

BUDG. DEPT. COPY

DECLARATION FOR THORNGATE
INCLUDING
EASEMENTS, RESTRICTIONS, COVENANTS
AND BY-LAWS FOR
THORNGATE OWNERS ASSOCIATION

THORNGATE
LEXINGTON HOMES

63793.

DECLARATION FOR THORNGATE

Table of Contents

ARTICLE ONE
Definitions

1.01	ANNEXATION AGREEMENT	2
1.02	ARCHITECTURAL REVIEW COMMITTEE	2
1.03	ASSOCIATION	2
1.04	BASIC RESTRICTIONS	2
1.05	BOARD	2
1.06	BY-LAWS	2
1.07	CHARGES	2
1.08	COMMUNITY AREA	2
1.09	COMMUNITY ASSESSMENT	2
1.10	COMMUNITY EXPENSES	2
1.11	COMMUNITY ROADS	3
1.12	CONSERVANCY AREA	3
1.13	CONSTRUCTION WORK	3
1.14	COTTAGE HOMESITE	3
1.15	COUNTY	3
1.16	DECLARANT	4
1.17	DECLARATION	4
1.18	DEVELOPER	4
1.19	DEVELOPER RIGHTS	4
1.20	DEVELOPMENT AREA	4
1.21	DEVELOPMENT PLAN	4
1.22	DWELLING UNIT NUMBER	4
1.23	ESTATE HOMESITE	4
1.24	FIRST MORTGAGE	4
1.25	FIRST MORTGAGEE	4
1.26	HOME	5
1.27	HOMESITE EXTERIOR	5
1.28	HOMESITE	5
1.29	HOMESITE OWNER	5
1.30	OWNER	5
1.31	PERSON	5
1.32	PLATTED AREA	5
1.33	PUBLIC UTILITY AND DRAINAGE EASEMENT AREA	6
1.34	RECORD	6
1.35	REGULATED WORK	6
1.36	RESIDENT	6
1.37	ROAD EASEMENT AREA	6
1.38	SIDEWALK STRIPS	6
1.39	SPECIAL DEVELOPMENT RIGHTS	6
1.40	SPECIAL DEVELOPMENT RIGHTS AREA	7
1.41	SPECIAL DEVELOPMENT RIGHTS HOLDER	7
1.42	STANDARDS	7

1

lk

1.43	SUBDIVISION PLAT	7
1.44	TURNOVER DATE	7
1.45	UNPLATTED AREA	7
1.46	UNPLATTED AREA OWNER	7
1.47	UNPLATTED HOMESITE	7
1.48	VILLAGE	7
1.49	VILLAGE HOMESITE	7
1.50	VOTING MEMBER	7

ARTICLE TWO
Scope of Declaration/Certain Property Rights

2.01	PROPERTY SUBJECT TO DECLARATION	8
2.02	CONVEYANCES SUBJECT TO DECLARATION	8
2.03	DURATION	8
2.04	EASEMENT FOR ENCROACHMENT	8
2.05	ACCESS EASEMENTS	9
2.06	EASEMENTS, LEASES, LICENSES AND CONCESSIONS	10
2.07	OWNERSHIP	11
2.08	NO DEDICATION TO PUBLIC USE	11
2.09	HOMESITE CONVEYANCE	11

ARTICLE THREE
Use and Maintenance of the Community Area,
Homesites and Conservancy Area

3.01	IN GENERAL	12
3.02	RIGHT OF ENJOYMENT	12
3.03	DELEGATION OF USE	12
3.04	LANDSCAPING CARE AND MAINTENANCE	13
3.05	MAINTENANCE, REPAIR AND REPLACEMENT OF THE COMMUNITY AREA AND COMMUNITY ROADS	17
3.06	DAMAGE BY RESIDENT	18
3.07	ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMUNITY AREA, COMMUNITY ROADS, ROAD EASEMENT AREA OR PUBLIC UTILITY AND DRAINAGE EASEMENT AREA	18
3.08	MAINTENANCE, REPAIR AND REPLACEMENT OF HOMES AND HOMESITE EXTERIORS	18
3.09	INDUSTRY/SIGNS	20
3.10	UNSIGHTLY USES	20
3.11	RESIDENTIAL USE ONLY	20
3.12	PARKING/GARAGES	20
3.13	OBSTRUCTIONS	20
3.14	PETS	20
3.15	NO BOATS/NO SWIMMING	21
3.16	FEEDING OF WILDLIFE ON COMMUNITY AREA	21
3.17	PROSCRIBED ACTIVITIES	21
3.18	WATER WELLS AND SEPTIC TANKS	21
3.19	LEASE OF HOME	21
3.20	CERTAIN UTILITY COSTS	21
3.21	STORM DRAINAGE FACILITIES	22
3.22	RULES AND REGULATIONS	22

ARTICLE FOUR
Insurance/Condemnation

4.01	ASSOCIATION INSURANCE	23
4.02	HOMESITE INSURANCE	23
4.03	REBUILDING OF DAMAGED HOME	24
4.04	OWNER RESPONSIBILITY	25
4.05	WAIVER OF SUBROGATION	25
4.06	CONDEMNATION	25

ARTICLE FIVE
The Association

5.01	IN GENERAL	25
5.02	MEMBERSHIP	26
5.03	VOTING MEMBERS	26
5.04	BOARD	26
5.05	VOTING RIGHTS	26
5.06	DIRECTOR, OFFICER AND ARCHITECTURAL REVIEW COMMITTEE LIABILITY	26
5.07	MANAGING AGENT	27
5.08	NOTICES	27
5.09	LITIGATION	28

ARTICLE SIX
Assessments

6.01	PURPOSE OF ASSESSMENTS	28
6.02	COMMUNITY ASSESSMENT	28
6.03	PAYMENT OF COMMUNITY ASSESSMENT	29
6.04	REVISED ASSESSMENT	29
6.05	SPECIAL ASSESSMENT	29
6.06	CAPITAL RESERVE	30
6.07	INITIAL CAPITAL CONTRIBUTION	30
6.08	ASSESSMENTS DURING INITIAL DEVELOPMENT PERIOD	30
6.09	PAYMENT OF ASSESSMENTS	32

ARTICLE SEVEN
Collection of Charges

7.01	CREATION OF LIEN AND PERSONAL OBLIGATION	32
7.02	COLLECTION OF CHARGES	32
7.03	NON-PAYMENT OF CHARGES	32
7.04	LIEN FOR CHARGES SUBORDINATED TO MORTGAGES	33

ARTICLE EIGHT
Remedies of Association or Homesite Owners
for Breach or Violation Hereof

8.01	SELF-HELP BY BOARD	33
8.02	OTHER REMEDIES OF THE BOARD	33

8.03	DUE PROCESS	34
8.04	COSTS AND EXPENSES	34
8.05	ENFORCEMENT BY OWNERS	35

ARTICLE NINE
Architectural Control

9.01	ARCHITECTURAL REVIEW COMMITTEE	35
9.02	BASIC RESTRICTIONS	35
9.03	STANDARDS	38
9.04	ARCHITECTURAL APPROVAL	38
9.05	GOVERNMENTAL RESTRICTIONS	39
9.06	REVIEW FEE	39
9.07	CONSTRUCTION PERFORMANCE LIABILITY	39
9.08	ENFORCEMENT	40

ARTICLE TEN
Rights of First Mortgagees

10.01	NOTICE TO FIRST MORTGAGEES	41
10.02	INSURANCE PROCEEDS/CONDEMNATION AWARDS	42

ARTICLE ELEVEN
Declarant's and Developer's Reserved Rights and
Special Provisions Covering Development Period

11.01	IN GENERAL	42
11.02	PROMOTION OF DEVELOPMENT	43
11.03	CONSTRUCTION ON DEVELOPMENT AREA	43
11.04	GRANT OF EASEMENTS AND DEDICATIONS	44
11.05	DEVELOPER CONTROL OF ASSOCIATION	44
11.06	OTHER RIGHTS	44

ARTICLE TWELVE
The Unplatted Areas

12.01	SUBDIVISION OF UNPLATTED AREA	45
-------	---	----

ARTICLE THIRTEEN
Amendment

13.01	SPECIAL AMENDMENT	45
13.02	OTHER AMENDMENT	46

ARTICLE FOURTEEN
Village Requirements and Rights

14.01	COMPLIANCE WITH VILLAGE REQUIREMENTS	46
14.02	VILLAGE REMEDIES	47
14.03	NOTICE TO VILLAGE	48
14.04	EXERCISE OF RIGHTS BY VILLAGE	48
14.05	NO DEDICATION TO VILLAGE	48

14.06	FAILURE TO ENFORCE, NO WAIVER	48
14.07	INDEMNIFICATION OF VILLAGE	48
14.08	INTERPRETATION OF DECLARATION	50
14.09	MATTERS REQUIRING CONSENT OF THE VILLAGE	50

ARTICLE FIFTEEN
Special Development Rights

15.01	GRANT OF SPECIAL DEVELOPMENT RIGHTS	51
15.02	EXERCISE OF SPECIAL DEVELOPMENT RIGHTS	52
15.03	ASSIGNMENT OF SPECIAL DEVELOPMENT RIGHTS	52

ARTICLE SIXTEEN
Miscellaneous

16.01	CAPTIONS	52
16.02	SEVERABILITY	52
16.03	PERPETUITIES AND OTHER INVALIDITY	53
16.04	ASSIGNMENT OF DEVELOPER RIGHTS	53
16.05	TITLE HOLDING LAND TRUST	53
16.06	TRUSTEE EXCULPATION	53

DECLARATION FOR THORNGATE

This Declaration is made by American National Bank and Trust Company of Chicago, not individually, but solely as Trustee under a Trust Agreement dated August 23, 1989 and known as Trust No. 109054-04 (the "Declarant").

R E C I T A L S

Declarant holds title to the Development Area which is legally described in Exhibit A hereto. The Development Area shall be the subject of a development called "Thorngate" (the "Development"). The Development shall include Homes, Community Area, Community Roads, landscaped cul-de-sacs, landscaped entry features, monument signs, streetlights, Conservancy Area, a stormwater management system, green space, wooded areas, walkways, and bicycle paths, all developed in accordance with the Development Plan and Annexation Agreement.

From and after the Recording hereof, the entire Development Area shall be subject to the terms of this Declaration. In order to provide for the orderly and proper administration, maintenance, and improvement of the Development Area, including architectural control of the Homesites, the Developer shall incorporate the Association under the Illinois General Not-For-Profit Corporation Act. The Association shall be primarily responsible for administering and maintaining the Community Area, Community Roads, stormwater management system and all other areas herein specified to be maintained by the Association or not specifically required to be maintained by any other party and for enforcing the provisions of this Declaration, including architectural controls and use restrictions, and the Association shall set budgets and fix assessments to pay the expenses incurred in connection with such duties. Each Owner shall be a member of the Association.

During the construction and marketing of the Development, Declarant, Developer and Special Development Rights Holders shall retain certain rights set forth in this Declaration, which are defined herein as Developer Rights and Special Development Rights.

NOW, THEREFORE, the Declarant declares as follows:

ARTICLE ONE
Definitions

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows: ●

3552341

L

1.01 ANNEXATION AGREEMENT: That certain annexation agreement dated January 19, 1993 and Recorded on February 17, 1993 as Document No. 3288232 between and among the Village of Riverwoods, Declarant and Developer and relating to the Development Area, as amended from time to time with the prior written consent of the Village.

1.02 ARCHITECTURAL REVIEW COMMITTEE: The committee which shall be appointed by the Board to review any and all proposed additions to landscaping and construction of exterior and structural improvements, additions, and changes within the Development Area as provided in Article Nine hereof.

1.03 ASSOCIATION: The Thorngate Owners Association, an Illinois not-for-profit corporation, its successors and assigns.

1.04 BASIC RESTRICTIONS: As defined in Section 9.02.

1.05 BOARD: The board of directors of the Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Five.

1.06 BY-LAWS: The By-Laws of the Association, as amended from time to time.

1.07 CHARGES: The Community Assessment, any special assessment levied by the Association and/or any other charges or payments which an Owner is required to pay or for which a Owner is liable under this Declaration or the By-Laws.

1.08 COMMUNITY AREA: Those portions of the Development Area which are delineated and designated as any outlot (other than outlot "O") on any Subdivision Plat and, as the context requires, all improvements located on or within Community Area other than utilities dedicated to the Village. The Community Area improvements shall generally include roads, landscaped cul-de-sacs and islands, landscaped entry features, monument signs, streetlights, traffic control signs, the stormwater management system and areas, trees, landscaping, green space and wooded areas, walkways, bicycle paths and those portions of water, sewer, electric and other operating or utility systems which serve more than one Homesite and which are not dedicated to the Village.

1.09 COMMUNITY ASSESSMENT: The amounts which the Association shall assess and collect from the Owners to pay the Community Expenses and accumulate reserves for such expenses, as more fully described in Article Six.

1.10 COMMUNITY EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement, landscaping, street cleaning

and snow removal of the Community Roads and the Community Area; the cost of insurance, water, waste removal and scavenger services and necessary utility expenses for the Community Roads and Community Area; the cost of general and special real estate taxes and assessments, if any, levied, assessed against or allocable to the Community Area; the cost of, and the expenses incurred for, the maintenance, repair and replacement of the stormwater management system including, without limitation, storm sewers, inlets, manholes and outlet structures, the detention areas and aerators, pumps, piping and other improvements and equipment located on the Development Area (except for any portion of such system specifically required herein to be maintained by the Owners, including, without limitation, sump pump connections to the storm sewers); the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Association in connection with the operation, maintenance, repair, replacement, landscaping, street cleaning and snow removal of the Community Roads and the Community Area; the expenses of administering the affairs of the Association, the Board and the Architectural Review Committee; the Association's share of the cost of the operation, maintenance, repair and replacement of any traffic lights which the Association agrees to pay or which the Village requires the Association to pay; any expenses designated as Community Expenses in this Declaration or the By-Laws; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.

1.11 COMMUNITY ROADS: The roads, walkways and bicycle paths from time to time located in the Road Easement Area or the Community Area.

1.12 CONSERVANCY AREA: Those portions of the Development Area which are delineated and designated as "Conservancy Area" on any Subdivision Plat. Conservancy Area may be located on Unplatted Area, Homesites and Community Area.

1.13 CONSTRUCTION WORK: Earthmoving, filling, dredging, grading, excavating, installation of landscaping, alteration of landscaping (including, without limitation, removal of trees and shrubs), construction of a Home, driveway, walkway, deck, patio, gazebo, mailbox, swimming pool, tennis court, fence or any other improvement to any portion of the Development Area or any modification, alteration, renovation, addition, removal of any of the foregoing.

1.14 COTTAGE HOMESITE: A Homesite which is designated on a Recorded Subdivision Plat as a "Cottage Lot".

1.15 COUNTY: Lake County, Illinois or any political entity which may from time to time be empowered to perform the functions

or exercise the powers vested in the County as of the Recording of this Declaration.

1.16 DECLARANT: American National Bank and Trust Company of Chicago, not individually, but solely as Trustee under a Trust Agreement dated August 23, 1989, and known as Trust No. 109054-04, its successors and assigns.

1.17 DECLARATION: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

1.18 DEVELOPER: Lexington Homes, Inc., an Illinois corporation, its successors and assigns.

1.19 DEVELOPER RIGHTS: Any and all rights, powers and privileges reserved, granted or otherwise provided for herein which may be exercised by, or which benefit only, the Declarant or Developer. Without limiting the foregoing, the Developer Rights shall include all rights, powers and privileges granted or reserved to Declarant or Developer in Section 6.08, Article Eleven, Section 13.01 and Section 13.02.

1.20 DEVELOPMENT AREA: The real estate described in Exhibit A hereto, together with all improvements thereon and rights appurtenant thereto, as Exhibit A may be amended from time to time.

1.21 DEVELOPMENT PLAN: The final development plan for the Development which has been approved by the Village under the provisions of Section 9-11-12 of the Riverwoods Zoning Ordinance, subject to all conditions contained in the special use permits issued by the Village for the purpose of classifying the Development Area as a "Residential Planned Unit Development". For purposes of this Declaration, the Development Plan consists of the documents, studies, reports, Subdivision Plats, agreements, and other information referenced in Exhibit B attached hereto, as amended from time to time with the prior written consent of the Village.

