

**BY-LAWS OF
KRESTON PLACE HOMEOWNERS' ASSOCIATION**

ARTICLE I

SECTION 1. **NAME**. The name of this not-for-profit Association shall be KRESTON PLACE HOMEOWNERS' ASSOCIATION, (hereinafter, "the Association").

SECTION 2. **INCORPORATION**. The Association shall be incorporated under the General Not- for-Profit Corporation Act of Illinois.

SECTION 3. **OFFICES**. The principal and registered office of the Association shall be 3040 Spring Mill Drive, Suite A, Springfield, Illinois, 62704, or at such other place or places within Sangamon County as shall be established by action of a majority of the Membership at any regular or special meeting.

ARTICLE II

SECTION 1. **PURPOSE**. The Association is organized for the purpose of acquiring, improving, managing, maintaining and preserving certain real estate and subdivision property for residential use and purposes within the subdivision known as Kreston Place, including certain detention areas within Plat 1 and Plat 2 of Kreston Place, and to provide for the best interests and public welfare of the property owners within the general area. No part of the net income, if any, shall inure to the benefit of any Member or individual.

SECTION 2. **FINANCING**. For the purpose of accomplishment of the foregoing, the Association shall, among other things:

(a) Levy and collect from the Members upon a proportionate share basis, computed upon the proportionate land area owned by each Member to the total land area in the residential portions of the subdivision, such funds annually as shall be required to provide for the maintenance of the certain green and water areas utilized primarily as a drainage system within the subdivision, including, specifically, Lot 1003 and 55% of Lot 1002, designated as open space/retention areas, which Lots 1001 and 1003 are located in Plat 1 and Plat 2, as well as other expenses of maintenance of any such additional areas or facilities as may be owned and maintained by the Association.

(b) Granting to its Board of Directors such powers as may be required for the accomplishment of said purposes, as such powers are set forth hereinbelow in Article V.

**ARTICLE III
MEMBERSHIP**

SECTION 1. **MEMBERS**. All owners of lots or portions of lots within Kreston Place Plats 3, 4, 5 and 6, or any further subdivision of said Kreston Place Subdivision shall be Members of the Association. Owners of lots within Kreston Place Plat 1 and Plat 2 are members of the

Kreston Place Commercial Association.

SECTION 2. VOTING RIGHTS. One Member from each owner of a lot and/or portion of a lot (or lots) shall be entitled to a proportionate number of votes on each matter submitted to a vote of the Members computed upon the proportionate land area owned by each Member.

SECTION 3. TERMINATION OF MEMBERSHIP. Membership in the Association shall be terminated upon the conveyance of his/her/its title to a lot or to a portion of a lot (or lots) by any Member to a subsequent purchaser or owner. Such subsequent purchaser or owner shall then be a Member of the Association.

ARTICLE IV MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. An annual meeting of the Members of the Association shall be held on the third Wednesday of March of each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members may be called either by the President, the Board of Directors or not less than one-tenth (1/10) of the Members having voting rights.

SECTION 3. PLACE OF MEETING. The Board of Directors may designate any place within Sangamon County, Illinois, as the place of meeting for any annual meeting or for any special meeting, whether it is called by the Board of Directors, the President, or the Members. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the Registered Office of the Association within Sangamon County, Illinois. Provided, however, the Members may unanimously consent to a meeting located beyond the boundaries of Sangamon County, Illinois.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, date and hour of any meeting shall be delivered, either personally or by mail or by email, to each Member entitled to vote at such meeting not less than five nor more than forty days before the date of such meeting. In case of a special meeting or when required by statute or by the By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid. If delivered by email, the notice of meeting shall be deemed delivered when sent unless the Sender receives notice that the email message was not delivered to the Recipient. In such instance, notice shall be resent by either personal delivery or by mail.

SECTION 5. INFORMAL ACTION BY MEMBERS. Any action required to be taken at a meeting of the Members of the Association, or any other action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

SECTION 6. QUORUM. The Members holding one-fourth of the votes which may be cast at any meeting shall constitute a quorum, at such meeting. If a quorum is present, the affirmative vote of a majority of the votes present and voted, either in person or by proxy, shall be the act of the Members unless the vote of a greater number is required by law. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting at any time without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting; withdrawal of Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 7. PROXIES. Each Member entitled to vote at a meeting of Members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Member by proxy, but no such proxy shall be voted or acted upon after eleven months from its date, unless the proxy provided for a longer period.

