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**ANGELA K KAISER, RECORDER  
JO DAVIESS COUNTY, IL  
09/24/2018 01:03 PM**

**RECORDING FEE           84.00  
RHSP FEE                 9.00**

## **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SETTLEMENT HOMES**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes (hereinafter referred to as "Declaration") and the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc. (hereinafter referred to as "By-Laws"), attached hereto as Exhibit "C", are recorded for the purpose of amending and restating the Settlement Homes Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Original Declaration"), which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on November 29, 1982 as Document No. 164884, as amended, and the By-Laws of Eagle Ridge Townhouse Association, Inc. (hereinafter referred to as "Original By-Laws"), as amended. This Declaration and the By-Laws attached hereto as Exhibit "C" are made and entered into by the Board of Directors of the Eagle Ridge Townhouse Association, Inc. in accordance with the provisions of Section 1-60(a) of the Illinois Common Interest Community Association Act (765 ILCS 160/1-60(a)), which provides that the Townhouse Association may correct errors or omissions in the Original Declaration and Original By-Laws as may be required to conform to said Act and any other applicable statute by vote of two-thirds (2/3) of the members of the Board.

### **PREAMBLE**

WHEREAS, the Eagle Ridge Townhouse Association, Inc. (hereinafter the "Townhouse Association") through its Board of Directors administers the property legally described in Exhibit "A", which is attached hereto and made a part hereof (hereinafter referred to as the "Premises");

WHEREAS, the Premises were made subject to the General Declaration of Covenants and Restrictions dated July 23, 1973, and recorded July 25, 1973, in Book 7 of Misc. Records, Pages 780-798; Supplemental Declaration dated July 23, 1973, and recorded July 25, 1973, in Book 7 of Misc. Records, Page 799; Amendment to Declaration of Covenants and Restrictions dated September 10, 1973, and recorded September 14, 1973, in Book 7 of Misc. Records, Page 864; Second Supplemental Declaration dated September 24, 1973, and recorded October 3, 1973, in Book 7 of Misc. Records, Page 884; and Amendment to General Declaration of Covenants and Restrictions dated October 26, 1978, and recorded October 26, 1978, in Book 12 of Miscellaneous Records, Pages 145 and 146 and any subsequent amendments. The By-Laws of the Galena Territory Association, Inc. and The General Declaration of Covenants and Restrictions as amended and supplemented are incorporated herein and by reference made a part hereof;

WHEREAS, the Original Declaration was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on November 29, 1982 as Document No. 164884;

WHEREAS, the Original Declaration was amended by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 12, 1984 as Document No. 171836;

WHEREAS, the Original Declaration was amended by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 18, 1985 as Document No. 176061;

WHEREAS, the Original Declaration was amended by the Galena Territory Settlement Homes Amending Instrument to Declarations of Covenants, Conditions and Restrictions which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on August 27, 1991 as Document No. 211125;

WHEREAS, the Original Declaration was amended by the Amendment to the Settlement Homes Declaration of Covenants, Conditions and Restrictions which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 2, 2009 as Document No. 349768;

WHEREAS, the Original Declaration was amended by the adoption and recordation of an Amended and Restated Declaration of Covenants and Restrictions for Settlement Homes which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on August 25, 2016 as Document No. 390846;

WHEREAS, since the recordation of the 2016 Amended and Restated Declaration of Covenants and Restrictions for Settlement Homes there have been significant changes to the Illinois Common Interest Community And;

WHEREAS, the Board of Directors desires to amend and restate the Amended and Restated Declaration of Covenants and Restrictions for Settlement Homes by

replacing it, in its entirety, with this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes;

WHEREAS, the Board of Directors desires to amend the Amended and Restated Declaration of Covenants and Restrictions for Settlement Homes, to conform that document to the current provisions of the Illinois Common Interest Community Association Act as well as any other applicable statutes and correct any scrivener's errors or omissions;

WHEREAS, the Board of Directors desires to amend and restate the Original By-Laws, as amended, replacing it, in its entirety, with the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., attached hereto as Exhibit "C";

WHEREAS, the Board of Directors desires to amend the Original By-Laws, as amended, to conform that document to the current provisions of the Illinois Common Interest Community Association Act as well as any other applicable statutes and correct any scrivener's errors or omissions;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes and the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., attached hereto as Exhibit "C", have been approved by the affirmative vote of at least two-thirds (2/3) of the members of the Board at a meeting of the Board;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes and the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., attached hereto as Exhibit "C", have been approved by at least Seventy-Five Percent (75%) of owners of the Settlement Homes;

WHEREAS, the signatures of at least Seventy-Five Percent (75%) of owners of the Settlement Homes indicating their approval of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes and the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., attached hereto as Exhibit "C" are attached hereto;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes and the Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., attached hereto as Exhibit "C", shall become effective upon recordation in the Office of Recorder of Deeds, Jo Daviess County, Illinois.

NOW THEREFORE, the Settlement Homes Declaration of Covenants, Conditions and Restrictions is hereby restated and amended as follows:

## ARTICLE I

### DEFINITIONS

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

- Section 1.01: Act: The Illinois Common Interest Community Association Act (765 ILCS 160/1-1 et. seq.), as amended from time to time.
- Section 1.02: Board: The Board of Directors of the Townhouse Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Section 4.04.
- Section 1.03: By-Laws: The Amended and Restated By-Laws of Eagle Ridge Townhouse Association, Inc., a copy of which is attached hereto as Exhibit "C" and by this reference made a part hereof.
- Section 1.04: Common Area: All of the Premises except the property included in Settlement Units.
- Section 1.05: Common Expense: Cost of maintaining and repairing the Common Area and all other expenses incurred by the Townhouse Association or the Board which pertain to the Settlement Homes.
- Section 1.06: Declarant: The Branigar Organization, Inc., an Illinois corporation, its successors and assigns.
- Section 1.07: Declaration: shall mean and refer to this instrument and all exhibits hereto, as amended or supplemented from time to time.
- Section 1.08: Eagle Ridge Declaration: The Eagle Ridge Townhouse Declaration of Covenants, Conditions and Restrictions recorded with the Recorder of Deeds of Jo Daviess County, Illinois on August 15, 1980 as document number 156582, as amended and supplemented from time to time.
- Section 1.09: Family: One or more persons each related to the other by blood, marriage, or law, and including foster children, together with such relative's respective spouses, who are living together in a single Settlement Unit and maintaining a common household; or up to and including three persons not so related, provided that such unrelated persons maintain a common household in a single Settlement Unit.
- Section 1.10: Member: "Member" shall mean every person or entity who holds membership in the Townhouse Association.

- Section 1.11: Owner: “Owner” shall mean a record owner, whether one or more persons or entities, of a fee simple title to any Settlement Unit, including contract purchasers.
- Section 1.12: Possible Additional Development Area: The real estate as shown on Exhibit B which may at Developer's discretion be added to the Premises pursuant to Article VIII. The addition will be free and clear of any encumbrance.
- Section 1.13: Premises: The real estate legally described in Exhibit “A” and such other real estate as may be added thereto pursuant to Article VII.
- Section 1.14: Property Owners' Association: The Galena Territory Association, Inc., an Illinois Not-for-Profit Corporation, its successors and assigns.
- Section 1.15: Settlement Unit or Unit: Each residential unit identified by number and described in a recorded plat for the Eagle Ridge D in the Office of the Recorder of Deeds for Jo Daviess County, Illinois, each of which units Declarant hereby subjects to the provisions of this Declaration; and such other units as hereafter are identified and described in a recorded plat for a single family development made subject to this Declaration. A Settlement Unit is one single family residential dwelling and its accompanying Settlement Unit Exterior as defined in paragraph 1.13. One family may occupy more than one Settlement Unit; however, such use shall in no way affect the rights, duties and obligations under this Declaration and for the purposes of determining membership in the Townhouse Association, each such Settlement Unit shall be considered as a separate and individual unit. If two or more Settlement Units are combined and occupied by a family, each Settlement Unit shall nevertheless be considered a separate Settlement Unit under this Declaration.
- Section 1.16: Settlement Unit Exterior: The roof, foundation, footings and outer surface of exterior walls (except windows and doors) of the Settlement Unit and all portions of the Settlement Unit which are not improved with the residence or garage including, without limitation, the following:
- (a) Driveways, walkways, wood decks and wood porches, grass, shrubbery and other landscaping; and
  - (b) Those portions of water, sewer, electric and other operating systems which serve more than one Settlement Unit and/or the Common Area (but not including those portions of such systems which serve only the residence or garage located on

the Settlement Unit).