1.22 DWELLING UNIT NUMBER: The total number of Homesites and Unplatted Homesites shown from time to time in all of the Subdivision Plats.

1.23 ESTATE HOMESITE: A Homesite which is designated on a Recorded Subdivision Plat as an "Estate Lot".

1.24 FIRST MORTGAGE: A bona fide first mortgage, first trust deed or equivalent security interest covering a Homesite or Unplatted Area.

1.25 FIRST MORTGAGEE: The holder of a First Mortgage.

1.26 HOME: Those portions of a Homesite which are improved with a residence and garage, patio and/or deck or other ancillary structures.

1.27 HOMESITE EXTERIOR: Those portions of a Homesite other than a Home, a Community Road or those portions of water, sewer, electric and other operating or utility systems which serve more than one Home. Without limiting the foregoing, the Homesite Exterior shall include the following:

- (a) Driveways and walkways located on the Homesite;
- (b) Those portions of water, sewer, electric and other operating or utility systems which serve only the Home constructed on the Homesite;
- (c) Landscaped areas on the Homesite;
- (d) Those portions of the Homesite which are designated as Conservancy Area.
- (e) Any structures or improvements other than a Home located on a Homesite.

1.28 HOMESITE: Each subdivided lot (other than a Restricted Lot) which is designated on a Recorded Subdivision Plat as a "Lot", together with all improvements thereon and thereto. Each Homesite shall be designated on the Subdivision Plat which creates the Homesite as either an "Estate Lot", a "Cottage Lot" or a "Village Lot". However, the Developer or a Special Developer Rights Holder may refer to a category or group of Homesites by a different name for sales and marketing purposes.

1.29 HOMESITE OWNER: An owner of Record, whether one or more persons, of fee simple title to a Homesite, including a contract seller, but excluding those having such interest merely as security for the performance of an obligation.

1.30 OWNER: A Homesite Owner, an Unplatted Area Owner, or both, as the content requires.

1.31 PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.32 PLATTED AREA: Those portions of the Development Area which from time to time are subject to a Recorded Subdivision Plat, with all improvements thereon and rights appurtenant thereto.

1.33 PUBLIC UTILITY AND DRAINAGE EASEMENT AREA: Those portions of the Development Area which are delineated and designated as "Public Utility and Drainage Easement Area" on each Subdivision Plat.

1.34 RECORD: To record in the office of the Recorder of Deeds of the County. The term Record may be used as a verb or in any of its other grammatical forms such as: Recorded Subdivision Plats; Subdivision Plats not yet Recorded; or the Recording of certain documents. A Record Owner is any person or entity holding fee simple title to a Homesite or Unplatted Area as a matter of public record in the office of the Recorder of Deeds of the County.

1.35 REGULATED WORK: Construction Work other than Construction Work which is (i) done, (or proposed to be done), inside a Home and is not (or will not be) visible from outside the Home, (ii) done (or proposed to be done) by Declarant or Developer in the course of exercising Developer Rights hereunder or (iii) done (or proposed to be done) by a Special Development Rights Holder in the course of exercising Special Development Rights hereunder.

1.36 RESIDENT: An individual who resides in a Home.

1.37 ROAD EASEMENT AREA: Those portions of the Development Area which are delineated and designated as "Ingress and Egress Easement Area" on each Subdivision Plat.

1.38 SIDEWALK STRIPS: Those portions of the Development Area as delineated and depicted as outlot "O" on the Subdivision Plats.

1.39 SPECIAL DEVELOPMENT RIGHTS: Any one or more of the following rights which may be granted by Developer to a Special Development Rights Holder with respect to a Special Development Rights Area, pursuant to Article Fifteen hereof:

(a) The right to perform Construction Work and to temporarily store construction equipment and material on such Special Development Rights Area;

(b) The right to construct and maintain model homes, temporary sales or leasing offices, temporary parking areas, signs, lighting, banners and other promotional materials and facilities on such Special Development Rights Area; and

(c) The right to use the Community Roads and Community Area for the purpose of showing the Development to prospective purchasers of Homesites within such Special Development Rights Area.

1.40 SPECIAL DEVELOPMENT RIGHTS AREA: A portion of the Development Area consisting of twenty (20) or more contiguous Homesites and which is subject to Special Development Rights granted by Developer to a Special Development Rights Holder.

1.41 SPECIAL DEVELOPMENT RIGHTS HOLDER: A Person which acquires title to a Special Rights Development Area and to which Developer grants Special Development Rights with respect to such Special Rights Development Area.

1.42 STANDARDS: As defined in Section 9.03.

1.43 SUBDIVISION PLAT. Any one of the five plats of subdivision which are intended to subdivide a portion of the Development Area and which have been submitted to the Village and approved as part of the Development Plan, as amended before or after being Recorded, but no such amendment may occur without the prior written consent of the Village.

1.44 TURNOVER DATE: The date on which the rights of the Developer to designate the members of the Board are terminated under Section 11.05.

1.45 UNPLATTED AREA: Those portions of the Development Area which from time to time have not been made subject to a Recorded Subdivision Plat.

1.46 UNPLATTED AREA OWNER: A Record owner, whether one or more persons, of fee simple title to a portion of the Unplatted Area, including a contract seller, but excluding those having such an interest merely as security for the performance of an obligation.

1.47 UNPLATTED HOMESITE: A buildable lot located in the Unplatted Area as depicted on a Subdivision Plat not yet Recorded. Upon the Recording of a Subdivision Plat, the buildable lots thereon shall become Homesites.

1.48 VILLAGE: The Village of Riverwoods, Lake County, Illinois, its successors and assigns including, without limitation, any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Village as of the Recording of this Declaration.

1.49 VILLAGE HOMESITE: A Homesite which is designated on a Recorded Subdivision Plat as a "Village Lot".

1.50 VOTING MEMBER: The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Five.

ARTICLE TWO
Scope of Declaration/Certain Property Rights

2.01 **PROPERTY SUBJECT TO DECLARATION:** Declarant, as the title holder of fee simple title to the Development Area, expressly intends to, and by Recording this Declaration does hereby, subject the Development Area to the provisions of this Declaration. Declarant and/or Developer shall have the right from time to time with the consent of the Village, to amend Exhibit A to add real estate which is adjacent to the Development Area to Exhibit A.

2.02 **CONVEYANCES SUBJECT TO DECLARATION:** All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration 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 at any time any interest or estate in any part of the Development Area, regardless of whether or not the instrument which evidences or creates such interest or estate specifically refers to this Declaration.

2.03 **DURATION:** Except as otherwise specifically provided herein the covenants, conditions, restrictions, easements, reservations, liens, and charges, which are granted, created, reserved or declared by 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 (i) Owners who in the aggregate own at least a majority of the total number of Homesites and Unplatted Homesites (an Unplatted Area Owner shall be deemed to own the number of Unplatted Homesites located in the Unplatted Area owned by such Owner) and (ii) the Village.

2.04 **EASEMENT FOR ENCROACHMENT:** In the event that, by reason of the construction, repair, reconstruction, settlement, shifting or incorrect conveyances of a Homesite, any facilities serving any such Homesite, or any improvements to the Community Area, shall encroach upon any part of any Homesite or the Community Area, then, in any case, there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that in no event shall an easement for any encroachment be created in favor of any Homesite Owner if (i) such encroachment harms or interferes with the preservation, care and maintenance of the landscaping on the Homesite or Community Area provided for under Section 3.04 hereof or (ii) such encroachment occurred due to the intentional, willful, or negligent conduct of such Homesite Owner or his

agent. The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

2.05 ACCESS EASEMENTS:

(a) Homesite Owner. Each Homesite Owner shall have a non-exclusive perpetual easement for ingress to and egress from his Homesite to public streets and roads over and across the Community Roads, which easement shall run with the land, be appurtenant to and pass with the title to every Homesite. Such easement rights shall extend to and authorize utilization of such easement for ingress and egress purposes by any duly authorized occupants of each Homesite Owner's Home and by guests, agents, invitees and licensees of such occupants and of each Homesite Owner.

(b) Unplatted Area Owner. Each Unplatted Area Owner shall have a non-exclusive perpetual easement for ingress to and egress from the Unplatted Area owned by such Owner to public streets and roads over and across the Community Roads. Such easement rights shall extend to and authorize utilization of such easement for ingress and egress purposes by guests, agents, invitees and licensees of each Unplatted Area Owner.

(c) The Village. Without limiting any rights granted under any Subdivision Plats and in addition to any such rights, the Village and other governmental authorities having jurisdiction over all or a portion of the Development Area, their police, fire, ambulance, water, health, snow removal, waste removal and other authorized officials, employees, agents, contractors and vehicles are hereby granted non-exclusive, perpetual easements of access over, across and through the Development Area to furnish municipal, governmental or emergency services. The Village and its authorized officials, employees, agents and contractors are further granted a non-exclusive, perpetual easement for access over, across and through the Development Area (other than Homes) for the purpose of enforcing Village ordinances, rules and regulations and exercising the rights and powers granted to the Village under the Annexation Agreement, the Development Plan and this Declaration, including, but not limited to, the right to inspect, maintain, repair and reconstruct all landscaping on the Development Area and the stormwater management system including, without limitation, all detention areas, retention ponds and drainage systems serving the Development Area.

(d) The Association. The Association, its employees, agents and contractors, shall have a non-exclusive perpetual easement of access over, across and through the Development Area (other than Homes) for the purpose of furnishing any necessary maintenance, repairs or replacements or services required to be furnished hereunder or for the purpose of enforcing the Association's rights and powers hereunder. The Association shall have the right to store equipment on the Community Area, Road Easement Area and the Public Utility and Drainage Easement Area for the purposes stated above. Agents of the Association and members of the Board and the Architectural Review Committee shall have the right and power to come onto any Homesite as may be reasonably necessary to inspect any construction thereon.

(e) Village Residents. Each person residing in the Village shall have a non-exclusive perpetual easement to use and enjoy the Community Roads, subject to reasonable rules and regulations from time to time adopted by the Board, which rules and regulations shall uniformly apply to all permitted users thereof, including Residents.

(f) Restrictions on Access. Without the prior written consent of the Village, access to the Community Roads shall not be restricted by gates or guardhouses. No Owner shall grant any easement whatsoever with respect to any portion of the Development Area without the prior written consent of the Board and the Village.

2.06 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: Subject to the duties imposed on the Association with respect to landscaping under Section 3.04 hereof, the Association, with the prior written consent of the Village, shall have the right and authority from time to time to lease or grant easements (and cancel, alter or otherwise change such easements), licenses, or concessions with regard to any portions or all of the Community Area, the Community Roads and the areas established for Public Utility and Drainage Easements under any Subdivision Plat for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities and similar and related purposes. Any and all proceeds from any such leases, easements, licenses or concessions shall be used to pay the Community Expenses. Also, the Association shall have the right and power (but only with the consent of the Village) to dedicate any part or all of the Community Roads or detention areas or utility lines located on the Community Area or Public Utility and Drainage Easement Areas to the Village or (provided the Village consents) to any other governmental authority which has jurisdiction over the Development Area; provided, that no dedication shall become effective unless and until accepted by the entity to which the proposed dedication is made. Each Person, by acceptance of a deed, mortgage, trust

deed, other evidence of obligation, or other instrument relating to a Homesite or Unplatted Area, shall be deemed to grant an irrevocable power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements or make the dedications provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded. However, except as specifically provided in Section 2.05(e) hereof, nothing contained in this Declaration shall be construed or deemed to constitute a grant of any easement or right of way to the public of access onto or across any portion of the Community Area or Public Utility and Drainage Easement Areas.

2.07 OWNERSHIP: Whenever any portion of the Community Area is made subject to a Recorded Subdivision Plat, such portion shall be conveyed in fee simple to the Association. Each portion of the Community Area so conveyed to the Association shall be free and clear of any mortgage or trust deed or other liens.

2.08 NO DEDICATION TO PUBLIC USE: Except as specifically provided in Section 2.05(e) hereof, nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, easement, or right of way to the public, express or implied, of any part of the Development Area, or for any public use or purpose whatsoever.

2.09 HOMESITE CONVEYANCE: Any conveyance or transfer of ownership of a Homesite shall be of the entire Homesite; there shall be no conveyance or transfer of title to a portion of a Homesite and no subdivision or resubdivision of a Homesite or consolidation of adjacent Homesites, unless the consent of the Association and the Village is first obtained.

2.10 RESTRICTED LOTS: The lots numbered 127A, 128A and 242A (each, a "Restricted Lot") on the applicable Subdivision Plats constitute unbuildable companion lots to Homesites 127, 128 and 242, respectively, for which there are special requirements:

(a) Ownership, use and occupancy of lots 127 and 127A shall always be vested in one and the same Record Owner; ownership of lots 128 and 128A shall always be vested in one and the same Record Owner; ownership of lots 242 and 242A shall always be vested in one and the same Record Owner.

(b) The Owners of Homesites 127, 128 and 242 shall not convey title to or mortgage such lots without also conveying and mortgaging title to the companion Restricted Lot. Any conveyance or mortgage in contravention of this restriction shall be null and void.

(c) Each Restricted Lot is an unbuildable lot, and no Homes or other structures or improvements may be constructed in any portion of the Restricted Lot.

(d) A Restricted Lot shall not be considered a Homesite for purposes of participation or determining voting rights in the Association and shall not be separately assessed for Community Assessments or other assessments provided for under Article VI hereof.

2.11 ANNEXATION TO A PARK DISTRICT. The Owners shall not voluntarily seek to annex any portion of the Development Area to any park district prior to January 19, 1996, except with the prior written consent of the Village. After January 19, 1996, the Owners shall not voluntarily seek to annex any portion of the Development Area to any park district unless they shall have notified the Village of their intention to annex to a park district at least thirty (30) days prior to the effective date of the proposed annexation.

ARTICLE THREE

Use and Maintenance of the Community Area, Homesites and Conservancy Area

3.01 IN GENERAL: The provisions of this Article shall not be construed so as to impair the rights of the Declarant, Developer and Special Developer Rights Holders set forth in Articles Eleven and Fifteen.

3.02 RIGHT OF ENJOYMENT: Each Homesite Owner and each Unplatted Area Owner shall have the non-exclusive right and easement to use and enjoy the Community Area. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Homesite and every portion of the Unplatted Area, subject to and governed by the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Board. Such easement rights shall extend to and authorize utilization of such easement for ingress and egress purposes by any duly authorized occupants of each Homesite Owner's Home and by guests, agents, invitees and licensees of such occupants and of each Homesite Owner and Unplatted Area Owner.

3.03 DELEGATION OF USE: Subject to the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association, any Homesite Owner may delegate his right to use and enjoy the Community Area to Residents of his Homesite. A Homesite Owner shall delegate such rights to tenants and contract purchasers of the Homesite who are Residents.

3.04 LANDSCAPING CARE AND MAINTENANCE:

(a) Landscape Plan and Requirements. The Development Plan includes a comprehensive landscape plan (the "Master Landscape Plan") for the Development Area which details the location, species, size, diameter and other requirements for the trees, shrubs, flowers, grass and other landscaping on the Development Area (the "Landscape Requirements"). The Master Landscape Plan was designed to the highest standards by the Developer to conserve and enhance native trees and plants and other compatible vegetative cover, especially existing woodlands on the Development Area, so that the Development when constructed and in the future would harmonize with the semi-rural, natural, wooded environment of the surrounding parts of the Village. All trees, plants and other vegetative cover on the Development Area preserved or installed during the original construction of the Development and all maintenance and, if necessary, replacement thereof and approved additions thereto (the "Landscaping"), are required to be of the highest type and quality. The Association may change the Landscape Requirements but only after obtaining the prior written consent of the Village.