ARTICLE V **BOARD OF DIRECTORS**

SECTION 1. GENERAL POWERS. The affairs of the Association shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The initial number of Directors shall be three. Each Director shall hold office until the next annual meeting of Members and until his successors shall have been elected and qualified. Directors need not be owners of property within the subdivision. The number of Directors may be changed from time to time by the Board of Directors without amendment to these By-Laws; however, upon any such change in number of Directors, the minimum number of Directors shall be three and the maximum number of Directors shall be eight.

SECTION 3. REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held without other notice, immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than such resolution. Such additional meetings shall be held at a designated place in Sangamon County, Illinois, or if no designation is made, the place of meeting shall be at the Registered Office of the Association. Members shall be notified of the time and place of such regular meetings of the Board.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by, or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board may fix any place in Sangamon County, Illinois, as the place for holding any special meeting of the Board called by them, or if no place is designated, the place of the meeting shall be at the Registered Office of the Association.

SECTION 5. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least five days previously thereto by written notice to each Director and each Member at his/her/its address as shown by the records of the Association. Such notice shall be delivered either by personal service or, if mailed, such notice shall be deemed to be delivered when deposited in

the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

SECTION 6. INFORMAL ACTION BY DIRECTORS. Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be approved in writing by all of the Directors.

SECTION 7. QUORUM. A majority of the Board of Directors shall constitute a quorum 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 to another time without further notice.

SECTION 8. MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by Statute, these By-Laws, or the Articles of Incorporation.

SECTION 9. VACANCIES. Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors unless the Articles of Incorporation, a Statute, or these By-Laws provide that a vacancy or a directorship so created shall be filled in some other manner, in which case such provision shall control. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

SECTION 10. COMPENSATION. Directors shall not receive any compensation for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for such regular or special meeting of the Board, provided that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving reasonable compensation therefor.

SECTION 11. POWERS AND DUTIES. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administrator of the Association's affairs and, as provided by law, may do all acts and things as are not by these Bylaws or the Articles of Incorporation of the Association directed to be done and exercised exclusively by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) To acquire, own, hold, improve, maintain, manage, lease, insure, pledge, convey, transfer or dedicate real or personal property for the benefit of Members in connection

with the affairs of the Association, including the acquisition, mortgaging or disposal of common areas, as described in the Declaration of Building Restrictions and Restrictive Covenants, ("the Covenants"), filed in the Sangamon County Recorder's office, in regard to the various plats of Kreston Place and as shown on the various Plats of said Subdivision;

(b) To establish, modify and enforce rules and regulations for the use of the common areas, as provided herein;

(c) To fix, levy and collect assessments as provided in Article XI hereof;

(d) To prepare and adopt an annual budget in which there shall be established the contribution of each Owner to the common expenses;

(e) To provide for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association;

(f) To designate, hire and dismiss the personnel necessary for the operation of the Association and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

(g) To collect the assessments, deposit the proceeds thereof in a bank depository which it shall approve, and use the proceeds to administer the Association;

(h) To make and amend use restrictions and rules and regulations for the common areas, and to suggest to the Members amendments, if necessary, to the Covenants;

(i) To open bank accounts on behalf of the Association and designate the signatories required;

(j) To enforce, by legal means, the provisions of the Covenants, these Bylaws and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against any property owner concerning the Association;

(k) To obtain and carry insurance against casualties and liabilities and pay the premium cost thereof;

(l) To pay the cost of all services rendered to the Association or its Members which are not directly chargeable to a specific property owner;

(m) To keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specify the maintenance and repair expenses and any other expenses incurred;

(n) To contract with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums and other associations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity; and

(o) To borrow money for the purpose of repair or restoration of the Common Area and facilities without the approval of the Members of the Association; provided, however, that the Board shall obtain Membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities, and the total amount of such borrowing exceeds or would exceed Five Thousand Dollars (\$5,000.00) outstanding debt at any one time.