Section 1.17: Townhouse Association: Eagle Ridge Townhouse Association, Inc., an Illinois not-for-profit corporation, formed as provided in Section 4.01, its successors and assigns.

## ARTICLE II

### PROPERTY RIGHTS AND RESTRICTIONS

Section 2.01: Conveyances Subject to Declaration

All covenants and restrictions shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any person having any interest or estate in the Premises, and their respective heirs, successors, personal representatives or assigns.

Section 2.02: Access Easement

Every Owner shall have a perpetual non-exclusive easement for ingress to and egress from his or her Settlement Unit over and across the Common Area.

Section 2.03: Delegation of Use

Subject to this Declaration, the By-Laws and the reasonable rules and regulations of the Townhouse Association, any Owner may delegate his or her right to use and enjoy the Common Area to persons in his or her Family, or to his or her guests or tenants who reside in his or her Settlement Unit.

Section 2.04: Townhouse Association's Right of Ingress and Egress

The employees and agents of the Townhouse Association shall have the right to ingress and egress over and upon the Common Area and Settlement Unit Exteriors for any and all purposes connected with any duties or powers of the Townhouse Association hereunder with respect to the Common Area and Settlement Unit Exteriors.

Section 2.05: Declarant's Reserved Rights

Notwithstanding any provision herein to the contrary, Declarant, and its successors and assigns shall have the following rights:

- (a) The right for its employees, agents, licensees and invitees to have ingress and egress over, in, through and upon the Common Area for the purpose of showing the Common Area to prospective purchasers or lessees of Settlement Units;

- (b) The right to retain legal title to all or any part of the Common Area; provided that Declarant shall convey, or cause to be conveyed the Common Area to the Townhouse Association, free and clear of any mortgage or trust deed whatsoever no later than five (5) years after the Recording hereof. The Declarant reserves a non-exclusive, perpetual access easement over and across the Common Area or parts thereof; such easement shall run with and bind the land and inure to the benefit of real estate located adjacent to or near the Common Area;
- (c) The right to grant easements, through, across, under and over the Common Area, to any public or private utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, gas pipes, sewers or water pipes, or any other utility services serving any Settlement Units or the Common Area;
- (d) The right to place and maintain on the Premises model Settlement Units, sales offices, advertising signs, and lighting in connection therewith, at such locations and in such forms as the Declarant may, in its discretion, determine and to use appropriate parking facilities for the employees of Declarant, its agents and contractors; and
- (e) The right of ingress and egress in, through and upon the Common Area, the right to make alterations and additions to the Common Area, and the right to temporarily store construction material on the Common Area with respect to any of Declarant's activities in connection with construction, promotion, sale or lease of the Settlement Units or of additional residential housing units located or to be located adjacent to or near the Premises.

Declarant, at its expense, shall be responsible for the repair of any damage caused by it, or its agents and invitees, to the Common Area or the Settlement Units as a result of the exercise of any of the Declarant's rights under this Section.

Section 2.06: Easement for Unintentional Encroachment

Notwithstanding any other provisions contained herein, in the event that any Settlement Unit or any improvements thereto or any facilities servicing primarily one or more Settlement Units encroaches upon any of the Common Area or any other Settlement Unit where such encroachment results from the design, construction, reconstruction, or shifting of any such Settlement Unit or structure containing such Settlement Unit, then a perpetual easement appurtenant to such Settlement Unit or structure shall exist for the continuance of any such encroachment on the Common Area or such other Settlement Unit.

Section 2.07: Rights of Townhouse Board

After the Common Area is conveyed to the Townhouse Association, the Board shall have the right and power (i) to grant easements over the Common Area to public or private utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit lines, gas pipes, sewers or water pipes, or any other utility services serving any Settlement Units or the Common Area and (ii) to execute all documents and all other actions affecting the Common Area.

### ARTICLE III

#### COVENANTS AND RESTRICTIONS AS TO USE AND MAINTENANCE

##### Section 3.01: Maintenance of Common Area

Maintenance, repairs and replacements of the Common Area shall be furnished by the Townhouse Association as part of the Common Expenses and shall include, without limitation, the following:

- (a) The maintenance (including snow removal), repair and replacement of the streets, walks, paths, parking areas, access facilities, playgrounds, and all other recreational facilities and improvements located on the Common Area; and
- (b) The planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Common Area.

##### Section 3.02: Maintenance of Settlement Units

Except as otherwise provided in this Section, each Owner shall be responsible for the maintenance, repair and replacement of his or her Settlement Unit. The Townhouse Association shall be responsible for the maintenance, repair and replacement of the Settlement Unit Exterior and may use insurance proceeds, if any, pursuant to Section 5.02

In the event that any Owner alters any of the landscaping of that portion of his or her Settlement Unit Exterior for which the Townhouse Association is responsible so as to increase the cost of the maintenance of said landscaping or to require additional work to repair any damage caused thereby or to restore to original condition, then the Townhouse Board may charge the cost thereof to such Owner.

##### Section 3.03: Damage Caused by Owner

If, due to the act of or the neglect of an Owner, or a member of his or her Family or household pet or of a guest or other authorized occupant or invitee of such Owner, damage shall be caused to the Common Area or a Settlement Unit exterior and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and such



maintenance, repairs and replacements, as may be determined by the Townhouse Association Board, to the extent not paid by insurance within ninety (90) days of the date of occurrence. The amount necessary for such repairs shall, if not paid by the Owner, become a Special Assessment upon the Settlement Unit of such Owner.

Section 3.04: Residential Use:

Each Settlement Unit is hereby restricted to use by its Owner, the Owner's family, servants and guests, tenants or lessees, as a residence only and shall in no event be used at any time for any purpose other than residential purposes. The rental or leasing by an Owner of his or her Settlement Unit for residential purposes shall not be prohibited, regardless of the term of occupancy.

Except as provided under Section 2.05 and 2.06, no industry, business, trade, occupation or profession shall be conducted on any part of the Premises and no "For Sale" or "For Rent" signs or any window display advertising shall be permitted on any part thereof.

Section 3.05: Construction

Except as permitted under Section 2.06, there shall be no obstruction of the Common Area, and nothing shall be stored in the Common Area without the prior written consent of the Board.

Section 3.06: Proscribed Activities

No nuisance or noxious or offensive activity shall be carried on on the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of the Settlement Units. No animals, livestock or poultry shall be raised, bred or kept on the Premises, except that dogs, cats or other household pets may be kept in the Settlement Units, subject to rules and regulations adopted by the Board, provided they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Premises upon three (3) days' written notice from the Board.

Section 3.07: No Unsightly Uses

No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Premises. Outdoor T.V. or radio antennas shall be allowed with the location to be determined by the Townhouse Association. Garbage cans and wood piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Settlement Units and streets. Campers, trucks, motor homes, snowmobiles, inoperable vehicles, boats

or buses shall not be parked anywhere on the Premises except in garages. This restriction shall not apply to service vehicles servicing the residents of the Premises. The Common Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed therein.

Section 3.08: Architectural Controls

- (a) The purpose of architectural control is to secure and maintain attractive, harmonious residential Settlement Units which will have continuing appeal. No construction, reconstruction, alteration or addition of a building, fence, wall, patio or other structure shall be commenced, erected or maintained, except interior alterations, nor shall any exterior color changes be made, until the construction plans and specifications, showing the nature, kind, shape, height and materials, color scheme, location and approximate cost of such building, improvement, or other structure shall have been submitted to and approved in writing by the Board. The Board may refuse to approve any such construction plans or specifications, or color changes, which are not suitable or desirable, in the opinion of the Board for aesthetic or other reasons; and in so passing upon construction plans and specifications or color changes, the Board shall have the right to take into consideration the compatibility of the proposed building or other structure with the surroundings, and the effect of the building, other structure, or color change on the outlook from adjacent or neighboring properties. All such changes shall also be approved, pursuant to Article IV of the General Declaration of Covenants and Restrictions of The Galena Territory Architectural Committee.
- (b) All plans, specifications and other materials shall be filed in the office of the Townhouse Association. A report in writing setting forth the decisions of the Board and the reasons therefor shall thereafter be transmitted to the applicant by the Townhouse Association thirty (30) days after the date of filing the plans, specifications and other material by an applicant.

