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SANGAMON COUNTY
ILLINOIS

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MARY ANN LAMM
SANGAMON COUNTY RECORDER

**OWNER'S DECLARATION OF RESTRICTIVE
COVENANTS IN SALEM ESTATES,
FIRST ADDITION.**

DATED: 12/16/99

WHEREAS, Michael F. Ryan and Courtney Joyner, herinafter referred to as "Declarant", as owner of the premises described below and shown in the Plat recorded 12-14-99 with the Sangamon County Recorder as 1999R59132, does hereby subdivide said tract of land and does designate such subdivision SALEM ESTATES, FIRST ADDITION, being an addition to the Sangamon County, Illinois, part of the Northwest quarter of section 35, Township 16 north, range, 6 west of the third principal meridian, Sangamon County, Illinois, for the purpose of the sale of lots therein by description and number appearing and designated on said plat. Streets to public use as thoroughfares and for use incident to the installation of sewers, water mains and all other public utility purposes. Easements as marked and identified thereon are dedicated for use incident to the installation of sewers, water mains, and all other public utilities and for use in providing surface water drainage; and

WHEREAS, Declarant is the Owner of the real property described in Article II and desires to create thereon a subdivision with permanent common areas for the benefit of said subdivision, and;

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common areas and to this end, desires to subject the real property described in Article II to the covenants, restrictions, easements, charges and lien, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent owners thereof; and

WHEREAS, Declarant has incorporated under the laws of the State of Illinois, as a not-for-profit corporation, the Salem Estates Homeowners Association, Inc., for the purpose of exercising the function aforesaid;

NOW, THEREFORE, Declarant hereby declares that the real property described in Article II of this Declaration is and shall be held, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

(A) "Association" shall mean and refer to Salem Estates Homeowners Association, Inc., an Illinois not-for-profit corporation, its successors and assigns.

(B) "Properties" shall mean and refer to the real property described in Article II.

(C) "Common Area" shall mean and refer to all real and personal property, facilities and improvements now or hereinafter owned by the Association for the common use and enjoyment of the owners.

(D) "Lot" shall mean and refer to a portion of the property intended for independent ownership and use as may be set out in this declaration and as shall be shown on the Plat of Subdivision recorded as Document Number 1999R 59 132 12-14-99

(E) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation unless and until such person acquired title pursuant to foreclosure or any proceeding or conveyance in lieu of foreclosure.

(F) "Member" shall mean and refer to every owner who therefore is a member of the Association.

(G) "Developer" shall mean and refer to the Declarant and its assigns if such assigns should acquire a portion of their land described in Article II from the Declarant for the purpose of resale to an Owner or the for the purpose of constructing improvements thereon for resale to an Owner.

(H) "Area of Common Responsibility" shall mean and refer to the Common Areas together with those areas, if any, upon a Lot the maintenance, repair or replacement of which is made the responsibility of the Association by this Declaration.

(I) "Board" shall mean and refer to the Board of Directors of the Association.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1 - Annexation. The properties which are subject to this covenant, are not presently situated within the corporate limits of the City of Springfield, are not presently situated within the corporate limits of the City of Springfield, Illinois, ("City"). After the date of the recording of the covenants, upon any lot becoming contiguous to the City, the lot owner shall execute and file, upon 14 days written notice from Declarant or its successors or assigns a written annexation petition with the Clerk of the City requesting annexation of the lot owner's lot into the City. If the lot owner fails to execute or file the annexation petition within 14 days after receiving written notification from the Declarant, the Declarant is thereafter authorized as the lot owner's legal agent with full power of attorney, to execute and file an annexation petition on behalf of the lot owner. The legal cost associated with preparing the annexation petition to be born by Declarant.

Section 2. Property Subject To Declaration. The real property which is, and shall be held, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to this Declaration is located in Sangamon County, Illinois, and is more particularly described in the Plat of Subdivision of Salem Estates, First Addition recorded on 12-14-99 1999 R59130 of Sangamon County, Illinois records, and incorporated herein by reference, along with any additional Lots subsequently made subject to these Restrictive Covenants.

Section 3. Additional Lots. Declarant intends and reserves the right to make Additional Lots, not to exceed 122 Lots and one or more common areas, all located in the Northwest Quarter of Section 35, Township 16 North, Range 8 West of the third principal meridian, Sangamon County, Illinois of aforesaid Section 2, subject to the provisions, benefits and burdens of these Restrictive Covenants. Declarant may do so by recording an adoption of these covenants by recording a Plat showing Additional Lots or common areas.

