his or her property trimmed. Unsightly piles of brush, dirt or other debris shall be promptly removed from the Owner's property and the subdivision. If, after written notice to the Owner, the property is still not properly maintained, the Board may contract for appropriate maintenance at the Owner's expense.

14. All trash placed at the street curb for pickup must be enclosed in a receptacle. All such receptacles, including, but not limited to, paper or plastic bags and trash containers, shall be hidden from view within the Owner's garage. Trash receptacles may be placed at the street curb for pickup no earlier than 7:00 pm on the evening prior to scheduled trash pickup and must be returned to the garage by 7:00 pm on the day of trash pickup.

15. No Owner shall lease or rent their property for a period greater than one year, unless the Owner has obtained written consent of the Board. The Owner is responsible for providing the tenant or lessee with copies of the Bylaws, Restrictions, and Rules and Regulations. The Owner and tenant or lessee shall be jointly responsible for being in compliance with the provisions of these documents.

16. The Board shall have the right to impose fines on any homeowner for violations of the Restrictions, Bylaws or Rules and Regulations. When imposing the fine the Board shall consider (i) the seriousness

of the violation; (ii) past violations if any; (iii) efforts made, if any, by the Owner to comply with the applicable restriction, rule or regulation; (iv) any previous efforts by the Board or other Owners to encourage the Owner to correct the violation; (v) the overall negative impact of the violation on the neighborhood and fellow Owners' quality of life. This provision shall not in any way limit the legal remedies of the Board or the Homeowners' Association's they may have pursuant to the Restrictions, Bylaws and Illinois law.

17. The Rules and Regulations set forth herein should not be construed to be a substitute for or nullification of the Restrictions. However, in the event any Restriction conflicts with these Rules and Regulations, the applicable rule or regulation shall apply.

End