In the event (1) the Board of Directors of the Townhouse Association fails to approve or disapprove within thirty (30) days after submission of the final plans, specifications and other material, as required in this Declaration, and (2) no suit to enjoin construction has been filed within forty-five (45) days after commencement of such construction, approval shall not be required, and the related requirements of this Declaration shall be deemed to be complied with.

Section 3.09: Nameplates

There shall not be more than one (1) nameplate on each Settlement Unit. A nameplate shall conform in size, color, content and location as provided by the Board.

Section 3.10: Rules and Regulations

The use and enjoyment of the Common Area shall be subject to reasonable rules and regulations duly adopted by the Board pursuant to the power granted in this Declaration and the By-Laws.

**ARTICLE IV**

**THE TOWNHOUSE ASSOCIATION**

Section 4.01: The Association

Declarant has caused the Townhouse Association to be incorporated as a not-for-profit corporation. The Townhouse Association, through the Board, shall be the governing body for all of the Owners for the administration and operation of the Common Area and for the maintenance and architectural control of the exterior of the Settlement Units.

Section 4.02: Powers

In addition to all powers as from time to time provided by law, the Townhouse Association shall have the following powers:

- (a) To own and lease such real estate as may be reasonably necessary in order to carry out the provisions of this Declaration and the purposes and powers of the Townhouse Association and to be taxed on such real estate as may be owned by it;
- (b) To procure liability, fire and extended coverage insurance covering the claims from loss of or damage to Common Area, as necessary;
- (c) To exercise the architectural controls vested in the Townhouse Association under Article III, Section 3.08 of this Declaration;
- (d) To engage the services of a manager or managing agent approved by the Board, who shall manage and operate the affairs of the Townhouse Association for all of the Owners upon such terms and with such authority as the Board may approve;
- (e) To formulate policies for the administration, management and operation of the Townhouse Association;
- (f) To adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, maintenance, operation, use, conservation and beautification of the Common Area and Settlement Units and for the health, comfort, safety and general welfare of the Owners, and

to amend such rules and regulations from time to time;

- (g) To provide for any construction, alteration, installation, maintenance, repair, painting and replacement for which the Townhouse Association is responsible under this Declaration and the By-Laws and for such purposes to enter and to authorize entry upon any Settlement Unit, following reasonable notice to the Owner when feasible, causing as little inconvenience to the Owners as practicable and repairing any damage caused by such entry at the expense of the Townhouse Association;
- (h) To provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Townhouse Association and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent);
- (i) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses as hereinafter provided;
- (j) To pay out of the assessments hereinafter provided for, the following:
  - (i) Water, waste removal, electricity and telephone and other necessary utility services for the Townhouse Association and (if not separately metered or charged) for the Settlement Units.
  - (ii) The services of a manager or managing agent or any other person or firm employed by the Board.
  - (iii) The construction, maintenance, repair and replacement of property for which the Townhouse Association is responsible.
  - (iv) Such other costs and expenses as are specifically authorized or approved by the Board or the Members.
- (k) To delegate the exercise of its powers to committees appointed in accordance with its By-laws.

Section 4.03: Membership

- (a) Subject to the further provisions of this Section, each Owner shall be a member of the Townhouse Association. There shall be one membership per Settlement Unit. If the record ownership of a Settlement Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership

or other legal entity, then the individual who shall enjoy the membership attributable thereto shall be designated by such Owner or Owners in writing to the Board at the time such Owner or Owners become record Owners of the Settlement Unit. Membership shall be appurtenant to and may not be separated from ownership of a Settlement Unit. Ownership of a Settlement Unit shall be the sole qualification for membership.

- (b) Additionally, the owners of townhouse units subject to the Eagle Ridge Declaration shall also be members of the Townhouse Association, as further provided in the Eagle Ridge Declaration.

Section 4.04: Board of Directors

The Board shall be elected by the Members as provided in the By-Laws of the Townhouse Association. The Board shall direct and administer the Townhouse Association affairs in accordance with the terms and provisions of this Declaration, and when not inconsistent therewith, the Articles of Incorporation and the By-Laws of the Townhouse Association. All matters requiring action by the Board shall be decided by majority vote.

Section 4.05: Declarant's Rights

Turnover of the Townhouse Association by Declarant has already occurred, and all meetings of the Townhouse Association shall be governed by the other appropriate provisions of this Declaration and the By-Laws

Section 4.06: Board Liability

The directors from time to time constituting the Board shall not be liable to the Members for any mistake of judgment or for acts or omissions made or omitted in good faith as such directors.

Section 4.07: Governing Laws

In all other respects, the Townhouse Association, its directors, officers and Members shall be governed by the laws of the State of Illinois.

Section 4.08: Voting Rights

Whenever a vote of the Members of the Townhouse Association is required, at any meeting of such Members or otherwise, such votes shall be cast by the Members and each Member shall have one (1) vote for each Settlement Unit owned.

## ARTICLE V

### INSURANCE

#### Section 5.01: Common Area Insurance

- (a) The Board shall have the authority to and shall obtain insurance covering the Common Area against loss or damage by fire and such other hazards in such amounts as the Board may deem desirable. Premiums for such insurance shall be Common Expenses.
- (b) The Board shall also have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Townhouse Association, its directors and officers, the Declarant, the manager or managing agent, if any, and their respective employees and agents, from liability in connection with the Common Area and Settlement Unit exteriors and insuring the directors and officers of the Townhouse Association from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties. The premiums for such insurance shall be Common Expenses.
- (c) The Townhouse Association and each Owner hereby waive and release any and all claims which they may have against any Owner, the Townhouse Association, its officers, members of the Board, the Declarant, the managing agent, if any, and their respective employees and agents, for damage to the Common Area or to any personal property located in the Common Area, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance. To the extent possible, all policies secured by the Board under this Section shall contain waivers of the insurer's rights to subrogation with respect to the Owners and members of their Families, directors and officers of the Townhouse Association, the managing agent, the Declarant, and their respective employees and agents.

#### Section 5.02: Settlement Unit Insurance

- (a) Each Owner shall be responsible for procuring a standard form homeowner's hazard insurance policy insuring his or her Settlement Unit from a carrier determined by the Owner for not less than the full insurable replacement value thereof under a policy or policies of insurance with said company, in such form, and for such premiums and periods as he or she

may determine to be appropriate. The Townhouse Association shall be named as an additional insured in said insurance policy and said policy shall contain a "ten-day notice cancellation" clause to the Townhouse Association. Each Owner shall also be responsible for his or her own insurance on the contents of his or her Settlement Unit and furnishings and personal property therein, and his or her personal property stored elsewhere on the Premises.

- (b) Each Owner of a Settlement Unit which shall become subject to this Declaration shall maintain in full force and effect during the period of said Owner's ownership of said Settlement Unit an insurance policy insuring said Settlement Unit against the hazards normally insured against in a standard form homeowner's hazard insurance policy; said insurance shall be in an amount not less than the full replacement value of the Settlement Unit. Any policy obtained shall provide that it may not be cancelled except upon ten (10) days' written notice to the Townhouse Association. Each such Owner shall pay for such standard form homeowner's hazard insurance policy when required by the policy.
- (c) Each Owner shall deliver to the Townhouse Association a certificate of insurance certifying that a policy of insurance covering such Owner's Settlement Unit, as required under this Section, is in effect, that the Townhouse Association is named as an additional insured in said policy and that said policy shall not be cancelled or materially changed except upon ten (10) days' prior written notice thereof to the Board.
- (d) No Owner shall cause or permit anything to be done or kept in the Owner's Settlement Unit or upon the Premises which will result in the cancellation of insurance on such Owner's Settlement Unit, on any other Settlement Unit or on the Common Area.
- (e) Notwithstanding any provisions of this Section to the contrary, neither the Townhouse Association nor its Board, officers, employees or agents shall be liable to any Owner nor to any party claiming by, through or under an Owner or by reason of any interest in title to an Owner's Settlement Unit for any act or omission to act under this Section by the Townhouse Association, its Board, officers, employees or agents.