ARTICLE III

ADMINISTRATION AND OPERATIONS OF THE ASSOCIATION

Section 1. Board of Directors. The directors named in the Association's Articles of Incorporation constitute the Association's first Board which shall hold and exercise all of the rights, duties, powers and functions of the Board set forth in this Declaration, and By-Laws, until the first election of Directors by the Members of the Association at the first annual membership meeting.

The Board shall have all powers for the conduct of the affairs of the Association which are enabled by law or the Founding Documents which are not specifically reserved to Members or the Developer by said Documents. The Board shall exercise its powers in accordance with the Governing Documents. Without limiting the generality thereof, the board shall have the power and obligation to perform the following duties:

a. Real and Personal Property. To acquire, own, hold, improve, maintain, manage, lease insure, pledge, convey, transfer or dedicate real personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging or disposal of Common Area and/or improvements shall be subject to the provisions of Article II and Article IV, respectively.

b. Rule Making. To establish, modify and enforce rules and regulations for the use of the properties as provided herein, and to review, modify and approve architectural standards as recommended by the Architectural Standards Committee; and

c. Assessments. To fix, levy and collect assessments as provided in Article V; and

d. Easements. To grant and convey easements to the Common Area as may become necessary and as provided in Article VIII; and

e. Employment of Agents. To employ, enter into contract with, delegate authority to and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association, and,

f. Enforcement of Governing Document. To perform acts as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be foreclosed or suspending membership rights, and to enforce or effectuate any of the provisions of the Governing Documents.

g. Membership Meeting. To call the first annual meeting of Members of the Association, but not before 80% of the total 122 lots have been sold, or at Developer's discretion. Written notice of when the first annual membership meeting shall be sent to the Members at least ten (10) days in advance of such meeting. Notwithstanding anything to the contrary in this membership meeting, no Class A member shall have any voting rights and the right of each such Class A member to vote on any matter is hereby denied until such meeting. Each annual meeting of the Members of the Association following such initial annual membership meeting shall be held at the time and place specified in the By-Laws of the Associations.

h. Drainage. At the developers discretion after the approval of drainage by the city engineers, but not before 80% of the total 122 lots have been sold the common areas will be transferred to the homeowners association. The association will operate, keep and maintain any and all retention ponds in good condition, order and repair in accordance

with all applicable laws and regulations. The common area of responsibility are designated lot 123.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

- a. The right of the Association to charge reasonable limits on the number of guests who may use the facilities.
- b. The right of the Association to suspend the voting rights and right to use the common areas and facilities by any Owner for any period during which any assessment of the Association against said Owner's Lot remains unpaid, and for any infraction by an Owner of the Association's published rules and regulations for the duration of the infraction, and for an additional period thereafter not to exceed sixty (60) days.
- c. The right of the Declarant with regard to the Properties which may be owned for the Purpose of development, to grant easements in and to the Common Area contained with the Properties to any public agency, authority or utility for such purposes as benefit of the Properties or parties thereof an Owners of Lots contained therein.
- d. The right of the Association by a majority vote of all of the members of the Board to borrow money for the purpose of improving the Common Area, or any portion thereof, for acquiring additional Common Area, or for constructing, repairing, or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage covering all or any portion of the Common Area; provided, however, that the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interests, options easements and privileges herein reserved or established for the benefit of Declarant or any Owner, or the holder of any mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within the properties.
- e. The right of the Association to dedicate or transfer all or any portion of the Common Areas to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless such dedication or transfer has been approved (I) by at least 66 2/3 percent of the votes which the Class A members present or represented by proxy are entitled to cast at a meeting duly called for such purpose, and (ii) by the Class B membership of the Association, so long as such membership shall exist.

f. The right of the Association with regard to the Properties which it may own to grant easements to Declarant, any public agency authority or utility for such purposes as benefit the properties or portions thereof and Owners or Lots contained therein.

WITNESSETH

IN WITNESS WHEREOF

I, the undersigned, being a duly qualified and authorized officer of the Association, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same appears in the records of the Association.

Executed on this _____ day of _____, 200__.

Secretary

I, _____, being a duly qualified and authorized officer of the Association, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same appears in the records of the Association.

Executed on this _____ day of _____, 200__.

Secretary

I, _____, being a duly qualified and authorized officer of the Association, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same appears in the records of the Association.