ARTICLE VI OFFICERS

SECTION 1. OFFICERS. The officers of the Association shall be a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), a treasurer, a secretary, and such assistant treasurers, assistant secretaries or other officers as may be elected by the Board of Directors. Officers whose authority and duties are not prescribed herein may be elected by the Board of Directors, from time to time, and such officers shall perform such duties as assigned by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. PRESIDENT. The President shall be the principal executive officer of the Association. Subject to the direction and control of the Board of Directors, he shall be in charge of the business and affairs of the Association; he shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which the responsibility is assigned to some other person by the Board of Directors, and, in general, he shall discharge all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors. He shall preside at all meetings of the Members of the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode of execution is expressly prescribed by the Board

of Directors or these By-Laws, he may execute for the Association any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and he may accomplish such execution either under or without the seal of the Association and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. He may vote all securities which the Association is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the Association by the Board of Directors.

SECTION 5. VICE PRESIDENT. The Vice President (or in the event there be more than one vice president, each of the vice presidents) shall assist the President in the discharge of his duties as the President may direct and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in the order designated by the Board of Directors, or by the President if the Board of Directors has not made such a designation, or in the absence of any designation, then in the order of their seniority of tenure shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode or execution is expressly prescribed by the Board of Directors or by these By-Laws, the Vice President (or any of them if there are more than one) may execute for the Association any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and he may accomplish such execution either under or without the seal of the Association and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

SECTION 6. TREASURER. The Treasurer shall be the principal accounting and financial officer of the Association. The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Association; (b) have charge and custody of all funds and securities of the Association, and be responsible therefor, and for the receipt and disbursements thereof; and (c) perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

SECTION 7. SECRETARY. The Secretary shall record the minutes of the meeting of the Members of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Association; keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. At the discretion of the Board of Directors, the Board may appoint assistant treasurers and assistant secretaries who shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors. If required by the Board of Directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

SECTION 9. COMMITTEES. The Board of Directors, by resolution, may designate such committees as may be deemed necessary for the proper administration of the affairs of the Association.

ARTICLE VII **ANNUAL BUDGET AND ASSESSMENTS**

SECTION 1. ANNUAL BUDGET. The Board of Directors shall, not less than sixty (60) days prior to the Annual Meeting of the Association, prepare and adopt a budget estimating the necessary funds as shall be required for the maintenance of the certain green areas within the subdivision, as well as such other expenses of maintenance of any other such additional areas or facilities as may be owned and maintained by the Association. The Board, upon the basis of said budget, shall levy and extend an assessment based upon the proportionate share of the property owned by each Member, which said assessment shall constitute a lien upon and be due and payable on or before a date determined by the Board of Directors.

SECTION 2. SPECIAL ASSESSMENTS. In the event the assessments imposed and levied pursuant to the provisions of Section 1 of this Article shall be insufficient to cover the cost of the required maintenance and other expenses incurred, an additional assessment may be levied upon the same proportionate basis upon each Member of the Association.

ARTICLE VIII **CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

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

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an assistant treasurer and counter signed by the President or a vice-president of the Association.

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

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

ARTICLE IX BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member, or by his agent or attorney for any proper purpose at any reasonable time.

ARTICLE X FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE XI DUES AND ASSESSMENTS

SECTION 1. ANNUAL DUES. The Board of Directors may determine from time to time any annual dues and special assessments, if any, payable to the Association by Members and may determine the date of payment thereof. The Board of Directors shall be responsible for levying and collecting such dues and assessments.

SECTION 2. ANNUAL ASSESSMENTS.

(a) In order to perform its responsibilities, the Association, through its Board of Directors, shall determine and collect an annual assessment from each Member within the Association. Except for the assessments attributable to the cost of maintaining the retention areas (Lots 1003 and 1002) and the drainage system, the annual assessment for each lot and/or portion of a lot shall bear the same proportion to the total annual assessment as the square footage of such lot and/or portion of a lot or lots bears to the total square footage of the residential lots in Kreston Place Subdivision. In regard to the West retention area of Kreston Place situated in Plat 2 (Lot 1002), the lots in the residential plats of Kreston Place shall bear 55% of the cost of maintaining that retention area and drainage system. The assessments relating to the retention areas and drainage for such residential lots shall bear the same proportion to the total annual assessment of said 55% cost as the square footage of such lot and/or portion of a lot or lots bear to the total square footage of residential lots in Kreston Place. The other 45% of the cost of maintaining the West retention area (Lot 1002) and drainage system shall be borne by Kreston Place Commercial Association. The residential lots in Kreston Place shall bear 100% of the cost of maintaining the Lot 1003 retention area situated in Plat 2 of Kreston Place Subdivision, and the drainage system and the assessment for each residential lot in Kreston Place Subdivision relating to