Section 5.03: Rebuilding of Damaged Settlement Unit

- (a) In the event of damage to or destruction of any Settlement Unit by fire or other casualty, the Owner thereof shall within a reasonable time after such damage or destruction, repair or rebuild the same in substantial and workmanlike manner with materials comparable to those used in the original structure, and in conformity in all respects to the laws and ordinances regulating the constructing of buildings in force at the time of

such repair or reconstruction. The Settlement Unit Exterior, when rebuilt, shall be to the extent possible substantially similar to and of architectural design and landscaping in conformity with the surrounding Settlement Units which are not so damaged or destroyed.

- (b) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in Subsection (a), to perform the necessary repair or rebuilding, then the Board may cause such repairs or rebuilding to be furnished, provided and installed, in the manner as provided in Subsection (a) and the cost thereof shall be charged to such Owner and shall be a lien on the Settlement Unit.

Section 5.04: Fidelity Insurance

- (a) The Townhouse Association shall obtain and maintain fidelity insurance covering all persons who control or disburse funds of the Townhouse Association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Townhouse Association. The costs of such insurance shall be a Common Expense.
- (b) All management companies, if any, that are responsible for the funds held or administered by the Townhouse Association shall maintain and furnish to the Townhouse Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time.

**ARTICLE VI**

**ASSESSMENTS**

Section 6.01: Creation of Lien and Personal Obligation

The Declarant hereby covenants, and each Owner of any Settlement Unit by acceptance of a deed or conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and hereby agrees to pay to the Townhouse Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Settlement Unit and a continuing lien upon the Settlement Unit against which each such assessment is made. Each such assessment, or other charge or payment, together with such interest and costs, shall also be the personal obligation of the Owner of such Settlement Unit at the time when the assessment is due.



Upon a voluntary conveyance, the grantee of a Settlement Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor as provided in this Article up to the time of the conveyance, without prejudice to the grantee's rights to recover from the grantor the amount paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Townhouse Association setting forth the amount of such unpaid assessments and any such grantee shall not be liable for, nor shall the Settlement Unit conveyed be subject to a lien for, any unpaid assessment against the grantor pursuant to this Article in excess of the amount therein set forth.

Section 6.02: Purpose of Assessments

The assessments levied by the Townhouse Association shall be used exclusively to promote the recreation, health, safety, and welfare of Members of the Townhouse Association, to administer the affairs of the Townhouse Association, and to pay the Common Expenses.

Section 6.03: Annual Assessment

Each year on or before December 1, the Board shall adopt and furnish each Owner with a budget for the ensuing calendar year which shall show the following with reasonable explanations and itemizations:

- (a) The estimated Common Expenses including without limitation, the estimated cost of management fees, wages, materials, supplies, insurance, taxes, and services (the "Cash Requirement");
- (b) The estimated amount, if any, to maintain adequate reserves for Common Expenses (the "Reserve Requirement");
- (c) The amount of the annual assessment ("Annual Assessment") which is hereby defined as the Cash Requirement, plus the Reserve Requirement minus any unspent cash from the prior year; and
- (d) That portion of the Annual Assessment which is attributable to such Owner, which is determined by dividing the Annual Assessment by the number of Settlement Units for which transactions have been closed by December 31 of the previous year. On or before the 10th day of January of the ensuing year, and on or before the 10th day of each and every month thereafter until the effective date of the next Annual Assessment, each Owner shall pay to the Board, or as it may direct, one-twelfth (1/12) of that portion of the Annual Assessment which is attributable to such Owner. Each new Settlement Unit shall begin paying its Assessment as soon as the transaction for said Settlement Unit is closed. The amount to be paid monthly shall be one-twelfth (1/12) of the Annual Assessment

attributable to each other Settlement Unit until the next Annual Assessment is determined.

Each Owner shall receive a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes, at least twenty-five (25) days, but not more than sixty (60) days, prior to the adoption of said budget by the Board.

Section 6.04: Basis and Limitation of Annual Assessments

The Townhouse Association shall pay the costs and expenses of operating the Townhouse Association.

Section 6.05: Property Owners' Association Assessments

Pursuant to the Declaration incorporated herein at Section 2.03, Members of the Townhouse Association are subject to assessment by The Galena Territory Association, Inc. Such assessments made upon members of the Property Owners' Association shall be paid by each member individually and shall not be a Common Expense as used herein.

Section 6.06: Special Assessment

Extraordinary expenditures not originally included in the annual budget which may become necessary during the year, shall be charged first against the reserve. If the Annual Assessment and the reserve prove inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time or from time to time levy a special assessment on the Owners. The Board shall serve written notice of such special assessment on all Owners giving the amount and reasons therefor.

Section 6.07: Additional Assessment Provisions

- (a) If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred and fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, then the Townhouse Association, upon written petition signed by Members with at least twenty percent (20%) of the total votes in the Townhouse Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Members to be held within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment. Unless a majority of the total votes of the Members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

- (b) Provided, however, that separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member approval or the provisions of Subsection (a) or (c) of this Section. As used in this Section, "emergency" means a danger to or a compromise of the structural integrity of the Common Area or any of the common facilities of the Townhouse Association or a danger to the life, health or safety of the Membership.
- (c) Provided further, however, that any assessments for additions and alterations to the Common Area or other Townhouse Association owned property that are not included in the adopted annual budget shall be separately assessed and are subject to the approval of a majority of the total Members at a meeting called for that purpose.

Section 6.08: Uniform Assessment

An annual assessment shall be fixed and levied equally among all Settlement Units, share and share alike. Assessments, annual and special, shall be due and payable at such time or times as shall be fixed by the Board from time to time, subject to the provisions of this Declaration and of the By-Laws.

Section 6.09: Non-payment of Assessments

If an assessment or other charge or payment is not paid within thirty (30) days after the due date, it shall bear interest from the due date at the rate of eight percent (8%) per annum, and the Board may bring an action at law against the Owner personally obligated to pay the same, including but not limited to the commencement of a forcible entry and detainer proceeding pursuant to Article IX of the Illinois Code of Civil Procedure (735 ILCS 5/9-101, et. seq.), or any successor to said Article, enforce and foreclose the lien against the Owner's Settlement Unit, and/or exercise any other available remedies available at law or equity. In any proceeding under this Section 6.09, the Owner shall be responsible for paying all - interest, costs and reasonable attorneys' fees of any such action incurred by the Townhouse Association, which amounts shall be added to the amount of such assessment or other charge or payment and included in any judgment rendered in such action. If the Board has provided for collection of assessments in installments, upon default in the payment of any one or more installments, the Townhouse Association may accelerate payment and declare the entire balance of said assessment due and payable in full. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by non-use of the Common Area or by abandonment of his or her Settlement Unit.

Any Owner who is more than thirty (30) days in arrears at the time of any meeting of the Townhouse Association, will not be permitted to vote at such meeting.

Section 6.10: Association's Lien Subordinated to Mortgages

The lien provided for herein shall be subordinate to the lien of any first mortgage at any time placed upon any Settlement Unit. Such lien shall not be affected by any sale or transfer of a Settlement Unit except that a sale or transfer pursuant to a decree of foreclosure or in lieu of foreclosure shall extinguish the lien as to assessments which became payable prior to such sale or transfer. No sale or transfer shall relieve the purchaser or transferee of a Settlement Unit from liability for, nor the Settlement Unit so sold or transferred from the lien of, any assessment thereafter coming due.

Section 6.11: Assessments for Exterior Maintenance

Expenditures needed to provide and care for exterior maintenance of the Settlement Units and Common Areas described herein shall, on appropriate resolution of the Board, be paid by the levy of an exterior maintenance assessment on all Owners giving the amount and reasons therefore. This assessment shall be of the same nature as the other assessments referred to in this Article, including, but not limited to, all powers of the Board described in Section 6.06 hereof.

Section 6.12: Generally Accepted Accounting Principles

The Association shall use generally accepted accounting principles ("GAAP") in fulfilling any accounting obligations the Association has under the Illinois Common Interest Community Association Act (765 ILCS 160/1-1 et. seq.).

## ARTICLE VII

### ANNEXATION OF ADDITIONAL PROPERTY TO THE PREMISES

Section 7.01: Additions to the Premises

Declarant, its successors and assigns, shall have the right, but not any obligation, to bring within the scheme of this Declaration, from time to time, portions of the Possible Additional Development Area described on Exhibit B.

Section 7.02: Supplementary Declarations

The additions authorized under this Article shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different

character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

## ARTICLE VIII

### MISCELLANEOUS

#### Section 8.01: Owners' Easement of Enjoyment

Subject to the provisions herein, every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Settlement Unit.