ARTICLE V

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include persons who hold any interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No owner, whether one or more persons, shall have more than one membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be provided herein. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership. The rights and privileges of membership including the right to vote and to hold office may be exercised by a member or member's spouse, but in no event shall more than one vote be cast nor office held for each Lot.

Section 2. Voting. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

a. Class "A". Class "A" Members shall be all Owners with the exception of the Declarant, any successor of Declarant who takes title for the purpose of development and sale and anyone holding one or more Lots for the purpose of development or sale. Class "A" members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 hereof. When more than one person holds such interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise in writing the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one person seeks to exercise it. If a Lot is owned by a corporation, partnership or trust, such entity shall designate in writing the person authorized to vote in behalf of such entity.

b. Class "B". The Class "B" member shall be the Developer. The Class "B" member shall be entitled to 1 vote for each lot in which it holds the interest required for membership by Section 1, Article III, provided that the Class "B" membership shall cease and become converted to Class "A" membership on the happening of any of the following events, whichever occurs earlier:

1. When the total votes outstanding of the Class "A" membership equal the total votes outstanding of the Class "B" membership, including any Additional Lots platted at the time of computation;
2. The earlier of May 15, 2005, or the date of closing on the sale of the last lot.
3. At such time as Developer voluntarily relinquishes its Class "B" membership rights.

ARTICLE VI

COVENANT FOR MEMBERSHIP FEE AND ASSESSMENTS

Section 1. Purpose of Assessments. The assessments levied by the Association are for the purpose of promoting the recreation, scenic enjoyment, health, welfare and safety of the residents and for protecting, advancing and promoting the environment of the properties for the common benefit and enjoyment of the Owners and occupants of residences. And for improvement and maintenance of the common areas and other common facilities and areas of common responsibility including but not limited to repair, replacement and additions thereto, and for the cost of labor, equipment, and materials, management and supervision thereof, all as may be authorized from time to time by the Board of Directors. Also, to pay the electrical bills for the street lights until the subdivision is annexed to the City of Springfield at that time the City will pay for them.

Section 2. Creation of Lien and Personal Obligations of Assessments. Each Owner of any Lot by acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed in such deed or other conveyance and agree to pay the Association: (a) an entering membership fee (unless association has been established, then only annual assessment due), (b) annual assessments, © special assessments and/or individual assessments against any particular lot, shall be established and collected pursuant to the terms of this Declaration, including but not limited to reasonable fines as may be imposed herein. All such assessments, together with interest thereon, late charges and costs of collection thereof, including reasonable attorney's fees (a) shall be charged and a continuing lien upon the Lot against which any such assessment is made, and (b) shall also be the joint and several personal obligation of each person who was an Owner of said Lot at the time when any such assessment made against said Lot fell due.

No Owner shall be entitled to a refund of any portion of the entering membership fee, or any annual or special assessment, or installment of a special assessment, paid by him, even though said Owner's membership in the Association terminated prior to expiration of the period covered by any such assessment or installment theretofore paid by him. No Owner may avoid or escape liability for the entering membership fee, or any annual or special assessment, or individual assessment, imposed or levied pursuant to this Article VI by abandonment of his Lot or by attempted waiver of non-user of the benefits of membership in the Association, or of the Common Areas and facilities.

Section 3. Entering Membership Fee. Each person or entity who holds an ownership interest in a Lot, by acceptance of a deed or other conveyance, shall be deemed to covenant and agree to pay to the Association within ten (10) days after first becoming a Member of the Association, an entering membership fee of One Hundred Dollars (\$ 100.00) to be used by the Association for the same purposes for which annual and special assessments may be levied. If a homeowner purchases a lot after the association

has been formed, the homeowner will only pay the annual dues, not the entering fee and the annual dues.

Section 4. Annual Assessment. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated costs of operation for the Association during the coming year which may include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the proposed budget and the assessments to be levied against each Lot for the following year to be delivered to the last known residence address of each member at least thirty (30) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the annual meeting by a vote of at least fifty-one percent (51 %) of the total Association membership votes including those votes of the Class "B" member of members. Notwithstanding the foregoing, however, in the event the members disapprove the proposed budget of the Board fails for any reason so to determine the budget for the succeeding year, then, and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any calendar year, a special assessment for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided, that, any such assessment shall have the assent of two-third (2/3) of the votes of the total membership including the Class "B" members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days in advance of the meeting setting for the purpose of the meeting. The Board of Directors may make such special assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted.