(b) Duties of the Developer and Special Developer Rights Holders. At all times while Construction Work is undertaken on any portion of the Development Area by the Developer or any Special Developer Rights Holder, the Developer and such Special Developer Rights Holder shall strive to protect the Landscaping against any harm or damage which may result from such Construction Work, and no Construction Work shall be performed if such activity would impair or harm the care, growth or preservation of the Landscaping in the Development, unless appropriate safeguards are provided to protect the Landscaping. If the Developer or any Special Developer Rights Holder determine that certain Construction Work will unavoidably cause damage to the Landscaping, it shall notify the Village of the expected damage, the reason for such damage and the proposed restoration for such damage. In such event, the Construction Work shall not proceed unless the Village consents to such damage and the proposed mitigation and restoration. Such consent may be conditioned on the posting of security acceptable to the Village to ensure completion of the proposed mitigation and restoration.

(c) Duties of the Association. The Association shall furnish all necessary planting, replanting, care, protection and maintenance of the Landscaping on the Community Area, the Sidewalk Strips, the Community Roads and any landscaped cul-de-sacs or islands located within Community Roads in strict conformance with the Landscape Requirements. The Association shall strive at all times to protect such Landscaping against any harm or damage thereto, including, but not limited to, that which may result from any construction, repair, maintenance, snow removal or other activities undertaken in connection with the

administration, operation, preservation, maintenance, repair or replacement of any portion of the Development Area, and no such activity requiring approval of the Association (or undertaken by the Association itself) shall be permitted by the Association if such activity would impair or harm the care, growth or preservation of the Landscaping in the Development, unless appropriate safeguards are provided to protect the Landscaping. If the Association determines that certain construction, repair, maintenance or other activities will unavoidably cause damage to the Landscaping, it shall notify the Village of the expected damage, the reason for such damage and the proposed restoration for such damage. In such event, such work shall not proceed unless the Village consents to such damage and the proposed mitigation and restoration.

(d) Duties of Owners of Cottage Homesites and Village Homesites. The Master Landscape Plan establishes Landscape Requirements applicable to each and every Cottage Homesite and Village Homesite. The Landscaping required on a particular Homesite as provided for in the Master Landscape Plan is herein called the "Required Landscaping". Each Owner of a Cottage Homesite or Village Homesite by acceptance of a deed or other form of conveyance therefor (whether or not it shall have been so expressed in any such deed or other form of conveyance) shall be and is deemed to covenant and hereby agrees to be bound by the Landscape Requirements governing his Cottage Homesite or Village Homesite and further agrees to furnish all necessary planting, replanting, care and maintenance of the Required Landscaping on his Homesite in strict conformance with the Landscape Requirements governing his Homesite. The Owner of a Cottage Homesite or Village Homesite shall have the right to install additional landscaping on such Homesite with the consent of the Architectural Review Committee, provided such additional landscaping will not impair or harm or interfere with the care, growth and preservation of the landscaping in the Development, including, but not limited to, any Required Landscaping on his Homesite. The Architectural Review Committee shall establish such procedures as are reasonably necessary to properly review any proposed additional landscaping and shall reject such proposed landscaping if it fails to satisfy the conditions herein specified or any additional conditions as may be imposed by the Architectural Review Committee.

(e) Duties of Owners of Estate Homesites. The Master Landscape Plan establishes minimum Landscape Requirements applicable to each and every Estate Homesite. In addition, each Owner of an Estate Homesite acknowledges that no building permit will be issued by the Village for the construction of a Home on his Estate Homesite, unless and until all requirements for the issuance thereof have been met including, but not limited to, the submission by such Owner to the Village of a landscape and site development plan and such plan has been approved by the Village.

The landscape and site development plan for each Estate Homesite, in addition to satisfying other applicable Village ordinances, shall include a landscape plan which substantially supplements the minimum Landscape Requirements governing such Homesite and is otherwise in conformance with the Master Landscape Plan. The landscape plan for the Estate Homesite shall take into account and be in keeping with the standards upon which the Master Landscape Plan is based and the size and design of Home proposed to be located on the Estate Homesite. Upon approval by the Village of the landscape and site development plan for a particular Estate Homesite, the landscaping details of such plan, together with the Landscape Requirements set forth in the Master Landscaping Plan for such Estate Homesite, shall constitute the "Required Landscaping" for such Estate Homesite. Each Owner of an Estate Homesite by acceptance of a deed or other form of conveyance therefor (whether or not it shall have been so expressed in any such deed or other form of conveyance) shall be and is deemed to covenant and hereby agrees to be bound by the Required Landscaping governing his Estate Homesite. Each Owner of an Estate Homesite shall furnish all necessary planting, replanting, care, protection and maintenance of the Required Landscaping on his Homesite. The Owner of an Estate Homesite shall have the right to install additional landscaping on such Homesite with the consent of the Architectural Review Committee, provided such additional landscaping will not impair or harm the care, growth and preservation of the Required Landscaping in the Development, including, but not limited to, the landscaping installed pursuant to the Required Landscaping governing his Homesite. The Architectural Review Committee shall establish such procedures as are reasonably necessary to properly review any proposed additional landscaping and shall reject such proposed landscaping if it fails to satisfy the conditions herein specified or any additional conditions as may be imposed by the Architectural Review Committee.

(f) Conservancy Areas. Any portion of a Homesite which is within the Conservancy Area shall be left in its natural condition and no construction shall be performed therein or improvements constructed thereon (other than the care and maintenance of Required Landscaping as required hereunder) without the express written consent of the Village.

(g) Implementation of Master Landscape Plan. The full implementation of the Master Landscape Plan may, with the consent of the Village, be delayed and modified by the Association with respect to certain Homesites, if construction of Homes on such Homesites is indefinitely suspended due to market or other conditions beyond the reasonable control of the Developer or Special Development Rights Holders; provided, however, the Master Landscape Plan as to all Required Landscaping must be fully implemented within three (3) years after the date of this Declaration, or sooner as to specific landscaping as required by

any Village permit, the Annexation Agreement or the Development Plan.

(h) Detailed Standards for Landscaping Care and Maintenance. On March 1, 1996 the Association shall promulgate, and at least as often as every two years thereafter, the Association shall revise, if necessary, and then adopt landscape maintenance standards governing the landscape maintenance responsibilities of the Association and the Owners ("Landscape Maintenance Standards"). Such Landscape Maintenance Standards shall provide the detailed specifications and requirements for added planting, replanting, care, protection and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Development Area and shall be consistent with the Master Landscape Plan. With respect to the maintenance of trees, such Landscape Maintenance Standards shall meet or exceed the standards promulgated from time to time by the National Arborist Association (or other nationally recognized standards acceptable to the Village). With respect to the quality of plant materials selected for added plantings and the replacement of damaged plant material, such Landscape Maintenance Standards shall meet or exceed the guidelines established from time to time by the American Association of Nurserymen (or other nationally recognized guidelines acceptable to the Village) for highest quality plants. In all other respects, the elements of the Landscaping which are installed, preserved, added to and replaced shall be of the highest caliber and quality. The Association shall cause the Landscape Maintenance Standards to be prepared and delivered to the Village at least sixty (60) days prior to the required adoption date by the Association. The Village shall have the right (but shall not be obligated) from time to time to approve the Landscape Maintenance Standards established by the Association and to require the Association to revise the Landscape Maintenance Standards in a manner deemed by the Village to be consistent with the Master Landscape Plan, and the Association shall comply with such modified Landscape Maintenance Standards and require the Owners to comply therewith. The Association shall retain a qualified landscape contractor or architect to prepare the Landscape Maintenance Standards and to perform the maintenance responsibilities of the Association.

(i) Special Circumstances. The duty to restore elements of landscaping required by the Master Landscape Plan with trees and vegetation of similar growth and maturity shall, with respect to old growth trees and vegetation lost solely due to disease, fire, lightning or other natural occurrence, not be construed to require an Owner or the Association to restore such old growth trees and vegetation where such replacement, as determined by the Village, either would not be possible employing sound horticultural practices and/or would require the affected Owner or Association to bear an unreasonable cost; and, in such case, a reasonable replacement approved by the Village shall nonetheless

be provided for such mature tree or vegetation lost due to such disease, fire, lightning or other natural occurrence.

(j) Sidewalk Strips. In accordance with the Annexation Agreement, the Village is to hold fee simple title to the Sidewalk Strips, but the Association shall provide all necessary planting, replanting, care, protection and maintenance, of the landscaping on the Sidewalk Strips in accordance with the Landscape Maintenance Standards adopted by the Association. If, however, the Village shall construct sidewalks or other improvements on the Sidewalk Strips, the Association shall not be responsible for maintaining such sidewalks or other improvements.

3.05 MAINTENANCE, REPAIR AND REPLACEMENT OF THE COMMUNITY AREA AND COMMUNITY ROADS: Maintenance, repairs and replacements of the Community Area, Community Roads and islands and cul-de-sacs located within Community Roads shall be furnished exclusively by the Association as a Community Expense, and shall include, without limitation, the following:

(a) All necessary maintenance (including cleaning and snow removal) repair, replacement and resurfacing of the Community Roads, all curb and gutter replacement and all sidewalk replacement (all of the foregoing to be performed in accordance with the Standard Specifications for Road and Bridge Construction in Illinois, latest edition, or, if such specifications are no longer available, such other specifications from time to time approved by the Village);

(b) All necessary maintenance, repair and replacement of the stormwater management system, including, but not limited to, the detention areas and aerators, pumps, piping, sewers, inlets, manholes and outlet structures and other improvements and equipment related thereto, weed control and the prevention of erosion and sedimentation in and around the detention areas in accordance with an erosion plan approved by the Village, as amended or modified from time to time with Village approval; and

(c) Maintenance, repair and replacement of the Landscaping on the Community Area and the islands and cul-de-sacs in the Community Roads in accordance with the requirements of Section 3.04(c) hereof.

In the event that the Community Roads or any of the improvements to the Community Area are damaged and such damage is covered by insurance carried by the Association under Section 4.01(a), then unless a resolution to the contrary is adopted by the affirmative vote of at least two-thirds of the Voting Members and approved by the Village, the damaged improvements shall be repaired, replaced or reconstructed and the insurance proceeds shall be used first to pay the cost thereof, and any insurance proceeds remaining

after such work is completed shall be used to pay the Community Expenses.

3.06 DAMAGE BY RESIDENT: If, due to the act or omission of an Owner, a Resident of a Home, or of a household pet or guest or other authorized occupant or invitee of an Owner, damage shall be caused to the Community Area or Community Roads and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Community Expense, then the Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance carried by the Association.

3.07 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMUNITY AREA, COMMUNITY ROADS, ROAD EASEMENT AREA OR PUBLIC UTILITY AND DRAINAGE EASEMENT AREA: The Association may make or cause to be made alterations, additions or improvements to the Community Area, the Community Roads, the Road Easement Areas or Public Utility and Drainage Easement Areas, but only after obtaining the prior consent of the Village. Any such alterations, additions or improvements proposed by an Owner shall require the prior consent of the Architectural Review Committee and the Village. Any alterations, additions or improvements shall be performed in strict compliance with the terms and provisions of any consent granted by the Architectural Review Committee and the Village. The Board may cause alterations, additions or improvements to be made to the Community Area or the Road Easement Areas, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05; except, that, any such alteration, addition or improvement which shall cost more than Two Hundred Dollars (\$200) multiplied by the Index Ratio (defined in Section 6.08), multiplied by the Dwelling Unit Number, shall be approved in advance at a special meeting of the Owners.

3.08 MAINTENANCE, REPAIR AND REPLACEMENT OF HOMES AND HOMESITE EXTERIORS:

(a) Except as otherwise specifically provided in Section 3.05 and elsewhere in this Declaration, each Homesite Owner shall be responsible for the maintenance, repair and replacement of his Home and Homesite Exterior, and shall at all times keep his Home and Homesite Exterior in good condition and repair and free of debris. With respect to a Homesite on which construction of a Home has not yet commenced, the Homesite Owner shall at all times maintain the Homesite in a neat and clean condition. The maintenance responsibilities hereunder shall be subject to reasonable rules and regulations adopted from time to time by the Board.

(b) If in the sole judgment of the Board (i) an Owner has failed to maintain his Home, and/or Homesite Exterior, in good

condition and repair or the appearance of portions of the Owner's Homesite is not of the character and quality of that of other Homes and Homesite Exteriors in the Development, or in compliance with the Development Plan or rules and regulations adopted by the Board from time to time or (ii) the Owner has altered or damaged the Conservancy Area which is part of his Homesite Exterior or has failed to keep the Homesite Exterior (including the Conservancy Area thereon) free of debris, then without limiting any rights or remedies available to the Board hereunder or at law, the Board shall have the right to enter upon the Homesite Exterior and perform any maintenance or repair work which it deems necessary or appropriate and the cost thereof shall be a Charge hereunder and shall be payable by the Owner to the Association upon demand. In the event that the Owner fails to make prompt payment of the Charge upon demand, the Charge shall be a continuing lien upon the Owner's Homesite until such time as payment is made in full.

(c) In order to obtain the benefits of economies of scale, the Association may obtain proposals from one or more snow removal and landscape contractors (each a "Contractor") under which each Contractor will offer to furnish snow removal and/or landscape maintenance in compliance with the Landscape Maintenance Standards set forth in Section 3.04(h) hereof ("Homesite Services") to Homesites for a fixed monthly amount per Homesite, which amount may vary from Homesite to Homesite. The Association may then make available to each Owner the option of obtaining Homesite Services for the Owner's Homesite from a Contractor on such terms and conditions as the Board deems to be appropriate and/or as may be set forth in the Contractor's proposal for a monthly charge equal to (i) the fixed monthly amount set forth with respect to the Homesite in the Contractor's proposal, plus (ii) a service charge by the Association for obtaining the proposal and acting as collection agent. Each Owner who desires to purchase Homesite Services from a Contractor shall so advise the Association by signing a proposal acceptance form and delivering it to the Association. The Association shall then forward the signed proposal acceptances to the Contractor and, thereupon, each Owner who signed an acceptance of a Contractor's proposal shall be deemed to have contracted directly with the Contractor for Homesite Services. The Association shall bill each Owner who purchases Homesite Services monthly for the services and the amount billed shall be a Charge hereunder. The Association shall not be liable to any Owner for any damage caused by any Contractor when furnishing Homesite Services or for any other claims which the Owner may have against the Contractor relating to the Homesite Services so furnished; it being understood that the role of the Association shall be limited to obtaining proposals from Contractors, advising the Owners of the availability of Homesite Services, collecting and delivering acceptances to Contractors and billing and collecting the monthly charge from each Owner who purchases Homesite Services (a part of

which Charge will be retained by the Association as compensation for the services which it has rendered under this Section).

3.09 INDUSTRY/SIGNS: Subject to the provisions of Section 3.11 below, no industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Development Area nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any part of the Development Area, except as permitted under rules and regulations adopted by the Board or as permitted under Articles Eleven and Fifteen.

3.10 UNSIGHTLY USES: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Development Area. The Development Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated from time to time by the Board.

3.11 RESIDENTIAL USE ONLY: Except as provided in Articles Eleven and Fifteen, each Home shall be used only as a residence; provided that no Homesite Owner shall be precluded, with respect to his Home, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein, (iii) handling his personal business or professional telephone calls or correspondence therefrom or (iv) engaging in any permitted home occupation under the Zoning Ordinance of the Village.

3.12 PARKING/GARAGES: No vehicle of any kind shall be repaired or restored upon any portion of the Development Area, except (i) repairs performed within enclosed garages or (ii) emergency repairs, but only to the extent necessary to enable movement of the vehicle to a proper repair facility. Parking of vehicles on the Development Area shall be subject to rules and regulations adopted by the Board, which rules and regulations may provide for the removal of any violating vehicles at the vehicle owner's expense or for fines for a violation of the rules and regulations. Without limiting the foregoing, (i) no cars, boats, mobile homes, trucks, recreational vehicles, snow mobiles, trailers, commercial vehicles or other vehicles shall be parked or stored on any portion of the Development Area (other than in a garage which is part of a Home) for more than twenty-four (24) hours at a time, (ii) during daylight hours parking shall be permitted only on one side of each Community Road, as designated by the Board from time to time, and (iii) there shall be no parking on any Community Road during non-daylight hours.

3.13 OBSTRUCTIONS: Except as permitted under Section 2.05(d) and Section 11.03 there shall be no obstruction of the Community Area, Road Easement Area or Public Utility and Drainage

Easement Area, and nothing shall be stored in such areas without the prior written consent of the Board.