#### Section 8.02: Duration

- (a) The covenants and restrictions of this Declaration shall be appurtenant to and shall run with and bind the land for a period of forty (40) years from the date of Recording of this Declaration and for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part by a Recorded instrument executed by not less than seventy-five percent (75%) of the then Owners.
- (b) All easements described in this Declaration are easements appurtenant, running with the land. They shall at all times inure to the benefit of and be binding on the Owners, the mortgagees from time to time of any Settlement Unit or the Common Area, and their respective heirs, successors, personal representatives or assigns, perpetually in full force and effect.

#### Section 8.03: Severability

Invalidation of all or any portion of any of the covenants and restrictions by legislation, judgment or court order shall in no way affect any other provisions of this Declaration which shall remain in full force and effect.

#### Section 8.04: Amendment

The provisions of this Declaration may be abolished, amended, modified, enlarged or otherwise changed in whole or in part and any part or all of the Premises or the Common Area may be removed from the provisions of this Declaration by an instrument executed by not less than seventy-five percent (75%) of the then Owners; except that the provisions relating to the rights of Declarant may be amended only upon the written consent of Declarant, and the provisions of Sections 6.05 and this Section 8.04 may be amended only by an instrument executed by all of the Owners. No amendment shall become effective until properly recorded.

Section 8.05: Enforcement

Enforcement of the provisions contained in this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provisions, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Board, any mortgagee or any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.06: Mergers

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

Section 8.07: Notices

Unless otherwise provided by law, any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent if delivered by one of the following methods:

- i) Mailed to the Owner's last known address as provided by such Owner to the Board, or if no such address has been provided then mailed to such Owner's Settlement Unit;
- ii) Personally delivered to such Owner;
- iii) Posted in a Townhouse Association publication that is routinely mailed to all Owners; or
- iv) Transmitted to an Owner via electronic transmission; provided, however, that prior to the sending of such a notice via electronic transmission, an Owner must consent, in writing, to receive notices via electronic transmission. For purposes of this paragraph, the term "electronic transmission" shall have the same meaning as provided for that term in the Act.

Section 8.08: Captions

The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration.

**END OF TEXT OF DECLARATION**

This instrument was prepared by:

KEAY & COSTELLO, P.C.  
128 South County Farm Road  
Wheaton, Illinois 60187

Return Document to:

Eagle Ridge Townhouse Association  
2000 Territory Drive  
Galena, IL 61036

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF JO DAVIES )

I, Anita L. Johnson, hereby certify that I am the duly elected and qualified Secretary of the Eagle Ridge Townhouse Association ("Townhouse Association"), and as such Secretary, I am the keeper of the books and records of the Townhouse Association. That the Townhouse Association is governed by The Settlement Homes Declaration of Covenants, Conditions and Restrictions, originally recorded as Document Number 176061 ("Original Declaration") with the Jo Davies Recorder of Deeds, as amended from time to time, which Original Declaration was most recently amended by an Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Amended Declaration") for Settlement Homes recorded with the Jo Davies County on August 25, 2016 as Document Number 390846.

I further certify that the attached Amended and Restated Declaration Covenants, Conditions, and Restrictions for Settlement Homes has been adopted by the affirmative vote of two-thirds (2/3) of the members of Townhouse Association's Board of Directors and approved by the affirmative written approval of seventy-five percent (75%) of the Unit Owners as evidenced by their signatures which are attached, and incorporated into, this instrument.

Anita L. Johnson  
Secretary, Eagle Ridge Townhouse Association

Dated 9-21-18 Galena, Illinois, this 21  
day of September, 2018

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF JO DAVIES )

I, Sarah Keleher, a Notary Public in and for said county in the state aforesaid, do hereby certify that the aforesaid officer of the Eagle Ridge Townhouse Association, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day and acknowledged that he/she signed, sealed and delivered the same instrument as his/her free and voluntary act, for the uses and purposes set forth.

Given under my hand and notary seal this 21 day of September, 2018.

Sarah Keleher  
Notary Public

My commission expires: 3/15/2020





## EXHIBIT "A"

### LEGAL DESCRIPTION OF PREMISES

**1. Added by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 12, 1984 as Document No. 171836:**

Branigar's Plat of Eagle Ridge Unit "J" of The Galena Territory located in the Northwest Quarter of the Northeast Quarter and the Southwest Quarter of the Northeast Quarter of Section 25, Township 28 North, Range 1 East of the Fourth Principal Meridian, East Galena Township, Jo Daviess County, Illinois, said Plat recorded on December 19, 1983, as Document Number 169674 in Plan Hold A of Plats, No. 106 in the Recorder's Office of Jo Daviess County, Illinois.

#### 1. GENERAL RESTRICTIONS

##### 1.1 Land Use - Single-Family Residential

The properties which are subject to this Supplemental Declaration are designated "Single Family Residential" use. No building shall be erected on any such lot except a "Single Family Structure".

##### 1.2 Lot Division

Notwithstanding any provision in the General Declaration of Covenants and Restrictions for The Galena Territory to the contrary, due to the nature of these structures, a unit, not a lot, will be conveyed to purchasers, a number of units being on each lot; lot being defined in Paragraph 2.5 of the General Declaration of Covenants and Restrictions for The Galena Territory.

#### 2. COMMON PROPERTIES

##### 2.1 Private Roads

The roadways designated on the plat of subdivision of Eagle Ridge Unit J as "Private Road" are declared to be Common Properties, except that the use thereof shall be restricted as set forth in this Supplemental Declaration.

##### 2.2 Use of Private Roadway

Use of the private roadways declared herein to be Common Properties shall be limited to non-exclusive use thereof by owners and their guests and licensees whose lots now or hereafter abut upon or are served for

purposes of ingress and egress by such private roadways, subject, however, to the limitation on extent of members easements in the Common Properties as set forth herein and as set forth in Section 6 of the General Declaration.

### 3. MAINTENANCE OF PRIVATE ROADWAY

#### 3.1 User Responsibility for Maintenance

By acceptance of a contract of purchase or deed for any lot served by private road which is declared to be a common property, the Owner agrees, in common with other Owners who are users of right with respect to such common property, to provide the Association with his proportionate share of the funds necessary to enable the Association to discharge its obligation of maintenance of such Common Properties. The responsibility of each Owner in such regard shall be that portion of the cost thereof in which the number of units served by such private road at any point in time is the denominator and the cost of such maintenance is the numerator.

#### 3.2 Special Assessments for Private Road Maintenance

In addition to any other assessment authorized by the General Declaration, the Association may levy in any assessment year for which it is responsible for maintaining any private road which is a common property a special assessment for the purpose of defraying the estimated cost of such maintenance for such year. Any such special assessment shall be made only with respect to owners who are users of right with respect to such private road and shall be limited in amount to the proportionate share of such maintenance for which such Owner is responsible as set forth herein. Any special assessment in such regard shall reflect any amounts by which the preceding assessment was over or under the estimated cost reflected by any preceding assessment in such regard.

#### 3.3 Liens, Personal Obligations and Enforcement of Assessments

The provisions of Section 8 of the General Declaration shall apply with respect to the creation of liens and the personal obligation of Owners with respect to such special assessments and the enforcement thereof in the same manner and the same extent as provided in the General Declaration with respect to annual assessments.

**2. Added by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 18, 1985 as Document No. 176061:**

Branigar's Plat of Eagle Ridge Unit "L" of The Galena Territory located in the Southeast Quarter of the Northwest Quarter of Section 25, Township 28 North, Range 1 East of the Fourth Principal Meridian, East Galena Township, Jo Daviess County, Illinois, said Plat recorded on June 13, 1985, as Document Number 176009 in Plan Hold A of Plats, No. 265 in the Recorder's Office of Jo Daviess County, Illinois.

## 1. GENERAL RESTRICTIONS

### 1.1 Land Use - Single-Family Residential

The properties which are subject to this Supplemental Declaration are designated "Single Family Residential" use. No building shall be erected on any such lot except a "Single Family Structure".

### 1.2 Lot Division

Notwithstanding any provision in the General Declaration of Covenants and Restrictions for The Galena Territory to the contrary, due to the nature of these structures, a unit, not a lot, will be conveyed to purchasers, a number of units being on each lot; lot being defined in Paragraph 2.5 of the General Declaration of Covenants and Restrictions for The Galena Territory.