Section 6. Individual Assessment. In the event that the need for maintenance or repairs of the Common Area is caused through the willful or negligent act of any Owner, his family, Lessee's guests or invites or in the event that an Owner of any Lot shall fail or refuse to maintain such Lot, or repair or replace the improvements situated thereon in a manner satisfactory to the Board, or to the Architectural Standards Committee, then, the Association, after approval by vote of 75 % of all members of the Board, shall give such written notice of the Association's intent to provide the required maintenance, repair or replacement, at such Owner's sole cost and expense. The Owner shall have fifteen (15) days within which to complete said maintenance, repair or replacement, or if such work cannot be accomplished within said fifteen (15) day period, to commence said maintenance, repair or replacement. If such Owner failed or refuses to discharge properly his obligations as outlined above, the Association may levy an individual assessment on any Lot, except as provided in Section 7 of this Article, to cover the cost and expense

incurred by the Association in fulfilling the provisions of this section.

Section 7. Exemption from Assessment. The following property subject to this declaration shall be exempt from all assessments, charges and liens created herein:

(a) All properties to the extent of any easement of other interest therein dedicated and accepted by any public authority and devoted to public use.

(b) All common area as defined in Article I hereof.

(c) Any vacant land or Lots owned by a Class "B" member unless a Lot is occupied as a residence. Any such land or Lots owned by a Class "B" member shall be maintained by such Class "B" member at such member's sole cost and expense.

Section 8. Assessment Due Dates. The annual assessment installments for each Lot shall commence on the first day of the month following the transfer of ownership of the Lot from Declarant to the Owner. The method of payment for the dues and the due dates for special assessments shall be as established by the Association in accordance with Section 5 of this Article VI. The method of payment and due dates for individual assessments shall be determined by the Board in accordance with Section 6 or Article VI. The Association shall prepare a roster of Lots and assessments applicable thereto, which shall be open to inspection by an member upon reasonable notice to the Board.

Section 9. Computation. Annual and special assessments shall be charged equally against each Lot.

Section 10. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessments which are not paid when due shall be delinquent. Any assessment or assessment installment delinquent for a period of more than ten (10) days may incur a late charge in an amount as the Board may determine from time to time. The Association shall cause a notice to delinquency to be given to any member who has not paid within the ten (10) days following the due date. If the assessment or assessment installment is not paid within thirty (30) days, the Association may declare the entire balance of such assessment for the remainder of such annual period due and payable in full, and a lien as herein provided for shall attach, and in addition the lien shall include the late charge, interest on the principal amount due at the maximum allowable rate for the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may as the Board shall determine, institute suit to collect such amounts or to foreclose its lien. Each owner, by acceptance of a deed or other conveyance to a Lot, vests in the Association or its agents the right and power to bring all actions against such Owner or Owners personally for the collection of such charges as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the

Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration but not limitation, abandonment of the Lot.

Section 11. Subordination of Lien. The lien provided for in this Declaration shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, of any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 12. Estoppel Certificates. The Association shall, upon request of a member, at any reasonable time, furnish an estoppel certificate signed by an officer or other authorized agent of the Association, setting for the amount of unpaid assessments and/or other charges, if any, against said member's Lot, up to a given date or time of conveyance. Also, said estoppel certificate will certify as to whether or not there are violations of the governing documents on the Lot as of the date of preparation of the certificate. Said certificate shall be delivered to the place of closing, and all outstanding assessments and other charges, if any, and a reasonable charge, as determined by the Board, to cover the cost providing such certificate shall be deducted from the Seller's account at the closing and transmitted directly to the Association.

ARTICLE VII

MAINTENANCE BY, AND SERVICE OF THE ASSOCIATION

Section 1. Maintenance, Repairs and Services by the Association. The Association, subject to the provisions of this declaration and the By-Laws of the association, shall maintain and keep in good repair the area of common responsibility, which responsibility shall be deemed to include, by example and not by limitation; (a) maintenance and repair of all common areas and facilities including park areas, landscaping, utility lines, pipes, wires and conduits, not dedicated to any public authority, if any; (b) furnish and provide the necessary maintenance and repair services for the utility systems, and for any drainage collection facility serving the properties and the improvements situated thereon.