3.14 PETS: No animal of any kind shall be raised, bred or kept in the Community Area. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in Homes or Homesites, which may include prohibiting certain species of pets from being kept on or in the Homes or Homesites and (b) use of the Community Area or Road Easement Areas by pets, including, without limitation, rules and regulations which require a Homesite Owner to clean up after his pet. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Development Area upon three (3) days written notice from the Board to the Homesite Owner of the Homesite containing such pet and the decision of the Board shall be final.

3.15 NO BOATS/NO SWIMMING: No boat or flotation device of any kind capable of carrying one or more persons shall be permitted on any detention area located on the Community Area, except for boats used by the Association or its agents to maintain or inspect the detention areas. There shall be no swimming in any detention area located on the Community Area.

3.16 FEEDING OF WILDLIFE ON COMMUNITY AREA: Except as specifically authorized by the Board, no feeding of wildlife of any kind including, without limitation, ducks, geese, swans, birds, or deer, shall be permitted on any portion of the Community Area.

3.17 PROSCRIBED ACTIVITIES: No noxious or offensive activity shall be carried on in the Development Area nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Residents.

3.18 WATER WELLS AND SEPTIC TANKS: No private water wells may be drilled or maintained and no septic tanks, "Wisconsin mounds" or similar sewerage facilities may be installed or maintained on any portion of the Development Area without the prior written consent of the Board and the Village.

3.19 LEASE OF HOME: Any Owner shall have the right to lease all (and not less than all) of the Home on his Homesite. No Home shall be leased for a term of less than six (6) months. Any lease shall be in writing and shall provide that the lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. The lessee of a Home shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration.

3.20 CERTAIN UTILITY COSTS: Certain utility charges incurred in connection with the use, operation and maintenance of the Community Area and the Community Roads may not be separately metered or billed to the Association. Without limiting the foregoing, the Association shall have the right to use water from taps or spigots which are attached to the Homes on the Development Area for the purpose of watering portions of the Community Area and other landscaped areas maintained by the Association. If the charges of such water or other utilities are metered to individual Homesites rather than being separately metered and billed to the Association, then the following shall apply:

(a) If in the opinion of the Board, each Homesite Owner is sharing in a fair and equitable manner the charges for such service, then no adjustment shall be made and each Homesite Owner shall pay his own bill; or

(b) If in the opinion of the Board, the Homesite Owner of a Homesite is being billed disproportionately for charges allocable to the Community Area or Community Roads, then the Association shall pay, or reimburse such Homesite Owner, an amount equal to the portion of the bill which in the reasonable determination of the Board is properly allocable to the Homesites and Community Area or Community Roads, and the amount thereof shall be Community Expenses hereunder.

Any determinations or allocations made hereby by the Board shall be final and binding on all parties.

3.21 STORM DRAINAGE FACILITIES: No stormwater management facilities located on or within a Homesite (including, without limitation, swales, culverts and drains) shall be altered, obstructed or interfered with in any way, nor shall the grade of the land in such areas be altered without the prior written approval of the Architectural Review Committee and the Village. The Owner of each Homesite shall at all times keep swales, culverts and drains on the Homesite free of debris or obstructions and the Association shall at all times keep swales, culverts and drains on the Community area and Community Roads free of debris or obstructions.

3.22 RULES AND REGULATIONS: The use and enjoyment of the Homesites, Homes, the Community Area and Community Roads shall at all times be subject to reasonable rules and regulations duly adopted by the Board. Without limiting the foregoing, the Board may promulgate from time to time rules and regulations that shall govern activities which may be, in the judgment of the Board, environmentally hazardous, including, without limitation, the application of fertilizers, pesticides and other chemicals. Copies of each rule or regulation and/or any amendment thereto shall be furnished by the Association to all Owners prior to the

effective date of the rule, regulation or amendment. All properly adopted rules and regulations shall be binding upon the Owners and Residents, their families, tenants, guests, invitees, servants, and agents.

ARTICLE FOUR
Insurance/Condemnation

4.01 ASSOCIATION INSURANCE:

(a) The Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements to the Community Area and the Community Roads, based on current replacement cost for the full insurable replacement value of such improvements.

(b) The Association shall 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 Association, its directors and officers, the Declarant, the Developer, the managing agent, if any, and (provided coverage is available at commercially reasonable cost) the Village, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with the Development Area and, to the extent available, insurance covering the directors, officers and members of the Architectural Review Committee from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. The Board may, in its discretion, obtain any other insurance which it deems advisable.

(c) Fidelity bonds indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling funds of the Association shall be obtained by the Association in such amounts as the Board shall deem desirable or as shall be required under applicable regulations of the Federal National Mortgage Association or any successor thereto.

(d) The premiums for any insurance obtained under this Section shall be Community Expenses.

4.02 HOMESITE INSURANCE:

(a) Each Owner of a Homesite shall be responsible for and shall procure fire and all risk coverage insurance upon such Owner's Home for not less than the full insurable replacement value thereof under a policy or policies of insurance with such company or companies, in such form and for such premiums and

periods, as the Owner may determine to be appropriate. Any such policy shall (to the extent possible) contain waivers of subrogation with respect to the Association and its directors, officers, employees and agents (including the managing agent), occupants of the Homesite, the Declarant and Developer or shall name such parties as additional insured parties, as their interests may appear. Each Homesite Owner shall also be responsible for his own insurance on the contents of his Home and furnishings and personal property located on his Homesite.

(b) Each Owner shall deliver to the Board a certificate of insurance certifying that a policy of insurance covering such Owner's Homesite, as required under this Section, is in effect, and that said policy shall not be cancelled or materially changed except upon ten (10) days prior written notice thereof to the Board. In the event an Owner fails to procure or keep in effect a policy of insurance, as required under this Section, and provide proof thereof to the Board, then the Board may on behalf of and as agent for such Owner procure such insurance on the Owner's Homesite with a company, in a form, for a premium and period as determined by the Board to be appropriate and the cost thereof shall be a Charge hereunder to the Owner.

(c) No Owner shall cause or permit anything to be done or kept on the Development Area which will result in the cancellation of insurance on such Owner's Homesite, any other Homesite, the Community Area or the Community Roads.

4.03 REBUILDING OF DAMAGED HOME:

(a) In the event of damage to or destruction of any Home by fire or other casualty for which the Owner is required to carry insurance hereunder, the Owner thereof shall, within a reasonable time after such damage or destruction, either raze the Home or rebuild the Home. If the Home is rebuilt, the procedures and standards set forth, or provided for, in Article Thirteen shall be followed. If the Home is razed, and is not rebuilt, then the foundation shall be removed and the Homesite shall be returned as nearly as possible to its condition before the Home was damaged, including, but not limited to, the restoration of all Required Landscaping.

(b) In the event that an Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in Subsection (a), to raze the Home or perform the necessary repair or rebuilding, then, the Board may secure the Home, and/or cause the Home to be razed or such repairs or rebuilding to be performed in the manner as provided in Subsection A, and the cost thereof shall be a Charge hereunder to such Owner as his personal obligation and until paid shall be a continuing lien on the Owner's Homesite, and against the proceeds payable under the Owner's insurance policy.

4.04 OWNER RESPONSIBILITY: Each Owner shall obtain his own personal liability insurance to the extent not covered by the liability insurance for all of the Owners obtained by the Association as provided in Section 4.01 above, and the Board shall have no obligation whatsoever to obtain any such individual insurance coverage on behalf of the Owners.

4.05 WAIVER OF SUBROGATION: The Association and each Owner hereby waives and releases any and all claims which it or he may have against any Owner, including relatives of an Owner, the Association, its directors and officers, Declarant, Developer, the Declarant's beneficiary, the managing agent, if any, and their respective employees and agents, for damage to the Homesites, the Community Area, the Community Roads or the Unplatted Area or to any personal property located in the Homesites, the Community Area or the Unplatted Area caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all policies secured by the Board under Sections 4.01 A and B shall contain waivers of the insurer's rights to subrogation against any Owner, relatives of an Owner, the Association, its directors and officers, the Declarant, the Declarant's beneficiary, Developer, the managing agent, if any, and their respective employees and agents.

4.06 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area owned by the Association, the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Capital Reserve being held for such part of the Community Area less any costs of restoration, shall, in the discretion of the Board, either (i) be applied to pay the Community Expenses, (ii) be distributed to the Owners and their respective First Mortgagees, as their interests may appear, in equal shares, or (iii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Community Area under this Declaration. Any acquisition by the Association pursuant to this Section of real estate which shall become Community Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the President of the Association and Recorded.

ARTICLE FIVE
The Association

5.01 IN GENERAL: The Association has been or will be incorporated as a not-for-profit corporation under Illinois law. The Association shall be the governing body for all of the Owners for the administration and maintenance of the Community Area and

Community Roads and architectural and site control of the Development Area. It is specifically intended that the Association shall not be a common interest community association, and the Development shall not be a common interest community under the Illinois Condominium Property Act or under the provisions of 735 ILCS 5/9-101 et. seq. (relating to forcible entry and detainer).

5.02 MEMBERSHIP: Each Homesite Owner and Unplatted Area Owner shall be a member of the Association. There shall be one membership per Homesite and one membership per Unplatted Homesite. Each Unplatted Area Owner shall be deemed to own that number of Unplatted Homesites shown in the Development Plan within the Unplatted Area owned by such Owner. Membership shall be appurtenant to and may not be separated from ownership of a Homesite or Unplatted Homesite. Ownership of a Homesite or Unplatted Homesite shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Homesite or Unplatted Homesite within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 11.05, voting rights of the members of the Association shall be vested exclusively in the Voting Members. One individual shall be designated as the "Voting Member" for each Homesite. One individual shall be designated as the "Voting Member" for each Unplatted Homesite. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Homesite or Unplatted Homesite shall be in more than one Person, or if a Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Homesite or Unplatted Homesite shall be designated by the Homesite Owner(s) or Unplatted Homesite Owner(s) in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Homesite or Unplatted Homesite as the Voting Member for such Homesite or Unplatted Homesite.

5.04 BOARD: Subject to the rights retained by the Developer under Section 11.05, the Board shall consist of that number of members determined in accordance with the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: All of the voting rights at any meeting of the Association shall be vested in the Voting Members and each Voting Member shall have one vote for each Homesite or Unplatted Homesite which the Voting Member represents; provided, that, prior to the Turnover Date all voting rights in the Association shall be vested in the Developer and the Voting Members shall have no voting rights. From and after the Turnover Date any action may be taken by the Voting Members at any meeting

at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws. The Association shall at all times keep the Village supplied with a current copy of the By-Laws.

5.06 DIRECTOR, OFFICER AND ARCHITECTURAL REVIEW COMMITTEE LIABILITY: None of the directors or officers of the Association or any members of the Architectural Review Committee shall be personally liable to the Owners or the Association for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, officers or members of the Architectural Review Committee except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless the Declarant, Developer and each of the directors, officers, members of the Architectural Review Committee and the heirs, executors or administrators of such individual, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors, officers or any members of the Architectural Review Committee on behalf of the Owners or the Association or arising out of their status as a director, officer or member of the Architectural Review Committee unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, or administrative, in which any such director, officer or member of the Architectural Review Committee may be involved by virtue of such individual being or having been such director, officer or member of the Architectural Review Committee; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director, officer or member of the Architectural Review Committee, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director, officer or member of the Architectural Review Committee.

5.07 MANAGING AGENT: The Association may employ a managing agent to assist the Board in administering the affairs of the Association. Any management agreement entered into by the Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable without cause or

payment of a termination fee by either party on ninety (90) days written notice. Prior to the Turnover Date, the Association may enter into a management agreement with the Developer or an affiliate of the Developer.

5.08 NOTICES: 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 when (i) mailed, postage prepaid, to his or its last known address as it appears on the records of the Association at the time of such mailing or (ii) when delivered personally to his Home.

5.09 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Association without first holding a special meeting of the members and obtaining thereat the affirmative vote of Voting Members holding more than seventy-five percent (75%) of the total votes to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges) or (b) counterclaims or crossclaims brought by the Association in proceedings instituted against it.

ARTICLE SIX Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively for the purposes of promoting the health, safety, and welfare of members of the Association and performing the obligations of the Association hereunder, to administer the affairs of the Association, to pay the Community Expenses, and to accumulate reserves for any such expenses.

6.02 COMMUNITY 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 Community Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Community Expenses including, without limitation, amounts to maintain the Capital Reserve;
- (c) The estimated net available cash receipts from the operation and use of the Community Area, plus estimated receipts from the review fees charged by the Architectural Review Committee, plus estimated excess funds, if any, from the current year's assessments;

(d) The amount of the "Community Assessment" payable by the Owners, which is hereby defined as the amount determined in (1) above, plus the amount determined in (2) above, minus the amount determined in (3) above;

(e) The amount of the "Monthly Assessment", which shall be an amount equal to one-twelfth of the Community Assessment divided by the Dwelling Unit Number;

Each Owner shall pay the Monthly Assessment for each Homesite or Unplatted Homesite owned by such Owner. Each Unplatted Area Owner shall be deemed to own the number of Unplatted Homesites located in the Unplatted Area owned by such Owner. Anything in this Section to the contrary notwithstanding, during the Initial Development Period the assessment procedure set forth in Section 6.08 shall apply, and the budget provided for in Section 6.02 need not disclose the information called for in Subsection (e) above, although the budget shall disclose the portion of each Owner's share of the Community Assessment which shall be added to the Capital Reserve.

6.03 PAYMENT OF COMMUNITY ASSESSMENT: On or before the 1st day of January of the ensuing calendar year, and on or before the 1st day of each and every month thereafter until the effective date of the next annual or revised Community Assessment, each Owner shall pay to the Association, or as the Board may direct, that portion of the Community Assessment which is payable by each Owner under Section 6.02 or 6.08, as applicable.

6.04 REVISED ASSESSMENT: If after the Turnover Date the Community Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Board may increase or decrease the assessment payable under Section 6.02 hereof by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

6.05 SPECIAL ASSESSMENT: After the Turnover Date, the Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, or any other property owned or maintained by the Association or (ii) to cover an unanticipated deficit under the prior year's budget for periods after the Initial Development Period. Any special assessment shall be levied against all of the Owners in equal shares for each Homesite and each Unplatted Homesite (each Unplatted Area Owner shall be deemed to own the number of Unplatted Homesites located in the Unplatted Area owned by such Owner). No special

assessment shall be adopted without the affirmative vote of at least two-thirds (2/3) of the Voting Members who cast their votes on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.06 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Community Area, Community Roads, islands and cul-de-sacs located in Community Roads and other property owned or maintained by the Association (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to such property and periodic projections of the cost of anticipated major repairs or replacements to such property (including, but not limited to, the replacement of Landscaping), and the purchase of other property to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the Community Assessment which shall be added to the Capital Reserve and each Owner shall be deemed to make a capital contribution to the Association equal to such percentages multiplied by each installment of the Community Assessment paid by such Owner.

6.07 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the first sale of a Homesite or Unplatted Homesite by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to three (3) months' Community Assessment at the rate in effect with respect to the Homesite or Unplatted Homesite as of the closing, to be held and used by the Association for its working capital needs and the sum of Three Hundred Dollars (\$300.00), to be added to the Association's Capital Reserve.

6.08 ASSESSMENTS DURING INITIAL DEVELOPMENT PERIOD: Anything herein to the contrary notwithstanding, from the date of the Recording hereof until the Turnover Date (the "Initial Development Period"), the assessment procedure set forth in this Section shall apply.

(a) The Index: For purposes hereof: (i) The "Index" shall be the level of the most recently published Consumer Price Index - Urban Consumers - All Items - United States City Average (1982-84 = 100) as published from time to time by the U.S. Bureau of Labor Statistics or if the Index shall cease being published, such other index or standard

designated by the Declarant, in its discretion, as shall most nearly approximate the measurements theretofore made by the Index shall be used as the Index hereunder and the Index Base Level (hereinafter defined) shall be adjusted accordingly; (ii) the "Index Base Level" shall be 147; and (iii) the "Index Ratio" shall be a fraction, the numerator of which shall be the most recently published level of the Index and the denominator of which shall be the Index Base Level.