## 2. COMMON PROPERTIES

### 2.1 Private Roads

The roadways designated on the plat of subdivision of Eagle Ridge Unit L as "Private Road" are declared to be Common Properties, except that the use thereof shall be restricted as set forth in this Supplemental Declaration.

### 2.2 Use of Private Roadway

Use of the private roadways declared herein to be Common Properties shall be limited to non-exclusive use thereof by owners and their guests and licensees whose lots now or hereafter abut upon or are served for purposes of ingress and egress by such private roadways, subject, however, to the limitation on extent of members easements in the Common Properties as set forth herein and as set forth in Section 6 of the General Declaration.

## 3. MAINTENANCE OF PRIVATE ROADWAY

### 3.1 User Responsibility for Maintenance

By acceptance of a contract of purchase or deed for any lot served by private road which is declared to be a common property, the Owner agrees, in common with other Owners who are users of right with respect to such common property, to provide the Association with his proportionate share of the funds necessary to enable the Association to discharge its obligation of maintenance of such Common Properties. The responsibility of each Owner in such regard shall be that portion of the cost thereof in which the number of units served by such private road at any point in time is the denominator and the cost of such maintenance is the numerator.

### 3.2 Special Assessments for Private Road Maintenance

In addition to any other assessment authorized by the General Declaration, the Association may levy in any assessment year for which it is responsible for maintaining any private road which is a common property a special assessment for the purpose of defraying the estimated cost of such maintenance for such year. Any such special assessment shall be made only with respect to owners who are users of right with respect to such private road and shall be limited in amount to the proportionate share of such maintenance for which such Owner is responsible as set forth herein. Any special assessment in such regard shall reflect any amounts by which the preceding assessment was over or under the estimated cost reflected by any preceding assessment in such regard.

### 3.3 Liens, Personal Obligations and Enforcement of Assessments

The provisions of Section 8 of the General Declaration shall apply with respect to the creation of liens and the personal obligation of Owners with respect to such special assessments and the enforcement thereof in the same manner and the same extent as provided in the General Declaration with respect to annual assessments.

Parcel Number	House Number	Street Name	City	State	Zip Code
06-410-001-01	1	SETTLER LANE	GALENA	IL	61036
06-410-001-02	2	SETTLER LANE	GALENA	IL	61036
06-410-001-03	3	SETTLER LANE	GALENA	IL	61036
06-410-001-04	4	SETTLER LANE	GALENA	IL	61036
06-410-001-05	5	SETTLER LANE	GALENA	IL	61036
06-410-001-06	6	SETTLER LANE	GALENA	IL	61036
06-410-001-07	7	SETTLER LANE	GALENA	IL	61036
06-410-001-08	8	SETTLER LANE	GALENA	IL	61036
06-410-001-09	9	SETTLER LANE	GALENA	IL	61036
06-410-001-10	10	SETTLER LANE	GALENA	IL	61036
06-410-001-11	11	SETTLER LANE	GALENA	IL	61036
06-410-001-12	12	SETTLER LANE	GALENA	IL	61036
06-410-001-13	13	SETTLER LANE	GALENA	IL	61036
06-410-001-14	14	SETTLER LANE	GALENA	IL	61036
06-410-001-15	15	SETTLER LANE	GALENA	IL	61036
06-410-001-16	16	SETTLER LANE	GALENA	IL	61036
06-410-001-17	17	SETTLER LANE	GALENA	IL	61036
06-410-001-18	18	SETTLER LANE	GALENA	IL	61036
06-410-001-19	19	SETTLER LANE	GALENA	IL	61036
06-410-001-20	20	SETTLER LANE	GALENA	IL	61036
06-434-021-00	21	THATCHER LANE	GALENA	IL	61036
06-434-022-00	22	THATCHER LANE	GALENA	IL	61036
06-434-023-00	23	THATCHER LANE	GALENA	IL	61036
06-434-024-00	24	THATCHER LANE	GALENA	IL	61036
06-434-025-00	25	THATCHER LANE	GALENA	IL	61036
06-434-026-00	26	THATCHER LANE	GALENA	IL	61036
06-434-027-00	27	THATCHER LANE	GALENA	IL	61036
06-434-028-00	28	THATCHER LANE	GALENA	IL	61036
06-434-029-00	29	THATCHER LANE	GALENA	IL	61036
06-434-030-00	30	THATCHER LANE	GALENA	IL	61036
06-434-031-00	31	THATCHER LANE	GALENA	IL	61036
06-434-032-00	32	THATCHER LANE	GALENA	IL	61036
06-434-033-00	33	THATCHER LANE	GALENA	IL	61036
06-434-034-00	34	THATCHER LANE	GALENA	IL	61036
06-434-035-00	35	THATCHER LANE	GALENA	IL	61036
06-435-036-00	36	NEWHALL LANE	GALENA	IL	61036
06-435-037-00	37	NEWHALL LANE	GALENA	IL	61036
06-435-038-00	38	NEWHALL LANE	GALENA	IL	61036
06-435-039-00	39	NEWHALL LANE	GALENA	IL	61036
06-435-040-00	40	NEWHALL LANE	GALENA	IL	61036
06-435-041-00	41	NEWHALL LANE	GALENA	IL	61036
06-435-042-00	42	NEWHALL LANE	GALENA	IL	61036
06-435-043-00	43	NEWHALL LANE	GALENA	IL	61036
06-435-044-00	44	NEWHALL LANE	GALENA	IL	61036

**EXHIBIT "B"**

**POSSIBLE ADDITIONAL DEVELOPMENT AREA**

A PARCEL OF LAND LOCATED IN THE SE ¼ OF SECTION 24 and NE ¼ OF SECTION 25, T28N, R1E OF THE FOURTH PRINCIPAL MERIDIAN, EAST GALENA TOWNSHIP, AND IN SECTIONS 19 & 30, T28N, R2E OF THE FOURTH PRINCIPAL MERIDIAN, GUILFORD TOWNSHIP, ALL IN JO DAVIESS COUNTY, ILLINOIS, WHICH IS BOUNDED BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 24; THENCE WEST 385' TO THE POINT OF BEGINNING; THENCE NORTH 840'; THENCE N33°E 2265'; THENCE EAST 2830'; THENCE SOUTH 1445'; THENCE WEST 432'; THENCE SOUTH 900'; THENCE S64°E 980'; THENCE SOUTH 640'; THENCE WEST 1595'; THENCE SOUTH 1925'; THENCE S54°E 2000'; THENCE S10°W 510'; THENCE S27°W 830'; THENCE N53°W 3420'; THENCE WEST 2730'; THENCE N75°W 860'; THENCE NORTH 185'; THENCE N65°W 1405'; THENCE NORTH 555'; THENCE N61°30'E 2950'; THENCE EAST 915' TO THE POINT OF BEGINNING.

**EXHIBIT "C"**

**AMENDED AND RESTATED BY-LAWS OF**  
**EAGLE RIDGE TOWNHOUSE ASSOCIATION, INC.**

**ARTICLE I**

**NAME OF CORPORATION**

The name of this corporation is Eagle Ridge Townhouse Association, Inc.

**ARTICLE II**

**PURPOSE AND POWERS**

Section 2.01: PURPOSES

The purposes of this Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare and the common use and enjoyment thereof by members of the Association, all on a not-for-profit basis. These By-Laws are subject to the provisions of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eagle Ridge Townhouse and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Settlement Homes (hereinafter collectively referred to as "Declarations"). All terms used herein shall have the meanings set forth in Article I of the Declarations.

Section 2.02: POWERS

The Townhouse Association shall have and exercise all powers as are now or may hereafter be granted by the Act, General Not-For-Profit Corporation Act of the State of Illinois, the Declarations, these By-Laws, or any future state statute to which Townhouse Association would be subject.

**ARTICLE III**

**OFFICES**

Section 3.01: REGISTERED OFFICE

The Townhouse Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered

office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

Section 3.02: PRINCIPAL OFFICE

The Townhouse Association's principal office shall be maintained at 2000 Territory Drive, Galena, Illinois 61036.

**ARTICLE IV**

**MEETINGS OF MEMBERS**

Section 4.01: VOTING RIGHTS

Any or all Owners may be present at any meeting of the Owners, or may vote by proxy in writing executed by the Owner or his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each Owner shall be entitled to one vote for each Townhouse Unit or Settlement Unit owned, subject to the provision in the Declarations, Article VI, Assessments, Section 6.09 Non-payment of Assessments.