Section 2. Easement. The Association is hereby granted an easement of use and right-of-way, on, over, in, under and through all Lots in order to comply with the terms of this Article VII, and entry of any Lot for such purpose shall not be deemed a trespass.

ARTICLE VIII

EASEMENTS

Section 1. Utility Easements. There is hereby created an easement upon, across, over, through and under the properties for ingress, egress, installation, replacement, repair and maintenance of all utility service lines and systems including, but not limited to water, sewers, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on the property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under the land providing such company restores disturbed areas to the condition in which they were found.

Section 2. Easements for Drainage. The Owner must follow the grade line on lot according to the engineers drawings. For a period of two years from the date of conveyance of each Lot, the Developer reserves an easement and right on, over and under the ground within that Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gratings of soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected property to its original condition as near as practicable. The Developer shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Developer an emergency exists which precludes such notice.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration, so long as the Developer or Participating Builders are engaged in developing or improving any portion of the properties, such persons shall have an easement of ingress, egress and use over any lands not occupied by an Owner for (1) movement and storage of building materials and equipment, (2) erection and maintenance of directional and promotional signs, and (3) conduct of sales activities. Such easement shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness and general appearance of the properties.

Section 4. Easement to Inspect. There is hereby created an easement in favor of the Association for ingress and egress on any Lot to inspect such property for alleged violations of the Governing Documents, based on formal, written complaints, and/or compliance with architectural standards and/or approved plans for alterations and improvements.

Section 5. Easement for Landscaping and Related Purposes. There shall be and is hereby reserved to the Developer for so long as it retains its rights as Developer, a non-exclusive easement over all Lots and Common Areas (whether public or private) for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotional

signs, plantings, street lights, entrance feature and/or "theme areas", lighting, stone, wood or masonry wall features and/or related landscaping.

ARTICLE IX

RESTRICTIVE COVENANTS

Section 1. Land Use. The properties committed to this Declaration as described in Article II shall be used for residential purposes only, and no trade or business of any kind may be carried on therein.

Section 2. Nuisances. No nuisance or offensive activity shall be permitted upon the properties so as to jeopardize property values or be detrimental to the enjoyment, comfort and well being of the members. Each owner shall refrain and prohibit and act or use of a Lot which could reasonably cause embarrassment or annoyance to other Owners or occupants, and the Board shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provisions.

Section 3. Architectural Standard. No construction or erection of any nature whatsoever shall be commenced or maintained upon any part of the properties except as is installed or approved by the Declarant in connection with the initial construction of buildings on the properties, unless and until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved as to harmony of external design and location in relation to surrounding structures and topography, in writing by the Board, or by an Architectural Standards Committee composed of three or more representatives appointed by the Board. No alterations, repairs, excavations, fences, awning, patio cover, swimming pool, light pole or fixture, mailbox, landscaping or other work which in any way alters the exterior of any Lot or Common Area or the improvements located thereon shall be commenced, made or done on such property without the prior written approval of the Board or the Architectural Standards Committee. In the event said Board, or its designated committee, fails to approve or disapprove such construction, additions or alterations within thirty (30) days after said plans and specifications shall have been submitted to it, approval will not be required and this ARTICLE IX will be deemed to have fully complied with. The committee will initially be composed of Southwoods Partnership. Said Committee may designate a representative to act for it.

1. Only one detached single-family dwelling and private garage appertaining thereto shall be erected on each Lot. No use shall be made of each Lot except such as is incidental to the occupation thereof for residential purpose by one private family residing in a detached, single-family dwelling. No building shall be erected, altered, placed or permitted to remain on any lot or lots, or part of parts thereof, exceeding two and one-half stories in height.

2. The minimum floor area of each dwelling constructed in such subdivision, exclusive of

basement, open porches and garages, shall be as follows:

(a) one (1) story dwelling, at least 2,000 square feet total;

(b) One story and a half (1 ½) dwelling at least 1,500 square feet on the ground level;

(c) Two (2) story dwelling, at least 2,400 square feet total, with at least 1,500 square feet on ground level.

(d) Other types of dwelling may be constructed in such subdivision only with the written consent of the Architectural Control Committee. All computations of floor areas shall be attached to the dwelling. It must be architecturally related to the dwelling and no garage shall provide space for less than two (2) automobiles. No carport may be erected and maintained on any Lot in the Subdivision, unless it is approved in writing by the Architectural Control Committee prior to construction.