said retention and drainage shall bear the same proportion to the total assessment of said 100% cost as the square footage of such lot and/or portion of a lot bear to the total square footage of the residential lots in Kreston Place Subdivision. Notwithstanding any language to the contrary contained in the restrictive covenants affecting the residential properties in Kreston Place Subdivision, annual assessments for residential properties in Kreston Place shall be determined in the manner set forth above in this Section 2 and the determination of the amount of such assessments by the Board of Directors of the Association shall control.

(b) If the Association determines that additional funds are needed prior to the next annual assessment in order for the Association to perform its duties under this declaration, the Association, through its Board of Directors, may levy a supplemental assessment on each lot to meet such need, which supplemental assessment shall be levied on the same basis as the annual assessment.

(c) The Association shall be primarily responsible for the proper care and maintenance of the common areas maintained for drainage purposes and upon which there are located drainage ponds designated upon Kreston Place Subdivision, and which said sum or sums, if not paid, shall constitute a lien upon the property of the Members of the Association.

SECTION 3. SPECIAL ASSESSMENTS. The Association, through its Board of Directors, may levy a special assessment on any Member for the purpose of defraying the cost of any damage or loss requiring maintenance, repairs, or replacement of items owned by the Association, which damage or loss has been determined by the Association to have been caused by the willful or negligent acts of such Member or such Member's employees or agents.

SECTION 4. LIABILITY FOR ASSESSMENTS. The assessments provided for in this article shall be the personal and individual debt of each Member of a lot covered by such assessments. In the event of default in the payment of any assessment, the Member in default shall be obligated to pay interest at the maximum lawful rate on such assessment from the delinquent date thereof, together with all costs of collection, including reasonable attorney's fees.

SECTION 5. LIENS. Any unpaid assessment shall, together with interest and costs of collection, be a lien and charge on the lot covered by such assessment which shall bind such lot in the hands of the Member thereof and such Member's heirs, devisees, successors, and assigns. To evidence the lien, the Association shall prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Member of the lot covered by the lien, and a legal description of the lot. Such notice shall be filed with the Recorder of Deeds of Sangamon County, Illinois. The lien shall attach on the date that payment becomes delinquent and may be enforced by foreclosure of the lien on the defaulting Member's lot by the Association in the manner provided by law. Pursuant to Section 5/9-104.3 of the Illinois Code of Civil Procedure (735 ILCS 5/9-104.3), the Association pursuant to Paragraph 8 of subsection (a) of Section 5/9-102 of the Illinois Code of Civil Procedure, elects to have Article 9 of the Forcible Entry and Detainer Act applicable to it and, as such, agrees to follow the procedures and rights and responsibilities of a condominium association under said Article.

SECTION 6. COLLECTION. The Board of Directors may bring suit for and on behalf of the Association and all its Members to enforce collection of unpaid charges or assessments as provided by law, and there shall be added to the amount due the costs of said suit together with the legal interest and reasonable attorneys' fees to be fixed by the court. No owner or Member of the Association may waive or otherwise escape liability for the assessments provided for herein by either non-use of the common elements or abandonment.

ARTICLE XII
AMENDMENTS

The power to alter, amend or repeal the By-Laws or adopt new by-laws shall be vested in the Board of Directors unless otherwise provided in the Articles of Incorporation. Such action may be taken at a regular or special meeting for which written notification of the purpose shall be given. No amendment may be enacted by the Association which, in practical effect, would avoid or seek to avoid assessment of the individual owners for liability through the Association in maintenance of common areas within Kreston Place Subdivision maintained by the Association for drainage purposes and upon which there are located drainage ponds, as referred to hereinabove in these articles, nor shall any amendment be effective which shall seek to divest ownership of the aforesaid drainage ponds unless a successor in interest acceptable to the City of Springfield, Illinois, shall be secured.