Section 4.02: PLACE OF MEETING; QUORUM

Meetings of the Owners shall be held at the principal office of this Association or at such other place as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order as from time to time published. Persons representing at least four (4) votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declarations, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of persons representing a majority of the votes present at such meeting.

Section 4.03: ANNUAL MEETINGS

There shall be an annual meeting of the Owners on the first Saturday of March of each succeeding year at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the Owners not less than ten (10), and not more than thirty (30), days prior to the date fixed for said meeting.

Section 4.04: SPECIAL MEETINGS

Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declarations, require the approval of all or some of the Owners or for any other reasonable purpose. Said meetings shall be



called by written notice by the President, a majority of the Board, or at least two (2) Owners and delivered not less than ten (10), and not 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.

Section 4.05: NOTICE OF MEETINGS:

Unless otherwise provided by law, notices of meetings required to be given herein may be delivered to the Owners by one of the following methods:

- i) Mailed to the Owner's last known address as provided by such Owner to the Board, or if no such address has been provided then mailed to such Owner's Townhouse Unit or Settlement Unit;
- ii) Personally delivered to such Owner;
- iii) Posted in a Townhouse Association publication that is routinely mailed to all Owners; or
- iv) Transmitted to an Owner via electronic transmission; provided, however, that prior to the sending of such a notice via electronic transmission, an Owner must consent, in writing, to receive notices via electronic transmission. For purposes of this paragraph, the term "electronic transmission" shall have the same meaning as provided for that term in the Act.

A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

Section 4.06: VOTING BY MAIL OR ELECTRONICALLY

Where there is an act requiring the vote of the Voting Members, such election or vote on such proposed action may be conducted by mail via a Townhouse Association-issued ballot in such manner as the Board shall determine and/or may be conducted by any electronic or acceptable technological means as further provided in the Act.

## **ARTICLE V**

### **BOARD OF DIRECTORS**

Section 5.01: IN GENERAL

The affairs of the Townhouse Association and the direction and administration of the property shall be vested in the Board, which shall consist of five (5) persons ("Directors"). The Board shall have all of the powers granted to it under the Declarations, these By-Laws, the Act and the General Not-For-Profit Corporation Act of the State of Illinois.

#### Section 5.02: INITIAL AND SUBSEQUENT BOARDS

Each member of the Board shall be one of the Owners not in arrears; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as Director.

#### Section 5.03: ANNUAL MEETINGS

The Board shall hold an annual meeting within ten (10) days after the annual meeting of the Owners at such place as shall be fixed by the Directors at the annual meeting of the Owners, and no notice shall be necessary to the Director in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

#### Section 5.04: REGULAR MEETINGS

Regular meetings of the Board shall be held at such time and place as shall be determined from time to time, by a majority of the Directors, provided that not less than four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail or telephone, at least 48 hours prior to the day named for such meetings and such notice shall state the time and place of such regular meeting.

#### Section 5.05: SPECIAL MEETINGS

Special meeting of the Board may be called by the President on 48 hours' notice to each Director, given personally or by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least twenty-five percent (25%) of the Directors then serving.

#### Section 5.06: OPEN MEETINGS

All meetings of the Board shall be open to any Owner, except that the Board may close any portion of a noticed meeting or meet separately from a noticed meeting:

- (a) To discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Association finds that such an action is probable or imminent;
- (b) To discuss third party contracts or information regarding appointment, employment, engagement or dismissal of an employee, independent contractor, agent, or other provider of goods and services;

- (c) To interview a potential employee, independent contractor, agent or other provider of goods and services;
- (d) To discuss violations of rules and regulations of the Association;
- (e) To discuss an Owner's unpaid share of common expenses; or
- (f) To consult with the Association's legal counsel.

However, any vote on the above matters shall be taken at a meeting or portion thereof open to any Owner.

#### Section 5.07: MEETINGS NOTICE

- (a) At least forty-eight (48) hours prior to a meeting of the Board, copies of notices of meetings of the Board shall be provided to each Owner in the manner provided in Article IV, Section 4.05 of these By-Laws or shall be posted in entranceways or other conspicuous places on the Premises. However, if there is no common entranceway for seven (7) or more Townhouse Units or Settlement Units, then the Board may designate one (1) or more locations in the proximity of the Townhouse Units and Settlement Units where the notices of meetings shall be posted.
- (b) Provided, however, that each Owner shall receive written notice in the manner provided in Article IV, Section 4.05 of these By-Laws of any meeting of the Board concerning the adoption of the proposed annual budget, regular assessments, or a separate or special assessment not less than ten (10), and not more than thirty (30), days prior to such Board meeting.

#### Section 5.08: WAIVER OF NOTICE

Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

#### Section 5.09: QUORUM

A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

#### Section 5.10: INFORMAL ACTION

Any action required or permitted to be taken by the Board under the General Not-For-Profit Corporation Act, the Declarations or these By-Laws may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof and any such consent shall have the same force and effect as a unanimous vote of the Directors.

#### Section 5.11: COMPENSATION

Directors shall serve without compensation, except reasonable expenses may be paid. However, to the extent deemed necessary by the Townhouse Association, the Townhouse Association may retain the services of a Director other than in his or her capacity as a Director and the Director may be compensated for services so rendered as the Board may from time to time deem appropriate. Provided however, that the Townhouse Association may not enter into a contract with a current Board member, or with a corporation, limited liability company, or partnership in which a Board member or a member of his or her immediate family has twenty-five percent (25%) or more interest, unless notice of intent to enter into the contract is given to Members within twenty (20) days after a decision is made to enter into the contract and the Members are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the membership, for an election to approve or disapprove the contract; such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition. For purposes of this Section, a Board member's immediate family means the Board member's spouse, parents, siblings, and children.

#### Section 5.12: RESIGNATION OF DIRECTOR

Any Director may resign at any time by submitting his or her written resignation to the Board.

#### Section 5.13: REMOVAL OF BOARD MEMBERS

Any Director may be removed from office, with or without cause, by the affirmative vote of Members having at least two-thirds (2/3) of the total votes in the Townhouse Association.

#### Section 5.14: POWERS AND DUTIES OF THE BOARD

The Board shall have all of the powers and duties granted to it or imposed upon it by the Declarations, these By-Laws, the Act and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

- (a) To engage the services of a manager or managing agent, who shall maintain the Common Area and Townhouse Unit Exteriors upon such terms and with such authority as the Board may approve;
- (b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Townhouse Association;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Area and Townhouse Unit Exteriors for which the Townhouse Association is responsible under the Declarations and these By-Laws;
- (d) To procure fire and extended coverage insurance and other insurance as provided for in the Declarations;
- (e) To estimate and provide each Owner with an annual budget;
- (f) To set, give notice of, and collect assessments from the Owners as provided in the Declarations;
- (g) To pay the Common Expenses; and
- (h) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws.

#### Section 5.15: OWNER COMMENT PERIOD

A portion of each Board meeting shall be reserved for comments by Owners in attendance at such meeting. Provided, however, that the duration and meeting order for such Owner comment period is within the sole discretion of the Board.

#### Section 5.16: BOARD LIABILITY

The Directors from time to time constituting the Board shall not be liable to Owners for any mistake of judgement or for any acts made, or omissions to acts omitted in good faith as such Directors.

Section 5.17: ELECTION OF DIRECTORS: ELECTION OF DIRECTORS SHALL OCCUR UNDER THE FOLLOWING GUIDELINES:

- (a) Vacancies in the Board shall be filled at the next meeting by the affirmative vote of two-thirds (2/3) of the remaining Directors on the Board. A Director appointed to fill a vacancy shall serve until the next annual meeting of Owners or until Owners holding at least twenty percent (20%) of the total votes in the Townhouse Association request, via a petition delivered to the Board, a meeting of the Owners to fill the vacancy for the balance of the term. If such a petition is presented to the Board, the Board shall call a meeting of the Owners within thirty (30) days of receiving such petition for purposes of electing a new Director to the Board to fill the vacancy for the balance of the term. The above provision shall not preclude an appointed Director from seeking election as a Director.
- (b) Election to the Board shall be by written ballot as hereinafter provided. At such election, the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the various Declarations referred to in Section 2.01 hereof. The names receiving the largest number of votes shall be declared elected.
- (c) Board members shall be elected for two (2) year terms, with two (2) Directors being elected in odd numbered years and three (3) Directors being elected in even numbered years.
- (d) Nominations for election to the Board shall be made by a Nominating Committee which shall be one of the standing committees of the Townhouse Association.
- (e) The Nominating Committee shall consist of a chairman who shall be a member of the Board, whose term of office will not be expiring while such Director is a member of the Nominating Committee and two (2) or more Members of the Townhouse Association who shall not be candidates for election as Directors. The chairman and members of the Nominating Committee shall be appointed by the President subject to the approval of a majority of the then existing Board.
- (f) The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled and no more than three (3) nominations for each vacancy. Such nominations may be made from among Members only, as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in paragraph (g) of this Section, and shall be made in advance of the time fixed in paragraph (g) of this Section for the mailing of such ballots to Members.