3. No building, exclusive of eaves and steps, shall be located on any Lot nearer to the front Lot line of side line than the minimum building line as shown on the recorded Plat of said subdivision, and nearer than ten (10) to any interior Lot line and conform to setback rules from the City of Springfield R-2 zoning at the time of initial construction. Interior Lot lines as used herein means the Lot lines that have no street frontage shown on the recorded Plat of said subdivision except when a single site in said subdivision consists of more than Lot contiguous to all or part of another Lot with the ownership of all such site in common, then the exterior lines of such site that have no street frontage shall be considered to be the interior Lot lines for all of such site. Where a side yard is used for a driveway purpose, that side yard adjacent to the dwelling shall not be less than twelve (15) feet in width. Site plans need to be approved by Developer or Architectural Control Committee before digging.

No house will be of the exact exterior color combination next door or across the street from each other and there will be a minimum of 25% brick on the exterior of the home, unless approved by the Developer or Arch. Committee. Color and style of houses will be controlled by the Developer and or Arch. Committee.

4. Owners must make sure builders follow the following guidelines:

a. The grade lines are followed on all lots, according to Article VIII, Section 2.

B. Concrete trucks must clean out trucks on homeowners property or not on the development

c. Builders must keep their site reasonably clean of garbage.

5. No Lots shall be re-subdivided nor shall a fractional part of any Lot be sold without written consent of the Architectural Control Committee.

6. All construction must be diligently pursued to completion within a reasonable period of time. No building shall be occupied for living purposes which is not functionally complete in detail as to the exterior, nor shall any building materials, paint, or building equipment be exposed to the public view if occupied as a dwelling. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as residence either temporarily or permanently.

7. All electric, telephone and cable television service lines and wires in Salem Estates and to any building site therein shall be installed underground, except that above-ground electric service shall be permitted temporarily during and incident to construction on a building site.

8. No permanent fence shall be constructed that extends beyond the front line of the residence on said Lots. In case of corner Lots, both street sides of the residence shall be considered as front lines. With the exception of fencing located along the back lot lines, all fencing must be of batton or wrought iron construction. Fences may not be constructed in such a manner as to interfere or impede with the drainage constructed in the subdivision and located within easement areas of the individual lots. All fences will be constructed with no posts showing on the outside.

Section 4. Antennas, Solar Collectors, and Other Equipment of Like Kind. No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, or solar gathering equipment, or any other equipment of an electronic and/or solar nature shall be maintained on the exterior of any Lot, living unit, or the Common Area without the prior written consent of the Board of the Architectural Control Committee. Satellite dishes will be permitted in the rear or side of the house only if they do not exceed 24" in diameter.

Section 5. Pets. No member or resident shall keep or maintain upon a Lot, within a living unit or upon the Common Area any animals, birds, or pets except for generally recognized domestic household pets, provided, however, that such pets shall not be bred, kept or maintained for commercial purposes. Any such domestic pet shall not be permitted to cause or create a nuisance, disturbance, or unreasonable amount of noise which may affect any member or other person on the properties. Any such pet must be kept within the confines of the Owner's Lot or must be on a leash held by a person when allowed upon the common areas. Notwithstanding any other provision to the contrary, the Board shall have the absolute power to adopt rules and regulations from time to time pertaining to the keeping of any and all pets upon the properties (including the inside of a Living Unit) any such pet or pets when the Board determines such action to be in the best interest, well being and enjoyment of any or all of the members and /or residents of Salem Addition.

Section 6. Signs. No sign or signs of any kind shall be erected, posted or displayed to the public view upon any Lot, living unit or any other portion of the properties, without the prior written consent of the Board or the Architectural Standards Committee, except

street signs, and other identifications sign authorized or installed by the Association or the Declarant.

Section 7. Parking and Storage of Vehicles. No owner, tenant, guest or other person shall park, store or keep upon the Lot or Common Area a commercial vehicle, boat, or other watercraft, motor home, trailer, camper, or other transportation devices of any kind; provided, however, that an Owner or tenant may park his or her privately owned automobile in such owner's or tenant's garage. Out of town guests will be permitted to park RV's (motor homes etc..) upon the homeowners lot that they are visiting for no longer than 10 days, the Lot Owner will need Board or Developer approval if it is any longer. No Owner, tenant or other person shall repair or restore any vehicle of any kind upon any Lot or Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility. Notwithstanding any provision heretofore stated in this section, the Board shall have the power and authority from time to time to adopt additional rules regarding the parking and storage of vehicles.

