

OAKWOOD

HOMEOWNERS ASSOCIATION

Declarations & Bylaws

This is an un-audited version. The "official" version shall prevail should any discrepancies exist. To receive an "official" copy, contact the Association's Property Management firm.

DECLARATION FOR OAKWOOD

Table of Contents

ARTICLE ONE
Definitions

1.01	ASSOCIATION	2
1.02	BOARD	2
1.03	BY-LAWS	2
1.04	CHARGES	2
1.05	COMMON OPEN SPACE	2
1.06	COMMUNITY ASSESSMENT	2
1.07	COMMUNITY EXPENSES	2
1.08	COUNTY	3
1.09	DECLARANT	3
1.10	DECLARATION	3
1.11	DEED RESTRICTED OPEN SPACE	3
1.12	DEVELOPMENT AREA	3
1.13	HOME	3
1.14	LOT	3
1.15	MONUMENT SIGN AREA	3
1.16	MORTGAGEE	3
1.17	NON-OWNER	4
1.18	OWNER	4
1.19	PERSON	4
1.20	PREMISES	4
1.21	RECORD	4
1.22	RESIDENT	4
1.23	STORMWATER DETENTION FACILITIES	4
1.24	TURNOVER DATE	4
1.25	VOTING MEMBER	4
1.26	WETLANDS	4

ARTICLE TWO

Scope of Declaration/Certain Property Rights

2.01	PROPERTY SUBJECT TO DECLARATION	5
2.02	CONVEYANCES SUBJECT TO DECLARATION	5
2.03	DURATION	5
2.04	LOT CONVEYANCE	5
2.05	OWNERSHIP	5
2.06	RIGHT OF ENJOYMENT	6
2.07	DELEGATION OF USE	6
2.08	EASEMENTS, LEASES, LICENSES AND CONCESSIONS	6
2.09	EASEMENT TO THE COUNTY	6

ARTICLE THREE

Maintenance, Repair and Replacement/Architectural Controls

3.01	MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON OPEN SPACE AND MONUMENT SIGN AREAS	7
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3.02	ALTERATIONS, ADDITIONS OR IMPROVEMENTS OF COMMON OPEN SPACE AND MONUMENT SIGN AREAS	8
3.03	MAINTENANCE OF WETLANDS	9
3.04	MAINTENANCE, REPAIR AND REPLACEMENT OF LOTS AND HOMES	9
3.05	ARCHITECTURAL CONTROLS	10

ARTICLE FOUR
Insurance/Condemnation

4.01	COMMON OPEN SPACE INSURANCE	11
4.02	CONDEMNATION	11

ARTICLE FIVE
The Association

5.01	IN GENERAL	12
5.02	MEMBERSHIP	12
5.03	VOTING MEMBERS	12
5.04	BOARD	12
5.05	VOTING RIGHTS	12
5.06	DIRECTOR AND OFFICER LIABILITY	13
5.07	MANAGING AGENT	13
5.08	SIGNIFICANT LITIGATION	14
5.09	ASSOCIATION'S EASEMENT	14

ARTICLE SIX
Assessments

6.01	PURPOSE OF ASSESSMENTS	14
6.02	COMMUNITY ASSESSMENT	14
6.03	PAYMENT OF COMMUNITY ASSESSMENT	15
6.04	REVISED ASSESSMENT	15
6.05	SPECIAL ASSESSMENT	15
6.06	CAPITAL RESERVE	16
6.07	INITIAL CAPITAL CONTRIBUTION	16
6.08	PAYMENT OF ASSESSMENTS	16

ARTICLE SEVEN
Collection of Charges and Remedies for Breach or Violation

7.01	CREATION OF LIEN AND PERSONAL OBLIGATION	17
7.02	COLLECTION OF CHARGES	17
7.03	NON-PAYMENT OF CHARGES	17
7.04	LIEN FOR CHARGES SUBORDINATED TO MORTGAGES	17
7.05	SELF-HELP BY BOARD	18
7.06	OTHER REMEDIES OF THE BOARD	18
7.07	COSTS AND EXPENSES	18
7.08	ENFORCEMENT BY OWNERS	18

ARTICLE EIGHT
Use Restrictions

8.01	INDUSTRY/SIGNS	19
8.02	UNSIGHTLY USES	19
8.03	RESIDENTIAL USE ONLY	19
8.04	PARKING	19
8.05	OBSTRUCTIONS	19
8.06	PETS	19
8.07	NO NUISANCE	20