(b) Owner's Obligation: Each month during the Initial Development Period each Owner (other than the Declarant or Developer) shall pay as his monthly Community Assessment with respect to each Homesite or Unplatted Homesite owned by the Owner, the amount designated from time to time by the Board, which amount shall not be greater than One Hundred Eighty Dollars (\$180.00) multiplied by the Index Ratio. Out of each such payment, the Association shall contribute to the Capital Reserve that portion of the payment which is designated in the budget as a capital contribution under Section 6.06 hereof. The balance of each such payment shall be used by the Association to pay the Community Expenses.

(c) Declarant's and Developer's Obligation: During the Initial Development Period neither the Declarant nor Developer shall be obligated to pay any amounts to the Association as a Community Assessment except as provided in this Subsection. The Declarant shall pay to the Association the aggregate excess, if any, of the Community Expenses incurred and paid during the Initial Development Period over the aggregate amounts assessed to the Owners (other than Declarant or Developer) for use by the Association for the payment of Community Expenses under Subsection (b) above during the Initial Development Period. The Declarant shall make such payments to the Association as needed during such period (but at least quarter-annually) and a final accounting shall be made between Declarant and the Association within 120 days after the end of the Initial Development Period. The Declarant shall not be responsible for the payment of any amounts to the Capital Reserve during the Initial Development Period, except, with respect to any amounts collected from Owners (other than the Developer) pursuant to Section 6.07 hereof, to remit such amounts to the Association. If the Declarant fails to pay any amount due under this subsection (c) and such failure continues after thirty (30) days written notice thereof from the Association, the Association may impose a lien against Homesites and Unplatted Area (other than Community Area) then owned by Declarant which shall become effective upon the Recording of notice thereof against such real estate, but such lien shall be subordinate to the lien of any mortgage or trust deed thereon.

6.09 PAYMENT OF ASSESSMENTS: Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Homesite or Unplatted Area owned by such Owner and also shall be a personal obligation of the Owner in favor of the Association, all as more fully set forth in Article Seven. Upon ten (10) days' prior written request of any Owner, the Association shall prepare and deliver a written statement with respect to all Assessments and Charges then outstanding and due and payable by such Owner.

ARTICLE SEVEN
Collection of Charges

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: Each Owner of a Homesite or Unplatted Area by acceptance of a deed or other form of conveyance therefor (whether or not it shall be so expressed in any such deed or other form of conveyance) shall be and is deemed to covenant and hereby agrees to pay to the Association all Charges made with respect to the Owner on the Owner's Homesite or Unplatted Area. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Homesite or Unplatted Area against which such Charge is made and also shall be the personal obligation of the Owner at the time when the Charge becomes due. The lien and/or personal obligation created under this Section shall be in favor of and shall be enforceable by the Association.

7.02 COLLECTION OF CHARGES: The Association shall collect from each Owner all Charges payable by such Owner under this Declaration.

7.03 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum from the due date to the date when paid. The Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. In addition or in the alternative, the Board may add a reasonable late fee to any installment of an assessment which is not paid within thirty (30) days of its due date. It is hereby agreed that a fee of Twenty-Five Dollars (\$25.00) per month, multiplied by the Index Ratio (defined in Section 6.08(a)), shall be a reasonable late fee. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Community Area or by abandonment or transfer of his Homesite or Unplatted Area.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges provided for in Section 7.01, shall be subordinate to the First Mortgage on the Homesite or Unplatted Area which was Recorded prior to the date that any such Charge became due. Subject to the foregoing and except as hereinafter provided, the lien for Charges provided for in Section 7.01, shall not be affected by any sale or transfer of a Homesite or Unplatted Area. Where title to a Homesite or Unplatted Area is transferred pursuant to a decree of foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure of the First Mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Homesite or Unplatted Area shall be personally liable for his share of the Charges with respect to which a lien against his Homesite or Unplatted Area has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Community Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Homesite or Unplatted Area, as provided in this Article.

ARTICLE EIGHT

Remedies of Association or Homesite Owners for Breach or Violation Hereof

8.01 SELF-HELP BY BOARD: Subject to the provisions of Section 8.03, in the event of a violation or breach by an Owner of the provisions, covenants or restrictions of this Declaration, the By-Laws, the rules or regulations of the Board, or the Standards contained in this Declaration or adopted from time to time by the Architectural Review Committee, where such violation or breach may be cured or abated by affirmative action, then the Board, upon not less than ten (10) days' prior written notice to the Owner, shall have the right to enter upon that part of the Development Area where the violation or breach exists to remove or rectify the violation or breach; provided, that if the violation or breach exists within a Homesite, judicial proceedings must be instituted before any items of construction can be altered or demolished.

8.02 OTHER REMEDIES OF THE BOARD: In addition to, or in conjunction with, the remedies set forth above or elsewhere in this Declaration, in the event of a violation by an Owner of this Declaration, the By-Laws, the rules and regulations of the Board, or the Standards contained in this Declaration or adopted from time to time by the Architectural Review Committee, the Board may levy fines or the Board or its agents shall have the right to bring an action at law or in equity against the Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Homesite or Unplatted Area owned by such Owner, (ii) for damages, injunctive relief, or specific

performance, (iii) for a judgment for the payment of money and the collection thereof, (iv) for any combination of the remedies set forth in this Article and (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws, rules and regulations of the Board or the Standards contained herein or adopted from time to time by the Architectural Review Committee shall in no event be deemed a waiver of the right to do so thereafter.

8.03 DUE PROCESS: Prior to the imposition of any fine and concurrently with the sending of the initial notices described in Section 8.01, the Board shall notify the Owner or Resident, as the case may be, in writing of the violation of the rule or regulation and the Board's proposed remedy. Such notice may be served by personal delivery to such Owner or Resident by depositing such notice in the regular mail box of the Home occupied by such Owner or Resident or by deposit in United States mail, registered or certified receipt requested, and shall be deemed received on the date delivered in person or on the date indicated upon the receipt. Any Owner or Resident who receives such notice may, within three (3) days after receipt of such notice, demand a hearing before the Board or its authorized committee. At such hearing a member of the Board shall present to the Owner or Resident the grounds for the notice and the Owner or Resident shall have an opportunity to challenge such grounds and to present any evidence on his behalf subject to such reasonable rules of procedure as may be established by the Board or its authorized committee, which rules shall adhere to the generally accepted standards of due process. If the Owner or Resident demands a hearing as herein provided, such hearing shall be held within four (4) days after the Board receives the demand and no action shall be taken by the Board until the hearing has been held and notice of the decision of the Board or its authorized committee and the terms thereof has been delivered to the Owner or Resident. The decision of the Board or its authorized committee shall be rendered within (3) days after the hearing and such decision shall be final and binding on the parties. The failure of an Owner or Resident to appear for the hearing shall not require the Board to cancel or postpone the hearing or hold an additional hearing, nor invalidate any decision taken by the Board at such hearing.

8.04 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with the enforcement of the provisions of this Declaration or any action, proceedings or self-help in connection with the exercise of its rights and remedies under this Article against a violating Owner, including, without limitation, court costs, reasonable attorneys' fees and all other

fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum until paid, shall be a Charge hereunder and the Association shall have a lien for all the same, upon the Owner's Homesite or Unplatted Area as provided in Section 7.01.

8.05 ENFORCEMENT BY OWNERS: Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages.

ARTICLE NINE
Architectural Control

9.01 ARCHITECTURAL REVIEW COMMITTEE: Subject to the rights retained by the Declarant and the Developer under Section 11.05, the Board shall appoint members of the Architectural Review Committee. After the Turnover Date, the Architectural Review Committee shall consist of five (5) members, each of whom shall be either a Homesite Owner or a Voting Member and at least three (3) of whom shall be members of the Board. The term of office for each member shall be as set forth in the By-Laws or as established by resolutions of the Board. Any member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The Architectural Review Committee shall have the right and power to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Architectural Review Committee in performing its functions. Any such fees shall be Community Expenses hereunder, but to the extent possible, shall be paid out of review fees collected under Section 9.06 hereof. The Board shall be authorized to pay any consulting professionals hired by the Architectural Review Committee fees in such amounts as the Board deems appropriate from time to time. The Architectural Review Committee shall be a committee of the Board with powers of the Board provided for in this Declaration, the By-Laws or as granted in resolutions of the Board.

9.02 BASIC RESTRICTIONS: All Construction Work shall be performed in accordance with the requirements of the Development Plan. Except as otherwise specifically provided herein, the following "Basic Restrictions" shall apply to all Construction Work:

(1) Antennae: No television antenna, satellite dish, radio receiver or transmitter or other similar device shall be attached to or installed on any portion of any Homesite

where such device is visible from outside the Home. Without limiting the foregoing, the provisions of this paragraph shall not apply to the Association with respect to the installation of equipment necessary for a master antenna system, cable television system or other similar systems within the Development Area, except that prior to permitting the installation of such systems within the Development Area, the Association shall obtain the consent of the Village.

(2) Service Yards: Each Owner of a Homesite shall use landscaping to provide a visually-screened area (according to the Landscape Requirements governing such Homesite) to serve as a service yard in which certain items including, without limitation, garbage receptacles, fuel tanks, wood piles, gas and electric meters, and air conditioning equipment shall be placed or stored.

(3) Structural Impairment: Nothing shall be done in, on or to any part of a Homesite which would impair the structural integrity of any structure or improvement located thereon.

(4) Fences: No fence shall be permitted on the Development Area. However, if construction of a pool on a Homesite is approved by the Architectural Review Committee and the Village, a fence around the perimeter of the pool shall be constructed to comply with applicable Village requirements, but any such fence must also comply with any applicable Standards.

(5) Window Treatment: No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purpose, nor shall any window-mounted heating or air conditioning units be permitted.

(6) Outbuildings: No outbuildings, trailers, sheds, detached garages or structures commonly known as "tree houses" shall be constructed in or on the Development Area; however, gazebos and screened porches may be constructed with the approval of the Architectural Review Committee and the Village.

(7) Mailboxes: Each mailbox installed on the Development Area shall be one of at least three (3) styles from time to time approved by the Architectural Review Committee and the Village.

(8) Front Yard and Driveway Lighting. No street lights shall be installed in Community Roads or Community Area, except of a number, design and type and at locations approved by the Village. No driveway, ornamental or other

lights of any kind whatsoever, whether or not mounted on poles, shall be installed in the front yard of any Homesite or at the entrance to the driveway serving a Homesite, except for (i) security and safety lights (which may be attached to a Home but shall not be mounted on poles) which illuminate driveway, walkway or entrance areas when triggered by movement, heat or remote command for periods of not more than five (5) minutes at a time, and (ii) low intensity driveway or walkway entrance lights installed no higher than 2 feet above ground level.

(9) Minimum Square Footage. Each Home on an Estate Homesite shall contain a minimum of 3200 square feet of finished liveable space. The minimum size of homes on Cottage Homesites shall be 1,650 square feet finished liveable space; the minimum size of homes on Village Homesites shall be 1,850 square feet finished liveable space. In each case, the square footage shall be determined exclusive of basements and garages.

(10) Anti-Monotony Standards.

(a) The same model Home, regardless of elevation, shall not be constructed directly adjacent to itself, whether or not separated by a street;

(b) The same color package shall not be used on directly adjacent Homes, whether or not separated by a street;

(c) Any two (2) Homes with identical elevation or color packages shall be separated by at least two (2) other Homes with different elevations and color patterns in any direction. Color packages shall be earth tones which harmonize with the surrounding countryside landscape of the Village; and

(d) There shall be at least three (3) models for Cottage Homesites and three (3) models for Village Homesites. There shall be a minimum of four (4) elevations per model. In any phase (as shown on the Development Plan), the same model and elevation shall not be combined in excess of the following ratios: one (1) model/elevation combination for every six (6) Cottage Homesites or one (1) model/elevation combination for every six (6) Village Homesites. Such ratios shall apply to an entire phase only and not to subdivided portions of a phase.

(11) Siding Materials. Exterior siding materials on Homes shall be brick, stone, dryvit, rough sawn cedar, or

similar materials. Vinyl and aluminum siding shall be prohibited.

(12) Garages and Basements. All Homes shall have two car garages (at a minimum) and basements.

9.03 STANDARDS: The Architectural Review Committee shall have the right and power to promulgate and amend from time to time written architectural standards, policies, procedures and guidelines (the "Standards"), the purpose of which shall be to govern all Regulated Work in order to maintain the appearance, quality of construction, landscaping and other features of the Development in strict compliance with the Development Plan. The Standards shall specify the contents of submissions of plans and specifications and other information required to obtain approval for proposed Regulated Work pursuant to this Article. Any Standards adopted by the Architectural Review Committee may differentiate and distinguish among and between Estate Homesites, Village Homesites and Cottage Homesites.

9.04 ARCHITECTURAL APPROVAL:

(a) No Regulated Work shall be commenced or maintained with respect to or affecting the exterior appearance of any Homesite, Home, Community Area or Community Roads, unless and until three (3) copies of the plans and specifications and related data, containing such information as may be required by the Standards ("Plans"), shall have been submitted to and approved, in writing, by the Architectural Review Committee. One copy of the Plans submitted shall be retained in the records of the Architectural Review Committee. Within three (3) business days after its decision, the Architectural Review Committee shall return one copy to the applicant marked "approved," "approved subject to conditions," or "disapproved" and an additional copy so marked to the Village. The Architectural Review Committee shall have the sole discretion to determine whether Plans submitted for approval are acceptable to it. The Architectural Review Committee's approval of Plans may be conditioned upon such reasonable restrictions and conditions as the Architectural Review Committee deems appropriate in its discretion, including, without limitation, a date by which the construction of the Home and/or installation of the proposed landscaping (or a phase or phases thereof) shall be completed. Upon approval of Plans, no further approval under this Article shall be required with respect thereto, unless work has not substantially commenced within six (6) months of the approval of the Plans or unless the Plans are materially altered or changed. Refusal of the Architectural Review Committee to approve Plans may be based on any ground which is consistent with the objects and purposes of this Declaration, including, but not limited to, purely aesthetic considerations or noncompliance with the Standards or the Basic Restrictions.

(b) None of the Declarant, Developer, the Association, Board members, or members of the Architectural Review Committee shall be responsible or liable for any defects in any Plans submitted, revised, or approved pursuant to the terms of this Article, any loss or damages to any person arising out of the approval or disapproval of any Plans, any loss or damage arising from the non-compliance of Plans with any governmental ordinances and regulations, or any defects in construction undertaken pursuant to the Plans.

(c) Notwithstanding the foregoing, a Homesite Owner may make interior improvements and alterations within his Home that do not affect the exterior appearance of the Home, without the necessity of review or approval by the Architectural Review Committee.

9.05 GOVERNMENTAL RESTRICTIONS: All Homesites, Homes and other improvements shall be developed, constructed and occupied in compliance with any and all applicable state, county and municipal zoning and building restrictions, any applicable regulations and restrictions of applicable governmental agencies, the Annexation Agreement, the Development Plan, the Basic Requirements and the Standards.

9.06 REVIEW FEE: The Architectural Review Committee shall have the right and power to charge a fee not in excess of an amount necessary to pay the costs of reviewing proposed Plans and monitoring construction, including, without limitation, the cost of hiring consultants, architects, engineers and/or attorneys to assist the Architectural Review Committee in performing its functions hereunder. If the Architectural Review Committee determines that the services of a special consultant or consultants are required to assist in the analysis of plans, the Architectural Review Committee may require the applicant to pay, in addition to the review fee provided for in the preceding sentence, the fees of any such consultant which are incurred in connection therewith.

9.07 CONSTRUCTION PERFORMANCE LIABILITY: Each Owner shall be responsible for the cost of (i) repairing any damage caused to any portion of the Development Area as a result of construction activities by the Owner or the Owner's contractors, employees or agents, including, without limitation, any and all construction material and debris left remaining on the Development Area upon completion of construction ("Construction Damage"), (ii) the correction of or removal of any work done by or on behalf of the Owner which is not in compliance with plans approved by the Architectural Review Committee ("Corrective Work") or (iii) completion of the Regulated Work, installation of landscaping or satisfaction of any other conditions and/or time limits imposed by the Architectural Review Committee ("Completion Obligations").