Section 8. Garbage and Refuse Disposal. No Owner, occupant or tenant of any Lot or living unit shall store, keep, deposit, or leave any garbage or rubbish, or any other junk or waste materials on any Lot or on any other part of the properties, except such garbage and rubbish which shall necessarily accumulate from the last garbage and rubbish collection, provided any such garbage shall be kept in sanitary containers which shall be of the type and size designated by the Associations, and provided further that such containers and rubbish shall not be permitted to remain in public view except on days of collection.

Section 9. Mailboxes. Each residence shall purchase for use as its mailbox the mailbox approved and purchased by the Developer. The purpose of this section is to maintain the harmony and attractiveness of the subdivision.

Section 10. Additional Rules. From time to time the Board shall adopt additional rules and amend existing rules, including but not limited to rules to regulate potential problems relating to the use of the properties and the well-being of the Members, tenants, guests and invites. Such additional rules may only be adopted or amended by a two-thirds (2/3) vote of the Board, following a hearing for which due notice has been provided to all Members. All such additional rules and any subsequent amendment thereto shall be placed in the Book of Resolutions and furnished in writing to all members prior to such rules effective date, and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 11. Landscaping. All front and side yards will have sod, unless seed is approved by the developer or architectural control committee. The front of the house will have landscaping that enhances the natural environment of the subdivision. The developers or architectural control committee have the right to enforce the integrity of the subdivision by making sure there is at least the minimum amount of landscaping in the front of the houses.

Section 12. Exceptions. The Board may issue temporary permits to except any prohibitions expressed or implied by this Article IX, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures which are in keeping with the purposes and intent of this declaration. Notwithstanding any provisions contained in this Declaration to contrary, it shall be expressly permissible for Declarant and the builder or builders (if other than Declarant) of residences to maintain and carry on all activities pertaining to such construction, during the period of construction and sale of the Lots or residences, upon such portion of the Common Area as the Declarant may deem in developing or improving any portion of the properties. Such persons shall be subject to such rules as may be established by the Developer to maintain reasonable standard of safety, cleanliness and general appearance of the properties.

ARTICLE X

INSURANCE AND INDEMNIFICATION

Section 1. Common Area Insurance. The Board shall have the authority to and shall obtain insurance for the Common Areas and all improvements situated thereon, and for any other real or personal property of the Association, against loss or damage by fire and such other hazards as the Board may deem desirable to insure against, for the full insurable replacement cost of said Common Areas, improvements situated thereon and other real or personal property of the Association. 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 the Board shall deem desirable, insuring the Association, its Directors, officers, committee members, employees, and agents from liability in connection with the Common Areas, improvements located thereon, and other real and personal property of the Association, and insuring the Directors, officers and committee members of the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one (1) or more insured parties against other insured parties. Premiums for all such insurance shall be common expense of the Associations.

Section 2. Indemnification. The Directors, officers and committee members of the Association shall not be liable to any Owner or any Member, or any person claiming by or through any such Owner or Member, for any act shall have the power to indemnify all such directors, officers and committee members from all claims, demands, actions, and proceedings, and any expense, in connection therewith, except if such Director, officer or committee member shall be adjudged in any such action or proceeding to be liable for willful misconduct in the performance of his duties.

ARTICLE XI

ENFORCEMENT AUTHORITY AND PROCEDURE

Section 1. Authority. The Board shall be authorized and empowered to:

a. Make and enforce reasonable rules and regulations governing the conduct, use and enjoyment of the properties;

b. Impose reasonable fines, which shall constitute a lien upon the Lot of a member, and/or suspend such member's right to use the common areas and the right to vote, for not more than thirty (30) days, or such time as a violation may continue and sixty (60) days thereafter for violation of this Declaration, the By-Laws or any rules and regulations which have been duly adopted by the Association;

c. Begin any action in any court on behalf of the Association and all owners to abate any nuisance, or otherwise to protect the values and integrity of the community.

Section 2. Procedure. The Board shall not impose a fine, suspend voting, begin court action or infringe upon any other rights of a member or other occupant for violation of rules unless and until the following procedure is followed:

a. Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

1. The alleged violation:

2. The action required to abate the violation, and

3. A time period, not less than ten (10) days, during which the violation is a continuing on, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

b. Notice. Within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

1. The nature of the alleged violation;

2. The time and place of the hearing, which time shall be not less than ten (10) days from the given of the notice;

3. An invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and

4. The proposed sanction to be imposed.

c. Hearing. The hearing shall be held in executive session pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of

any sanction hereunder, proof of notice and invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, in any, imposed.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Articles and By-Laws of Association. The Articles of Incorporation and By-Laws of the Association have been appended hereto and by this reference are incorporated in and made a part hereto.