- (g) All elections to the Board shall be made on a written ballot which shall:
- (1) Describe the vacancies to be filled;
  - (2) Set forth the names of those nominated by the Nominating Committee for such vacancies and;
  - (3) Contain a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the secretary to the Members at least thirty (30) days and not more than forty (40) days in advance of the date set forth therein for return of ballots (which shall be a date not later than the day before the annual or special meeting called for elections.)
  - (4) The names of the candidates shall be positioned on the ballot according to lot. The procedure for drawing the names shall be determined by the Nominating Committee.
- (h) Each Member shall receive as many ballots as he or she has votes. Notwithstanding that a Member may be entitled to several votes, he or she shall exercise on any one (1) ballot only one (1) vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot, and the members shall be advised that, because of the verification procedures of paragraph (i) of this Section, the inclusion of more than one (1) Ballot in any one (1) "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member is exercising more than one (1) vote), shall be placed in another sealed envelope which shall bear such information as the Board may determine will serve to establish his or her right to cast the vote or votes presented in the Ballot or Ballots contained therein. The ballots shall be returned to the Secretary at the address stated in ballot transmittal.
- (i) Upon receipt of each return, the secretary shall immediately place it in a safe or other locked place until the days set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of at least three (3) members appointed by the Board. The Election Committee shall then adopt a procedure which shall:
- (1) Establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member, be identified on the outside envelope containing them; and

- (2) That the Member is not delinquent in the payment of any of the assessments against the Townhouse Unit or Settlement Unit for which the vote is being cast. If the assessments are not fully paid, the vote shall be invalidated.

Such procedure shall be taken in such manner that the vote of any Member shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one (1) ballot, all such ballots shall be disqualified and shall not be counted. The ballots and the outside envelopes shall be maintained for not less than one (1) year from the date of the vote, after which time they may be destroyed.

- (j) Provided, however, that upon the adoption of appropriate rules by the Board, the Townhouse Association may conduct elections by electronic or acceptable technological means, as further provided in the Act. If the Board elects to conduct elections via one of these methods and adopts appropriate rules therefor, then instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less than ten (10) and not more than thirty (30) days before the election meeting. The instruction notice shall include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and shall give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Board rules shall provide and the instructions provided to the Members shall state that a Member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that Member. In the event the Board adopts the necessary rules to conduct elections by electronic or acceptable technological means, then Voting Members may not vote by proxy in Board elections.

## **ARTICLE VI**

### **OFFICERS**

#### Section 6.01: OFFICERS

The officers of the Townhouse Association shall be a President, a Vice President, a Secretary, and a Treasurer. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. The President, Secretary and Treasurer shall be Directors and all other officers may, but need not be, Directors.



#### Section 6.02: VACANCY OF OFFICE

Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office will be filled by the Board at the next meeting.

#### Section 6.03: POWERS OF OFFICERS

The respective officers of the Townhouse Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of a not-for-profit corporation including, but not limited to the following:

- (a) The President shall be the Chief Executive Officer of the Townhouse Association and shall preside at all meetings of the Owners and at all meetings of the Board;
- (b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;
- (c) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the Townhouse Association seal and have charge of such other books, papers and documents as the Board may prescribe. The Secretary may delegate all or part of the preparation of the minutes and other duties associated with the Secretary's responsibilities to a member of the management company's staff;
- (d) The Treasurer shall be responsible for Townhouse Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Townhouse Association books of accounts kept for such purpose. The Treasurer may delegate all or part of the Treasurer's responsibilities to a member of the management company's staff.

#### Section 6.04: OFFICER LIABILITY

The officers of the Townhouse Association shall not be liable to the Members for any mistake of judgment or for any acts or omissions for acts omitted in good faith as such officer.

#### Section 6.05: COMPENSATION

All Directors shall serve without compensation, except reasonable expenses may be paid. However, to the extent deemed necessary by the Townhouse Association, the Townhouse Association may retain the services of the President, Vice-President, Secretary and Treasurer other than in their capacity as such Officers and they may be compensated for services so rendered as the Board may from time to time deem appropriate.

## ARTICLE VII

### COMMITTEES

#### Section 7.01: BOARD COMMITTEES

The Board, by resolution, adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Townhouse Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him or her by law.

#### Section 7.02: SPECIAL AND STANDING COMMITTEES

Other committees not having and exercising the authority of the Board in the management of the Townhouse Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners and the Board shall appoint the members thereof. Any member thereof may be removed by the Board whenever in its judgment the best interests of the Townhouse Association shall be served by such removal.

#### Section 7.03: TERM

Each member of a committee shall continue as such until the next annual meeting of the Board and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

#### Section 7.04: CHAIRMAN

One member of each committee shall be appointed chairman.

#### Section 7.05: VACANCIES

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

#### Section 7.06: QUORUM

Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7.07: RULES

Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

**ARTICLE VIII**

**CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

Section 8.01: CONTRACTS

The Board must authorize any contract.

Section 8.02: PAYMENTS

All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Townhouse Association shall be signed by such officer or officers, agent or agents of the Townhouse Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice President of the Townhouse Association.

Section 8.03: BANK ACCOUNTS

All funds of the Townhouse Association not otherwise employed shall be deposited from time to time to the credit of the Townhouse Association in such banks, trust companies or other depositories as the Board shall elect.

Section 8.04: SPECIAL RECEIPTS

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

**ARTICLE IX**

**FISCAL MANAGEMENT**

Section 9.01: FISCAL YEAR

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

Section 9.02: ANNUAL STATEMENT

Within a reasonable time after the close of each fiscal year, the Board shall provide all Members with a reasonably detailed summary of the receipts, Common Expenses, and reserves for the preceding budget year. The Board shall: (i) make available for review to all Members an itemized accounting of the Common Expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures, plus reserves; or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Townhouse Association.

Section 9.03: ASSESSMENT PROCEDURE:

Annual assessments and special assessments shall be made as provided in the Declarations.

**ARTICLE X**

**BOOKS AND RECORDS**

The Townhouse Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Townhouse Association a record giving the names and addresses of the members.

The Board shall maintain the following records of the Townhouse Association and make them available, within thirty (30) days of a written request for same to the Board, for examination and copying at convenient hours of weekdays by any Owner or such Owner's mortgagees and their duly authorized agents or attorneys:

- (a) Copies of the recorded Declarations, other Townhouse Association instruments, other duly recorded covenants and By-Laws and any amendments, Articles of Incorporation, annual reports and any rules and regulations adopted by the Townhouse Association;
- (b) Detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Townhouse Association and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Townhouse Association;

- (c) The minutes of all meetings of the Townhouse Association and the Board shall be maintained for a period of not less than seven (7) years;
- (d) With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Members shall be maintained for a period of not less than one (1) year;
- (e) With a written statement of a proper purpose, such other records of the Townhouse Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the Illinois General Not-for-Profit Corporation Act of 1986.

The Townhouse Association may charge a reasonable fee for the costs of retrieving and copying any such documents.

Upon ten (10) days' notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

## **ARTICLE XI**

### **SEAL**

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Townhouse Association and the words "Corporate Seal, Illinois".

## **ARTICLE XII**

### **AMENDMENTS**

These By-Laws may be amended or modified at any time, or from time to time by the affirmative votes of two-thirds of those Owners voting, provided that Sections 4.03 and 5.02 may not be amended without the written consent of the Declarant, and provided further that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declarations.

## **END OF TEXT OF BY-LAWS**

This instrument was prepared by:

KEAY & COSTELLO, P.C.  
128 South County Farm Road  
Wheaton, Illinois 60187