The Architectural Review Committee may adopt rules and regulations requiring Owners to post a deposit with the Architectural Review Committee in a reasonable amount determined by the Architectural Review Committee as security for payment for any Construction Damage, Corrective Work or failure to comply with Construction Obligations or Completion Obligations. The balance of the deposit, if any, shall be returned to the Owner upon completion of construction and all Completion Obligations at such time as the Architectural Review Committee determines that no Construction Damage has been caused to the Development Area and that all work has been done in compliance with the Plans approved by the Architectural Review Committee. In the event the Architectural Review Committee determines that Construction Damage has resulted, that Corrective Work is necessary due to the actions of the Owner or his contractors, employees or agents, or that Completion Obligations have not been complied with, the Architectural Review Committee shall have the right to apply such amounts of the deposit as it deems necessary to repair the Construction Damage, perform Corrective Work or satisfy fines imposed by the Architectural Review Committee for failure to comply with Completion Obligations. The amount of the deposit shall not in any way be deemed to limit an Owner's liability hereunder for Construction Damage, Corrective Work or failure to comply with Construction Obligations or Completion Obligations.

9.08 ENFORCEMENT: Following the approval of Plans by the Architectural Review Committee, representatives of the Architectural Review Committee shall have the right during reasonable hours to enter upon and inspect any Homesite, Home, or other improvements which are being constructed or modified to determine whether or not the approved Plans are being complied with. If the Architectural Review Committee shall determine that the Plans, Basic Requirements, Standards or other requirements hereof are not being complied with or that construction has commenced without prior approval from the Architectural Review Committee, the Architectural Review Committee may recommend to the Board and the Board may (with or without the recommendation of the Architectural Review Committee) take any of the following actions:

(a) Require the Owner to correct the non-compliance or remove the construction, addition, alteration or improvement and restore the Homesite, Home or Homesite Exterior to its condition prior to any such work, all at the Owner's expense and if the Owner fails or refuses to comply with any such requirement, the Association shall have the right and power to seek injunctive relief from a court of competent jurisdiction; or

(b) If the Owner refuses or fails to properly perform the work required under (a), the Board may cause such work to be done and may charge the Homesite Owner for the cost

thereof as determined by the Board and/or pay the cost out of the deposit required to be made under Section 9.07, which charge shall be a Charge hereunder and a continuing lien upon the Owner's Homesite until paid; or

(c) Permit the Architectural Review Committee to ratify the action taken by the Owner, and the Architectural Review Committee may (but shall not be required to) condition such ratification upon the same conditions which the Architectural Review Committee may impose upon the giving of its prior consent under this Article.

ARTICLE TEN
Rights of First Mortgagees

10.01 NOTICE TO FIRST MORTGAGEES: Within fifteen (15) days after the placing of a First Mortgage of record, an Owner shall notify the Association of the name and address of his First Mortgagee or its servicing agent, if any, and shall promptly notify the Association of any change in such information. The Association shall maintain a record of such information with respect to all Homesites and Unplatted Area. Each First Mortgagee shall have the right to examine the books and records of the Association at any reasonable time and to have an audited statement of the Association's operations prepared for a fiscal year at such First Mortgagee's own expense. Upon the specific, written request of a First Mortgagee to the Board, the First Mortgagee shall receive some or all of the following as designated in the request:

- (a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owners;
- (b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners;
- (c) Copies of notices of meetings of the Owners;
- (d) Notice of the decision of the Owners (with the consent of the Village) to release any part or all of the Development Area from the provisions of this Declaration;
- (e) Notice of the decision of the Association to terminate professional management and assume self-management;
- (f) Notice of any substantial damage to any part of the Community Area;

(g) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area;

(h) Notice of any default under this Declaration, the By-Laws or the rules and regulations of the Association which is not cured within thirty (30) days of the date of the default by the Owner which is subject to a First Mortgage held by such First Mortgagee;

(i) The right to examine the books and records of the Association at any reasonable times; or

(j) Copies of any written notice received by the Association of the lapse, cancellation or material change of any insurance policy or fidelity bond carried by the Association.

The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a party who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing.

10.02 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Community Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee with respect to any such distribution; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to repair or replace damaged improvements or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings, as more fully provided in Article Three.

ARTICLE ELEVEN

Declarant's and Developer's Reserved Rights and Special Provisions Covering Development Period

11.01 IN GENERAL: In addition to any rights or powers reserved to the Declarant or granted to the Developer under the provisions of this Declaration or the By-Laws, the Declarant and Developer shall have the rights and powers set forth in this Article. Anything in this Declaration or the By-Laws to the contrary notwithstanding, in the event of a conflict between the provisions of this Article and the provisions of any other

Article of this Declaration, the provisions of this Article shall govern, but the provisions of this Article shall be subject to applicable provisions of the Annexation Agreement and applicable Village ordinances. If not sooner terminated as provided in this Article, the provisions of this Article shall terminate and be of no further force and effect from and after such time as neither the Declarant nor Developer is vested with or controls title to any part of the Development Area.

11.02 PROMOTION OF DEVELOPMENT: In connection with the promotion, sale or rental of any improvements upon the Development Area: (i) the Declarant and/or the Developer shall have the right and power, within its sole discretion, to construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Development Area (provided all such actions are not inconsistent with the Annexation Agreement or the Development Plan and, if required, are made with the consent of the Village), including Construction Work, as the Declarant and/or Developer may, from time to time, determine to be necessary or advisable, including, without limitation, the right to construct and maintain model homes, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant and/or Developer may deem advisable; and (ii) Declarant and/or Developer and their respective agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy, the Community Area and Community Roads, at any and all reasonable times without fee or charge. None of the foregoing shall be deemed to be Regulated Work hereunder or require the approval of the Architectural Review Committee. The Declarant and/or Developer shall have the right and power to sell or lease any Homesite or Home owned by the Declarant and/or Developer to any person or entity which it deems appropriate in its sole discretion and it need not comply with the provisions of Section 3.19.

11.03 CONSTRUCTION ON DEVELOPMENT AREA: The Declarant reserves and the Developer is hereby granted the right and power to do Construction Work including, without limitation, to make any and all alterations, improvements or construction on or to the Development Area (including earthwork and landscaping) as the Declarant deems to be necessary or appropriate, provided, that, Declarant and/or Developer shall obtain such permits as may be required by the Village and shall comply with the Basic Restrictions and the Development Plan. However, the Declarant and the Developer shall not be required to obtain approval from the Architectural Review Committee and none of such work shall be deemed to be Regulated Work hereunder. In connection with the rights provided in this Section, the Declarant and/or Developer and their respective agents and contractors, shall have the right of ingress, egress and parking on the Development Area and the

right to store construction equipment and materials on the Development Area (consistent with the requirements of Section 3.04 hereof) without the payment of any fee or charge whatsoever.

11.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant and/or Developer shall have the right, with the consent of the Village, to dedicate portions of the Community Area to the Village or any other governmental authority which has jurisdiction over such portions. Declarant and/or Developer shall also have the right with prior written Village consent to reserve or grant easements over the Community Area to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Homesite. Without limiting the foregoing, except as specifically provided in Section 2.05(e) hereof, nothing within this Declaration shall be construed or deemed to constitute a grant of any easement or right of way to the public of access onto or across the Development Area.

11.05 DEVELOPER CONTROL OF ASSOCIATION: The first and all subsequent Boards shall consist of that number of persons from time to time designated by the Developer, which persons may, but need not, be members under Section 5.02. The first and all subsequent Architectural Review Committees shall consist of that number of persons from time to time designated by the Developer, the majority of which shall be members of the Board. Developer's rights under this Section to designate the members of the Board and the Architectural Review Committee shall terminate sixty (60) days after the first to occur of (i) such time as Declarant and/or Developer no longer is vested with or controls title to any part of the Development Area, (ii) the giving of written notice by Developer to the Association of Developer's election to terminate such rights, or (iii) seven (7) years from the date of the Recording of this Declaration. The date on which the Developer's rights under this Section shall terminate shall be referred to as the "Turnover Date". Prior to the Turnover Date, the Voting Members may elect that number of non-voting counselors to the Board or the Architectural Review Committee as the Developer may, in its sole discretion, permit. From and after the Turnover Date, the Board and the Architectural Review Committee shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Developer, and the Owners (other than the Developer) shall have no voting rights.

11.06 OTHER RIGHTS: The Declarant and/or Developer shall have the right and power to execute all documents and do all other acts and things affecting the Development Area which, Declarant and/or Developer determines are necessary or desirable

in connection with the rights of Declarant and/or Developer under this Declaration.

ARTICLE TWELVE
The Unplatted Areas

12.01 SUBDIVISION OF UNPLATTED AREA:

(a) Declarant reserves and Developer is hereby granted the right at any time and from time to time to Record a Subdivision Plat with respect to a portion of the Development Area which previously was Unplatted Area and, upon the Recording of such a Subdivision Plat, the portion of the Development Area which is subject to the Subdivision Plat shall thereupon become Platted Area hereunder.

(b) Upon the Recording of a Subdivision Plat, then:

(1) Each previously Unplatted Homesite shown on the Subdivision Plat then Recorded shall become a Homesite hereunder;

(2) Any and all Community Assessments and liens for Charges against any Unplatted Homesite shall continue against such lot when such lot becomes a Homesite upon the Recording of the Subdivision Plat; and

(3) The Declarant and Developer shall continue to have and enjoy with respect to the portion of the Development Area subjected to such Subdivision Plat all rights, powers and easements reserved by the Declarant and Developer in Article Eleven of this Declaration.

ARTICLE THIRTEEN
Amendment

13.01 SPECIAL AMENDMENT: Declarant and/or Developer reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with First Mortgages covering Homesites, (iii) to correct errors in the Declaration or any Exhibit, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, including, without limitation, an amendment to Exhibit C to reflect a change in the Development Plan approved by the Village or (v), to modify or add to the provisions of this

Declaration or any Exhibit to cover situations and circumstances which the Declarant believes, in its reasonable judgment, have not been adequately covered herein, where, in Declarant's and/or Developer's reasonable judgement, the modification or addition would not have a material adverse affect on the marketability of Homesites or Unplatted Area. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant or Developer to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Homesite or Unplatted Area and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant or Developer to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate at such time as Declarant or Developer no longer holds or controls title to any portion of the Development Area. No Special Amendment of any provision of this Declaration shall be Recorded or effective without the prior written approval of the Village evidenced by a formal resolution duly adopted by the President and Board of Trustees. If such approval is obtained, a certified copy of such adopted resolution shall be attached to the Special Amendment to be Recorded.

13.02 OTHER AMENDMENT: Subject to Sections 4.06 and 13.01, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by an instrument executed by the Owners who in the aggregate own at least two-thirds (2/3rds) of the total number of Homesites and Unplatted Homesites (an Unplatted Area Owner shall be deemed to own the number of Unplatted Homesites located in the Unplatted Area owned by such Owner); except, that (i) the provisions of this Section may be amended only by an instrument executed by all of the Owners and all First Mortgagees and (ii) Section 6.08, Article Nine, Article Eleven, Section 13.01, this Section 13.02 or any other provisions relating to Developer Rights, Special Developer Rights or to the Unplatted Area may be amended or added only with the written consent of the Declarant and Developer. No amendment shall become effective until properly Recorded. Notwithstanding any provision to the contrary contained in this Section 13.02, no amendment of any provision of this Declaration shall be effective or Recorded without the prior written approval of the Village evidenced by a formal resolution duly adopted by the President and Board of Trustees. If such approval is obtained, a certified copy of such adopted resolution shall be attached to the amendment to be Recorded.

ARTICLE FOURTEEN
Village Requirements and Rights

14.01 COMPLIANCE WITH VILLAGE REQUIREMENTS: In addition to compliance with the provisions of this Declaration, each Owner

shall be bound by and shall comply with the provisions of the Development Plan, the Annexation Agreement, the Village's Building Code, and all other applicable ordinances of the Village. The Village shall have the rights and remedies set forth herein in the event that the Village determines, in its judgment, that the Association or an Owner has failed to comply with the provisions of this Declaration, but such rights and remedies shall not preclude the exercise of any rights and remedies afforded to the Village under Village ordinances and other applicable law.

14.02 VILLAGE REMEDIES:

(a) Notwithstanding any other provisions herein to the contrary, in the event that the Village determines, in its judgment, that the Association or an Owner has failed to comply with the provisions of this Declaration, the Village shall have the right (but not the duty) to give the violating party written notice of such non-compliance. If the non-compliance is not cured to the satisfaction of the Village within thirty (30) days after the giving of any such notice (or within a shorter period of time specified by the Village if an emergency threatens life or substantial property damage), then the Village will have the right (but not the duty) to either do one or both of the following: (i) bring one or more suits against the Owner or the Association to enforce the provisions hereof, or (ii) come upon the portion of the Development Area which it deems not to comply with the requirements hereof and take such corrective action as it deems to be necessary or appropriate.

(b) If the Village exercises its rights to correct any non-compliance with the provisions of this Declaration, the violating party shall be responsible for paying all costs and expenses (including, but not limited to, reasonable engineer's, attorneys' and other consultants' fees) incurred by the Village to remedy the condition upon receipt of an invoice therefor. If such invoice is not paid within thirty (30) days after receipt thereof, then the amount so invoiced shall bear interest at the rate of eighteen percent (18%) per annum from the due date to the date when paid and (i) if the violating party is an Owner, the amount of the invoice, plus interest and the costs of collection (including engineers', attorneys' and other Village consultants' fees), shall become a lien upon the Owner's Homesite or portion of the Unplatted Area, as applicable, and (ii) if the violating party is the Association, the "Homesite Default Amount" shall become a lien upon each Homesite and the "Unplatted Area Default Amount" shall become a lien upon the Unplatted Area owned by each Unplatted Area Owner. The Homesite Default Amount shall be the amount of the Village's invoice plus interest and the costs of collection (including engineers', attorneys' and other Village consultants' fees), divided by the Dwelling Unit Number. The Unplatted Area Default Amount, with respect to an Unplatted Area

Owner, shall be the Homesite Default Amount multiplied by the number of Unplatted Homesites located in the Unplatted Area owned by such Owner.

(c) Any lien upon a Homesite or Unplatted Area in favor of the Village shall be subordinate to the First Mortgage on the Homesite or Unplatted Area which was Recorded prior to the date that any such amount became due. Any lien upon a Homesite or Unplatted Area may be foreclosed by the Village in the same manner as a mortgage lien.

14.03 NOTICE TO VILLAGE: All notices required to be given to the Village hereunder shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, addressed to the Village Clerk. The Village shall have the right to receive any notices or exercise any rights granted to First Mortgagees under Section 10.01, upon request therefor made as provided in Section 10.01.

14.04 EXERCISE OF RIGHTS BY VILLAGE. The Village shall be under no obligation to exercise the rights granted in this Declaration except as it shall determine to be in the best interest of the Village (including, but not limited to, the Development). No failure to exercise any right herein granted to the Village shall be construed as a waiver of that or any other rights, and any rights of the Village under any applicable law shall be in addition to any rights set forth herein.

14.05 NO DEDICATION TO VILLAGE. Nothing in this Declaration shall be construed to constitute a dedication of any portion of the Development Area to, or an acceptance thereof, by the Village. At no time shall the Village be under any obligation to provide maintenance for, or accept dedication of, the Community Area, the Community Roads, the Road Easement Area, the Public Utility and Drainage Easement Area or the stormwater management system serving the Development.

14.06 FAILURE TO ENFORCE, NO WAIVER. No restriction contained in this Declaration, and no restriction, condition, obligation or regulation adopted by the Board shall be deemed to have been abrogated or waived by reason of any failure on the part of the Board or the Village to enforce the same, irrespective of the number of violations or breaches which may occur.

14.07 INDEMNIFICATION OF VILLAGE.

(a) To the extent permitted by law, the Association hereby agrees to indemnify, hold harmless (and, if required hereunder, defend) the Village, its elected and appointed officials, officers, boards, commissions, attorneys, employees, agents and contractors, and their respective heirs, executors,

administrators and successors, (each party in such capacity, an "Indemnified Party") from and against any injury, claim, demand, action, suit or proceeding (whether civil, criminal or administrative), judgment, execution, liability, debt, cost, expense, damages or penalty (collectively, "Claims") arising from or in connection with any Excluded Matter which are threatened or asserted by any Owner or any Person or entity against an Indemnified Party.