Section 2. Severability. If any provisions of this Declaration or the By-Laws of the Association or any section, sentence, clause, phrase or word or the application thereof in any circumstance, is held invalid by the judgment or order of any court of general jurisdiction, the validity of the remainder of the Declaration and said By-Laws, and the validity of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances, shall not be affected thereby.

Section 3. Title-Holding Trust. In the event title to any Parcel is conveyed to a title-holding trust, under the terms of which trust the powers of management, operation and control of said Parcel remain vested in the trust beneficiary or beneficiaries thereunder from time to time shall be deemed the Owner or Owners of said Parcel and subject to all terms and provisions of this Declaration and the By-Laws of the Association. No claims shall be made against any such title-holding trustee personally for payment of any entering membership fee, assessment, lien or other charge created by this Declaration or said By-Laws, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such entering membership fee, assessment, lien or other charge, provided, however, that amount of such entering membership fee, assessment, lien or other charge shall continue to be a charge and lien upon each Parcel conveyed to said title-holding trust, and the joint and several personal obligation of the beneficiaries of said trust at the time any entering membership fee, assessment lien or other charge with respect to any such Parcel became due and payable, notwithstanding any transfers of the beneficial interest of said trust, or any transfers of title to any such Parcel.

Section 4. Notice of Sale, Lease or Mortgage. In the event an Owner sells, leases, mortgages, or "executes a contract for deed" of the Owner's property, the Owner will be required to give to the Association in writing the name of the purchaser, lessee or mortgagee of the property.

Section 5. Rights of Declarant - Indemnification. For such time as the Declarant or

assigns shall hold Class "B" votes, or has an interest in any portion of the property described in Exhibit B, the Association shall not oppose the development activities thereon, and the Association shall indemnify Declarant against any and all expenses, including reasonable legal fees imposed upon the Declarant in connection with any action, suite or other proceeding (including settlement of any such suit or proceeding) to which he may be made a party, if such action or suite is brought by any member or group of members. Any such member or members who shall have a grievance of any kind or nature against the Declarant in respect to the properties or the Development thereof, shall file such grievance in writing with the Association.

a. Hearing. If the Board determines the grievance to be a matter of sufficient substance it shall give not less than ten (10) day written notice to Declarant, outlining the nature of the grievance and the name or names of the member or members who have filed such grievance, and establishing the time and date of a hearing to be conducted by the Board, in executive session, with each of the grieved parties in attendance.

b. Professional Appointed. If the parties fail to mutually agree upon a solution of the matter, the Board upon behalf of such member or members, and the Declarant shall each select a professional as their respective representatives to analyze the area or areas of contention and to make recommendations at a subsequent herein in executive session, upon no less than ten (10) days written notice.

c. Arbitration. If the professionals are unable to resolve the matter, it shall then be submitted to the American Arbitration Association for settlement, which determination shall become final and binding upon the parties.

d. Protection of Values. The provisions of this Section 5 are for the benefit of the Declarant and all owners and members as a vital means of avoiding adverse publicity associated with legal action and court proceedings which can diminish sale and resale values of all lots and homes within the properties.

Section 6. Amendments. The covenants and restrictions of the Declaration shall run and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of the (10) years, unless the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by a Resolution of the City Council of the City of Springfield, Illinois, and be recorded in order to become effective.

Section 7. Other Lot Owners. In consideration of other lot owners in Salem Estates, First Addition joining and submitting their lots to these covenants, said owners are hereby granted all rights, including enforcement, granted to subsequent owners of lots covered by the covenants.

Executed this day 16th of the month of December and year 1999

Signed

Michael F. Ryan
Michael F. Ryan

Courtney Joyner
Courtney Joyner

Attest:

STATE OF ILLINOIS

COUNTY OF SANGAMON

I, Beth Michelich the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Michael F. Ryan and Courtney Joyner, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such, appeared before me on this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act. Given under my had and notarial seal this 16th day of December, year 1999.

Beth Michelich SEAL
Notary Public



Ret: Paula Ryan
Southwood Partnerships
500 W Monroe Suite 2W
App'd ll 62704-1852