(b) For purposes of the Association's indemnity obligation set forth in Subsection A above, an "Excluded Matter" means:

(i) defects in any Plans submitted, revised, or approved by the Architectural Review Committee or Association pursuant to the terms of Article Nine or other provisions of this Declaration, any loss or damages to any person arising out of the approval or disapproval of any Plans, any loss or damage arising from the non-compliance of Plans with any governmental ordinances and regulations, or any defects in construction undertaken pursuant to the Plans; and

(ii) any Claims whatsoever relating to or arising out of or caused by the acts or omissions of the Association with respect the performance or non-performance of any maintenance, repair, replacement, administrative or enforcement duties of the Association required under the terms and provisions of this Declaration including, but not limited to, the planting, replanting, care, protection and maintenance of Required Landscaping and the maintenance, repair and replacement of the stormwater management system, Community Roads and culverts, swales and drains.

(c) If any Claim with respect to an Excluded Matter is asserted against an Indemnified Party, the Indemnified Party shall promptly tender defense of the Claim to the Association. If, within twenty (20) days after the date on which Claim is tendered to the Association, the Association shall give notice to the Village and the Indemnified Party acknowledging without qualification the Association's indemnification obligations pursuant to this Declaration, then the Association shall have the sole right, at its sole expense, in good faith and upon the advice of counsel, to contest, defend, litigate and settle the Claim either before or after the commencement of litigation, at such time and upon such terms as it deems fair and reasonable, provided, that at least ten (10) days prior to any settlement, it gives written notice to the Village and the Indemnified Party of its intention to settle. The Association shall pay all costs it incurs in connection with the defense of the Claim and shall not be entitled to require that any action be brought against any other party before the Indemnified Party tenders defense of the Claim. Notwithstanding the foregoing provisions of this

Subsection C, the Indemnified Party shall have the right, at its own expense, to participate in the defense of such Claim, and, in such event, the parties shall cooperate in the defense of such Claim.

(d) If the Association fails either to acknowledge its indemnification obligations hereunder or diligently contest the Claim, once such Claim has been tendered by the Indemnified Party, then the Association shall forfeit its right to contest, defend, litigate and settle the Claim. In such event, the Indemnified Party shall have the right, without prejudice to its right of indemnification hereunder, in its discretion exercised in good faith and upon the advice of counsel, to defend against and settle any such Claim, either before or after the commencement of litigation and upon such terms as the Indemnified Party deems fair and reasonable, provided that at least ten (10) days prior to any such settlement it gives written notice to the Association of its intention to settle. The Indemnified Party shall be reimbursed by the Association for the attorneys' fees, expert fees, the reasonable value of any services rendered by any employee of the Village and other expenses of defending the Claim which are incurred from time to time, forthwith following presentation to the Association of itemized bills for said attorneys' fees and other expenses. No failure of the Association to acknowledge its indemnification obligations hereunder shall relieve the Association of such obligations to the extent they exist.

14.08 INTERPRETATION OF DECLARATION. In the event of any dispute or disagreement between any Owners relating to the Community Area, the Community Roads, the Road Easement Area or the Public Utility and Drainage Easement Area, or any question of interpretation or application of the provisions of this Declaration, the determination thereof by the Board shall be binding and final as to each of said Owners. In the event of any dispute or disagreement between the Board and the Village relating to the Community Area, the Community Roads, the Road Easement Area or the Public Utility and Drainage Easement Area or any question of interpretation of or application of the provisions of this Declaration, the determination thereof by the Village shall be binding and final as to the Board and the Owners.

14.09 MATTERS REQUIRING CONSENT OF THE VILLAGE. Notwithstanding anything to the contrary contained in this Declaration, whenever the consent or approval of the Village is required for some action to be taken or not taken, the express written consent or approval of the Village shall be obtained prior to the taking of such action, whether or not the particular provision in this Declaration specifies that the consent of the Village must be a written consent or obtained prior to the taking or not taking of such action. The fact that a particular

provision in this Declaration does not require the Village to consent to the taking of some action shall not release the Owners, Association, Developer, Declarant or Special Rights Developer, their successors and assigns, as the case may be, from obtaining the consent of the Village whenever the taking of such action would otherwise be prohibited or require Village consent under the Development Plan, the Annexation Agreement or other applicable Village ordinances. For purposes of indicating Village consent, the President and Board of Trustees shall adopt a formal resolution either granting such consent or delegating the power to grant such consent to a duly authorized official, commission or board of the Village, whereupon a written statement from such official, commission or board shall be conclusive evidence of such consent.

ARTICLE FIFTEEN
Special Development Rights

15.01 GRANT OF SPECIAL DEVELOPMENT RIGHTS: The Developer shall have the right and power (but shall not be obligated) to grant Special Development Rights to a Special Development Rights Holder. The grant of Special Development Rights may be made in the deed which conveys a portion of the Development Area to the Special Development Rights Holder or in a separate Recorded instrument ("Granting Document"). If a grant of Special Development Rights is made, the Granting Document shall include the following:

(a) A legal description of the portion or portions of the Development Area which are subject to the Special Development Rights (the "Special Development Rights Area");

(b) A specific list or description of the Special Development Rights granted;

(c) An expiration date for each Special Development Right granted, which shall in no event be later than such time as the Special Development Rights Holder no longer holds title to any portion of the Special Development Rights Area;

(d) Limitations or restrictions on the exercise of Special Development Rights;

(e) Such other provisions as the Developer and the Special Development Rights Holders may agree upon.

In no event, however, shall the Developer grant Special Development Rights to a Person which acquires less than twenty (20) contiguous Homesites. Notwithstanding the granting of any Special Development Rights to a Special Development Rights Holder, Declarant and Developer shall remain responsible for

ensuring that each Special Development Rights Holder exercises its Special Development Rights in compliance with the requirements of the ordinances of the Village, the Annexation Agreement and the Development Plan including, but not limited to, the Master Landscaping Plan. The Village shall have the right to enforce the terms and provisions of such ordinances, the Annexation Agreement, the Development Plan and this Declaration against the Declarant, the Developer and/or any Special Development Rights Holder, individually or jointly, and there shall be no requirement that the Village proceed against any one or all of such parties as a condition to enforcing the same against Declarant, Developer and/or any Special Development Rights Holder.

15.02 EXERCISE OF SPECIAL DEVELOPMENT RIGHTS: Special Development Rights shall be exercised subject to the following:

(a) The Special Development Rights Holder shall be required to pay assessments to the Association for each Homesite from time to time owned by it in the Special Development Rights Area on the same basis as each other Owner (other than Declarant or Developer);

(b) The Special Development Rights Holder shall not be required to obtain the consent of the Board or the Architectural Review Committee to exercise any of the Special Development Rights granted to it;

(c) The Special Development Rights Holder shall not be required to pay any fee or charge to the Association for the exercise of Special Development Rights granted to it over and above any assessments payable by the Special Development Rights Holder.

15.03 ASSIGNMENT OF SPECIAL DEVELOPMENT RIGHTS: Unless specifically provided for and permitted in the Granting Document, Special Development Rights shall not be assignable or transferable.

ARTICLE SIXTEEN Miscellaneous

16.01 CAPTIONS: The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between statements made in recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions in the body of this Declaration shall govern.

16.02 SEVERABILITY: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions, or reservations, by legislation, judgment or court order shall in no

way affect any other provisions of this Declaration which shall, and all other provisions, remain in full force and effect.

16.03 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the living lawful descendants of George Bush, the former President of the United States, at the time this Declaration is Recorded.

16.04 ASSIGNMENT OF DEVELOPER RIGHTS: All Developer Rights shall be mortgageable, pledgeable, assignable or transferable. Without limiting the foregoing, any Developer Right may be collaterally assigned by the Declarant or Developer to a lender which makes a development or construction loan to Declarant or Developer with respect to a portion of the Development Area. Any successor to, or assignee of, some or all of the Developer Rights (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the Developer Rights as fully as if granted such Developer Rights herein.

16.05 TITLE HOLDING LAND TRUST: In the event title to any Homesite or portion of the Unplatted Area is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Homesite or portion of the Unplatted Area remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Homesite or portion of the Unplatted Area. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Homesite or portion of the Unplatted Area and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Homesite or portion of the Unplatted Area.

16.06 TRUSTEE EXCULPATION: Anything herein to the contrary notwithstanding, each and all of the representations, covenants, undertakings, warranties and agreements herein made on the part of the Declarant while in form purporting to be the representations, covenants, undertakings, warranties, and agreements of said Declarant are nevertheless, each and every one

of them, made and intended not as personal representations, covenants, undertakings, warranties and agreements by the Declarant or for the purpose or with the intention of binding said Declarant but are made and intended solely in the exercise of the powers conferred upon it as Trustee under the Trust Agreement referred to herein; and no personal liability or personal responsibility is assumed by or shall be enforceable against Declarant on account of this Declaration or any representation, covenant, undertaking, warranty, or agreement of the said Declarant in this Declaration contained, either expressed or implied. The Declarant makes no personal representations, nor shall it be responsible for the existence, location or maintenance of the chattels herein described, if any.

Dated: MAY 6, 1994

DECLARANT:

American National Bank and Trust Company of Chicago, as Trustee aforesaid

By: [Signature]
Its: Second Vice President

ATTEST:

[Signature]
Assistant Secretary

(SEAL)

0002.179

RECORDED
LAKE COUNTY, ILLINOIS
94 JUN -8 PM 2:15
Frank J. [Signature]

3552341

3552341

59

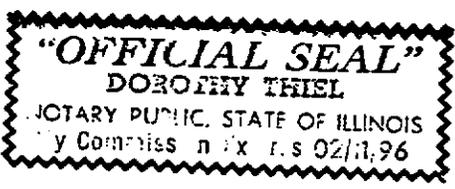
STATE OF ILLINOIS)
COUNTY OF Cook) SS

I, Dorothy Thiel, a Notary Public in and for said County and State, do hereby certify that P. JOHANSEN and T. Michael Whelan, (Vice) President and (Assistant) Secretary, respectively, of American National Bank and Trust Company of Chicago (the "Declarant") and, as such President and as such (Assistant) Secretary of said Declarant, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said Declarant, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this day of MAY 06 1994, 199 .

Dorothy Thiel

Notary Public



THIS INSTRUMENT PREPARED BY:
Brian Meltzer
Keck, Mahin & Cate
1515 East Woodfield Road
Suite 250
Schaumburg, Illinois 60173-5431
(708) 330-1200

*Mailed to:
Lexington Homes, Inc.
1156 W. Shore Dr.
Arling Heights, IL 60004
Attn: P.O. Box 1100*

60
3552341

**EXHIBIT A TO
DECLARATION FOR THORNGATE**

Legal Description of the Development Area

That part of the East Half of Section 36, Township 43 North, Range 11 East and the West Half of Section 31, Township 43 North, Range 12 East of the Third Principal meridian, described as follows:

Commencing at the Southeast corner of the Northeast Quarter of said Section 36; thence North 89 degrees 53 minutes 18 seconds West along the South line of the Northeast Quarter of said Section 36 a distance of 1324.72 feet to the Southwest corner of the East Half of the Northeast Quarter of said Section 36 to the Place of Beginning; thence North 00 degrees 04 minutes 33 seconds East along the West line of the East Half of the Northeast Quarter of said Section 36 a distance of 2581.13 feet to a point that bears South 00 degrees 01 minutes 18 seconds East, 55.00 feet from the North line of the Northeast Quarter of said Section 36, as measured perpendicular thereto; thence North 88 degrees 57 minutes 47 seconds East 70.51 feet to a point that bears South 00 degrees 01 minutes 18 seconds East, 53.75 feet from the North line of the Northeast Quarter of said Section 36, as measured perpendicular thereto, said point also being a point on a curve; thence Easterly along the arc of a curve, being concave to the North, having a radius of 29885.09 feet, having a chord bearing of North 89 degrees 01 minutes 27 seconds East for a distance of 1118.05 feet to a point that bears South 00 degrees 01 minutes 18 seconds East 35.14 feet from the North line of the Northeast Quarter of said Section 36, as measured perpendicular thereto, said point also being a point of reverse curvature; thence Easterly along the arc of a curve being concave to the South, having a radius of 30400.40 feet, having a chord bearing of North 88 degrees 47 minutes 55 seconds East for a distance of 897.76 feet to a point that bears South 00 degrees 12 minutes 23 seconds East 55.97 feet from the North line of the Northwest Quarter of said Section 31, as measured perpendicular thereto; thence North 89 degrees 38 minutes 40 seconds East 342.35 feet to a point that bears South 00 degrees 12 minutes 23 seconds East, 55.07 feet from the North line of the Northwest Quarter of said Section 31, as measured perpendicular thereto, said point also being a point of curvature; thence Easterly along the arc of a curve, being concave to the Southwest, having a radius of 30.00 feet, having a chord bearing of South 43 degrees 16 minutes 01 seconds East for a distance of 49.31 feet

6/3552341

to a line 15.00 feet Westerly of and parallel with the Westerly right-of-way line of a public roadway, commonly known as Saunders Road, as dedicated per Document No. 988996; thence South 03 degrees 49 minutes 19 seconds West along said parallel line 984.78 feet to a point of curvature; thence Southerly continuing along said parallel line, also being the arc of a curve, being concave to the Northwest, having a radius of 8130.16 feet, having a chord bearing of South 5 degrees 19 minutes 51 seconds West, for a distance of 428.21 feet to a point 24.20 feet North of, as measured at right angles, to the North line of Lot 20 in Vernon Ridge County Home Subdivision according to the plat thereof recorded as Document 241933 on June 25, 1924 (measured along the extended or projected West line of Lot 20); thence South 89 degrees 38 minutes 31 seconds West along said line, 24.20 feet North of and parallel with the North line of Lot 20, a distance of 429.69 feet to said West line of Lot 20 extended straight North; thence South 00 degrees 06 minutes 04 seconds West along said extended West line of Lot 20 and along the West lines of Lots 19 and 27 in said Vernon Ridge County Home Subdivision, 873.78 feet to the Southwest corner of said Lot 27; thence North 89 degrees 38 minutes 31 seconds East along the South line of said Lot 27, a distance of 28.12 feet; thence South 00 degrees 06 minutes 04 seconds West parallel with the West line of vacated Lot 28 in said Vernon Ridge County Home Subdivision, 235.31 feet to a line 50.00 feet North of and parallel with the South line of the Northwest Quarter of said Section 31; thence North 89 degrees 38 minutes 31 seconds East along said line 50.00 feet North of and parallel with said South line of the Northwest Quarter of Section 31 and a distance of 241.69 feet to a line 15.00 feet Westerly of and parallel with the Westerly right of way line of the aforementioned public roadway, commonly known as Saunders Road, and a point on a curve; thence Southwesterly along the arc of said curve, being concave to the Southeast, having a radius of 7694.50 feet, having a chord bearing of South 7 degrees 12 minutes 46 seconds West, for a distance of 14.23 feet to a point on a curve; thence Southwesterly along the arc of said curve, being concave to the Northwest, having a radius of 23.00 feet, having a chord bearing of South 65 degrees 23 minutes 52 seconds West, for a distance of 25.42 feet to a point of tangency; thence North 82 degrees 56 minutes 05 second West, 9.46 feet to a line 45.00 feet Westerly of and parallel with the Westerly right of way line of the aforementioned public roadway, commonly known as Saunders Road, and a point on a curve; thence Southwesterly along the arc of said curve, being concave to the Southeast, having a radius of 7724.50 feet, having a chord bearing of South 6

3552341

h2

degrees 44 minutes 22 seconds West, for a distance of 87.88 feet; thence South 83 degrees 35 minutes 12 seconds East, 3.03 feet to a point of curvature; thence Southeasterly along the arc of a curve, being concave to the Southwest, having a radius of 25.00 feet, having a chord bearing of South 57 degrees 03 minutes 51 seconds East, for a distance of 23.15 feet; thence South 83 degrees 39 minutes 39 seconds East, 7.00 feet to a line 15.00 feet Westerly of and parallel with the Westerly right of way line of the aforementioned public roadway, commonly known as Saunders Road, and a point on a curve; thence Southwesterly along the arc of said curve, being concave to the Southeast, having a radius of 7694.50 feet, having a chord bearing of South 5 degrees 39 minutes 43 seconds West, for a distance of 181.96 feet; thence South 89 degrees 38 minutes 31 seconds West along a line parallel with the South line of the Northwest Quarter of said Section 31, for a distance of 837.95 feet to the East line of said Section 36; thence South 00 degrees 12 minutes 34 seconds West along said East line of Section 36, a distance of 93.76 feet to the South line of the North Half of the North Half of the Northeast Quarter of the Southeast Quarter of said Section 36; thence North 89 degrees 53 minutes 48 seconds West along said South line, 1324.36 feet to the West line of the Northeast Quarter of the Southeast Quarter of said Section 36; thence North 00 degrees 08 minutes 51 seconds East, along said line, 329.80 feet to the Place of Beginning, all in Lake County, Illinois.

0002.179

3552341

63

EXHIBIT B TO
DECLARATION FOR THORNGATE

The Development Plan

1. FINAL DEVELOPMENT PLAN

Entitled "Final Development Plan Layout - Thorngate Country Club - Riverwoods, Illinois", Job No. 4189, prepared by Jen Land Design, Inc., dated September 2, 1993.

2. FINAL ENGINEERING PLANS

Entitled "Engineering Improvement Plans for Thorngate Unit 1 - Model Area - Riverwoods, Illinois", Project No. 997-B1, prepared by Cowhey Gudmundson Leder, Ltd., dated July 1, 1993, last revised January 24, 1994.

Entitled "Engineering Improvement Plans for Thorngate Unit 2 -Riverwoods, Illinois", Project No. 997-B2, prepared by Cowhey Gudmundson Leder, Ltd., dated September 1, 1993, last revised February 7, 1994.

Entitled "Engineering Improvement Plans for Thorngate Units 3, 4, & 5 - Riverwoods, Illinois", Project No. 997-B3, prepared by Cowhey Gudmundson Leder, Ltd., dated October 6, 1993, last revised February 7, 1994.

Entitled "Soil Boring Plan - Thorngate Country Club - Riverwoods, Illinois", Project No. 997-B, prepared by Cowhey Gudmundson Leder, Ltd., dated December 28, 1993.

Entitled "Deerfield Road Off-Site Watermain Improvements - Thorngate", Project No. 997-A, prepared by Cowhey Gudmundson Leder, Ltd., dated December 28, 1993.

Entitled " Erosion Control Plan - Thorngate Country Club - Riverwoods, Illinois", Project No. 997-B, prepared by Cowhey Gudmundson Leder, Ltd., dated December 28, 1993.

Entitled "Concept Utility Plan - Thorngate", Project No. 997-B, prepared by Cowhey Gudmundson Leder, Ltd., dated December 28, 1993.

Entitled "Existing Drainage Worksheet - Thorngate Country Club - Riverwoods, Illinois", Project No. 997, prepared by Cowhey Gudmundson Leder, Ltd., dated July 9, 1993, last revised December 28, 1993.

3552341

64

Entitled "Proposed Drainage Worksheet - Thorngate Country Club - Riverwoods, Illinois", Project No. 997, prepared by Cowhey Gudmundson Leder, Ltd., dated July 9, 1993, last revised December 28, 1993.

Entitled "Engineering Improvement Plans - Thorngate Country Club - Subdivision Access - Saunders Road Improvements - Riverwoods, Illinois", Project No. 997-C1, prepared by Cowhey Gudmundson Leder, Ltd., dated July 02, 1993, latest revised September 10, 1993.

Entitled "Saunders Road Emergency Access Improvements - Thorngate Country Club - Riverwoods, Illinois", Project No. 997, prepared by Cowhey Gudmundson Leder, Ltd., dated October 10, 1993.

3. FINAL LANDSCAPE PLAN

Entitled "Landscape Plan - Thorngate - Riverwoods, Illinois", prepared by Pugsley & LaHaie Ltd., dated December 21, 1993, last revised February 10, 1994.

4. FINAL ARCHITECTURAL PLANS

Entitled "Hallmark Series - Riverwoods, Illinois", Job No. 63205.00, prepared by Bloodgood Sharp Buster, issued July 16, 1993 and last issued November 8, 1993, as modified by testimony given at the Riverwoods Plan Commission meeting on January 06, 1994 and continued on January 20, 1994 as agreed to by Lexington Homes, Inc.

Entitled "Village Series - Riverwoods, Illinois", Job No. 63193.02, prepared by Bloodgood Sharp Buster, issued October 08, 1993 and last issued November 03, 1993, as modified by testimony given at the Riverwoods Plan Commission meeting on January 06, 1994 and continued on January 20, 1994 as agreed to by Lexington Homes, Inc.

5. DECLARATION OF COVENANTS

Entitled "Declaration for Thorngate", prepared by Brian Meltzer, Keck, Mahin & Cate, last revised February 15, 1994.

6. OUTLOT EXHIBIT

Entitled "Thorngate Outlot Exhibit", Job No. 196-116, prepared by Midwest Technical Consultants, Inc., dated September 21, 1993.

65
3552341

7. INTERGOVERNMENTAL AGREEMENT AND AGENCY APPROVALS

Agreement by and between American National Bank Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated August 23, 1989 and known as Trust No. 109054-04 and Deerfield School District No. 109 for the subdivision commonly known as "Thorngate" executed on July 08, 1993.

Agreement by and between American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated August 23, 1989 and known as Trust No. 109054-04 and Lexington Homes, Inc., an Illinois corporation, as beneficiary under Trustee No. 109054-04 and the Board of Education of Township High School District No. 113, Lake County, Illinois, for the subdivision commonly known as "Thorngate" executed on November 10, 1993.

Letter from the Department of the Army, Chicago District, Corps of Engineers - Construction - Operations Division, Regulatory Branch to Lexington Homes, Inc. approving the "Application to fill 0.18 Acres of Wetland and Excavate in Existing Waters of the United States for Stormwater Detention within the Des Plaines River Watershed in Association with a Residential Development in Riverwoods, Lake County, Illinois" dated June 01, 1993.

Submittal of November 30, 1993 to the Riverwoods Plan Commission for "Street Names" for Thorngate, recommended with changes by the Plan Commission on November 02, 1993 and approved by the Riverwoods Board of Trustees on December 21, 1993. Approved names are identified on all EXHIBITS.

The EXHIBITS to the Final Development Plan are in substantial conformance to the EXHIBITS approved in the Annexation Agreement.

3552341

66

THE BY-LAWS OF
THE THORNGATE OWNERS ASSOCIATION
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE I
NAME OF CORPORATION

The name of this corporation is THORNGATE OWNERS ASSOCIATION.

ARTICLE II
PURPOSE AND POWERS

2.01 PURPOSES: The purposes of this Association are to act on behalf of its members collectively, as their governing body, 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 Declaration for Thorngate ("Declaration") recorded with the Office of the Recorder of Deeds for Lake County, Illinois on _____, 199__, as Document No. _____. All terms used herein shall have the meanings set forth in the Declaration.

2.02 POWERS: The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois, the Declaration and these By-Laws.

ARTICLE III
OFFICES

3.01 REGISTERED OFFICE: The 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.

3.02 PRINCIPAL OFFICE: The Association's principal office shall be maintained on the Development Area or at the office of the managing agent engaged by the Association.

ARTICLE IV
MEETINGS OF MEMBERS

4.01 VOTING RIGHTS: Any or all members may be present at any meeting of the members, but the voting rights shall be vested exclusively in the Voting Members; provided, that, prior to the Turnover Date, the voting rights shall be vested exclusively in the Developer and the Voting Members shall have no voting rights. From and after the Turnover Date, each Voting Member shall be entitled to one vote for each Homesite or Unplatted Homesite which the Voting Member represents. The Voting Members may vote in person or by proxy. All proxies shall be in writing, revocable, valid only for eleven (11) months from the date of execution and filed with the Secretary.

4.02 PLACE OF MEETING; QUORUM: Meetings of the members shall be held at the principal office of this Association or at such other place in Lake County, Illinois 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. Voting Members representing twenty percent (20%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of a majority of the votes represented by Voting Members present at such meeting, either in person or by proxy.

4.03 ANNUAL MEETINGS: The initial meeting of the members shall be held upon not less than twenty-one (21) days' written notice given by the Developer. If not called earlier by the Developer, the initial meeting of the Owners shall be held no later than thirty (30) days after the Turnover Date. Thereafter, there shall be an annual meeting of the Owners on the anniversary thereof, 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) days prior to the date fixed for said meeting.

4.04 SPECIAL MEETINGS: Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by twenty percent (20%) of the total votes represented by all Voting Members, and delivered not less than ten (10) 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.

4.05 NOTICE OF MEETINGS: Notices of meetings required to be given herein may be delivered either personally or by mail to the

members, addressed to such member at the address given by him to the Board for the purpose of service of such notice or to the Home of the Owner, if no address has been given to the Board. A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

ARTICLE V
BOARD OF DIRECTORS

5.01 IN GENERAL: The affairs of the Association shall be vested in the board of directors (the "Board"), which shall consist of seven (7) persons ("Directors") or such other number of persons as shall be fixed from time to time by action of the Voting Members. Each Director shall be an Owner or a Voting Member.

5.02 DEVELOPER DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the members after the Turnover Date the Board shall consist of three (3) persons from time to time designated by the Developer, who shall serve at the discretion of the Developer. During such period the Owners may elect from among themselves that number of non-voting counselors to the Board as the Developer may, in its sole discretion, permit.

5.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Owners (which shall be held no later than thirty (30) days after the Turnover Date) the Voting Members shall elect a full Board of Directors in the manner hereinafter provided to replace the Developer designated Board established under Section 5.02. From and after such meeting, each member of the Board shall be an Owner or a Voting Member, or both. Within sixty (60) days after the election of a majority of the Board other than those designated by the Developer, the Developer shall deliver to the Board:

(a) Original copies of the Declaration, these By-Laws, the Association's Articles of Incorporation and the Association's minute book.

(b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Developer designated Boards.

(c) All Association funds and bank accounts.

(d) A schedule of all personal property, equipment and fixtures belonging to the Association including documents transferring the property to the Association.

5.04 ELECTION: At the initial meeting of the Owners, the Voting Members shall elect a full Board of Directors. The four (4) candidates receiving the greatest number of votes shall each serve a two year term and the three (3) candidates receiving the next greatest number of votes shall each serve a one year term. Thereafter, each Director shall serve a two year term. Each Director shall hold office until his term expires or until his successor shall have been elected and qualified. Directors may succeed themselves in office. In all elections for members of the Board, the Voting Member for each Homesite or Unplatted Homesite shall be entitled to the number of votes equal to the number of Directors to be elected (cumulative voting shall not be permitted).

5.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the members.

5.06 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four 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, at least two (2) days prior to the day named for any such meeting and such notice shall state the time and place of such regular meeting and such notice shall be posted conspicuously on the Premises so as to inform the Owners of such meetings.

5.07 SPECIAL MEETINGS: Special meeting of the Board may be called by the President or at least one-third (1/3) of the Directors then serving.

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 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.

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. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

5.10 COMPENSATION/REIMBURSEMENT FOR EXPENSES: Directors shall receive no compensation, except as expressly provided in a resolution duly adopted by the Voting Members. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

5.11 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the Directors then serving at any annual meeting or at a special meeting called for such purpose. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be an Owner or Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns may be appointed by a majority of the remaining Directors at any regular meeting or a special meeting called for such purpose and any successor so appointed shall serve the balance of his predecessor's term.

5.12 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 Declaration, these By-Laws, 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 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, accountants, architects, landscape architects and civil engineers, as the Board may, in its discretion, deem necessary or proper;

(c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Community Area, Community Roads and Sidewalk Strips for which the Association is responsible under the Declaration and these By-Laws;

(d) To procure insurance as provided for under the Declaration;

(e) To estimate and provide each Owner with an annual budget showing the Community Expenses;

(f) To set, give notice of, and collect Community Assessments from the Owners as provided in the Declaration;

(g) To pay the Community Expenses;

(h) Subject to the provisions of the Declaration, to own, convey, encumber or otherwise deal with any real property conveyed to or purchased by the Association;

(i) To adopt and, from time to time, to amend such reasonable rules and regulations as the Board may deem advisable for the use, enjoyment, administration, management, maintenance, conservation and beautification of the Community Area, and for the health, comfort, safety and general welfare of the Owners. Written notice of any such rules and regulations or amendments thereto shall be given to all Owners affected thereby;

(j) To delegate the exercise of its power to committees appointed pursuant to Article Seven of these By-Laws, including, without limitation, the designation of members of the Architectural Review Committee from time to time;

(k) To borrow money and pledge the assets of the Association, including the right to receive future assessments, as collateral for repayment thereof.

ARTICLE VI OFFICERS

6.01 OFFICERS: The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, Treasurer, and such assistants to such officers as the Board may deem appropriate. All officers shall be Directors and shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board.

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 may be filled by the Board at any meeting thereof.

6.03 POWERS OF OFFICERS: The respective officers of the 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, including but not limited to, the following:

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the members and at all meetings of the Board and shall execute

amendments to the Declaration and these By-Laws as provided in the Declaration and these By-Laws.

(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 Association Seal and have charge of such other books, papers and documents as the Board may prescribe;

(d) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of accounts kept for such purpose.

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting Members.

ARTICLE VII COMMITTEES DESIGNATED BY BOARD

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 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 by law. Without limiting the foregoing, the Architectural Review Committee provided for in the Declaration shall be a Board Committee.

7.02 ARCHITECTURAL REVIEW COMMITTEE: Subject to the rights retained by the Declarant under Section 11.05 of the Declaration, the Board shall establish the Architectural Review Committee which shall be a Board Committee with such powers and duties as may be provided for in these Bylaws, the Declaration or as granted in resolutions of the Board. The members of the Architectural Review Committee shall be appointed by the Board from time to time as more fully provided in the Declaration. All costs of carrying out the duties of the Architectural Review Committee shall be Community Expenses, but to the extent possible shall be paid out of fees charged as provided for in Section 9.06 of the Declaration.

7.03 SPECIAL AND STANDING COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the 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 or representative of Owners and the President of the Association shall appoint the members of such committee and shall designate a Director to act as a liaison between such committee and the Board. Any member of such committee may be removed by the President of the Association whenever in his judgment the best interests of the Association shall be served by such removal. The powers and the duties of any such standing committee shall be as set from time to time by resolution of the Board. The chairman of each standing committee shall be a Director (who shall act as the liaison between the committee and the Board), and the other members of the committee (which need not be Directors) shall be appointed and removed from time to time by such chairman.

7.04 TERM: Each member of a committee shall continue as such until the next annual meeting of the Board and until his 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.

7.05 CHAIRMAN: One member of each committee shall be appointed chairman.

7.06 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 to such committee.

7.07 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.

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

ARTICLE VIII
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.01 CONTRACTS: The Board 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. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

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 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. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

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

8.04 SPECIAL RECEIPTS: The Board 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
FISCAL MANAGEMENT

9.01 FISCAL YEAR: The fiscal year of the Association shall be established by the Association and may be changed from time to time by a resolution adopted by two-thirds (2/3) of the Board.

9.02 ANNUAL STATEMENT: Within a reasonable time after the close of each fiscal year the Board shall furnish each Owner with a statement of the income and disbursements of the Association for such fiscal year.

9.03 SPECIAL STATEMENT: Within ten (10) days after receipt of a written request from an Owner (together with payment of a reasonable fee, if any, set by the Board) the Board shall provide the Owner with a statement containing the following information:

(a) The status of the Owner's account and the amount of any unpaid assessments or other charges due and owing from the Owner; and

(b) The status and amount of any and all Capital Reserves.

9.04 ASSESSMENT PROCEDURE: Community assessments and special assessments shall be made and collected as provided in the Declaration.

ARTICLE X 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, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his mortgagee, agent or attorney, for any proper purpose at any reasonable time.

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 names of the 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 Directors having more than two-thirds (2/3) of the total votes, provided that prior to the Turnover Date, Section 5.02 and this Article XII may not be amended without the written consent of the Developer, and provided further, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.