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

9.01	IN GENERAL	20
9.02	PROMOTION OF PROJECT	20
9.03	CONSTRUCTION ON PREMISES	20
9.04	GRANT OF EASEMENTS AND DEDICATIONS	21
9.05	DEVELOPER CONTROL OF ASSOCIATION	21
9.06	OTHER RIGHTS	21

ARTICLE TEN
Amendment

10.01	SPECIAL AMENDMENTS	21
10.02	AMENDMENT	22

ARTICLE ELEVEN
Mortgagees Rights

11.01	NOTICE TO MORTGAGEES	22
11.02	INSURANCE PROCEEDS/CONDEMNATION AWARDS	23

ARTICLE TWELVE
Annexing Additional Property

12.01	IN GENERAL	23
12.02	POWER TO AMEND	24
12.03	EFFECT OF SUPPLEMENTAL DECLARATION	24

ARTICLE THIRTEEN
Miscellaneous

13.01	NOTICES	25
13.02	CAPTIONS	25
13.03	SEVERABILITY	25
13.04	PERPETUITIES AND OTHER INVALIDITY	25
13.05	ASSIGNMENT BY DECLARANT	26
13.06	TITLE HOLDING LAND TRUST	26

DECLARATION FOR OAKWOOD

This Declaration is made by Northern Trust Bank/Lake Forest, N.A., as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907.

R E C I T A L S

Declarant is the record title holder of a portion of the Development Area which is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phase development called "Oakwood" (previously known as "Tangueray Meadows") (the "Development").

Initially, the Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Declaration as the Premises. From time to time the Declarant may subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as more fully described in Article Twelve. Nothing in this Declaration shall be construed to require the Declarant to subject additional portions of the Development Area to the provisions of this Declaration. Those portions of the Development Area which are not made subject to the provisions of this Declaration as Premises may be used for any purposes not prohibited by law.

Certain portions of the Premises are designated as Lots and other portions are designated as Common Open Space. Portions of certain Lots are designated as Monument Sign Areas, Deed Restricted Open Space. The Declarant has formed (or will form) the Association under the Illinois General Not-For-Profit Corporation Act. The Association shall have the responsibility for administering and maintaining, the Common Open Space and Monument Sign Areas and shall set budgets and fix assessments to pay the expenses incurred in connection with such responsibilities and duties. Each Owner of a Lot shall be a member of the Association and shall be responsible for paying assessments with respect to the Lot owned by such Owner. Certain restrictions are imposed on the use, maintenance and alteration of Deed Restricted Open Space, as more fully provided in Article Three.

During the construction and marketing of the Development, the Declarant shall retain certain rights set forth in this Declaration, which rights shall include, without limitation, the right, prior to the Turnover Date, to appoint all members of the Board, as more fully described in Article Nine, the right to come upon the Premises in connection with Declarant's efforts to sell Lots and other rights reserved in Article Nine.

NOW, THEREFORE, the Declarant hereby 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:

1.01 ASSOCIATION; The Oakwood Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

1.02 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.

1.03 BY-LAWS; The By-Laws of the Association.

1.04 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 an Owner is liable under this Declaration or the By-Laws.

1.05 COMMON OPEN SPACE; Those portions of the Premises which are described and designated as "Common Open Space" in Exhibit B hereto, together with all improvements located above and below the ground and rights appurtenant thereto. The Common Open Space shall mean and refer to areas designated on any plat of subdivision recorded by Declarant with respect to a portion of the Premises as "Natural Area", "Stormwater Detention" and/or "Greenway", which shall be used and maintained as open space and which may not be separately subdivided or developed for other than open space purposes. The Common Open Space may also include Wetlands and portions of the Common Open Space may be improved with playground equipment, shelters, picnic tables, walking/jogging trails, exercise stations and other recreational facilities. However, Common Open Space shall not include any Lot, including, without limitation, any Deed Restricted Open Space located on any Lot.

1.06 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.

1.07 COMMUNITY EXPENSES; The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping of the Common Open Space; the cost of insurance for the Common Open Space; the cost of general and special real estate taxes and assessments levied or assessed against the Common Open Space owned by the Association; 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 maintenance of the Common Open Space; the cost of the maintenance, repair and replacement of Monument Sign Areas; any expenses designated as Community Expenses by this Declaration; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.

1.08 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.

1.09 DECLARANT: Northern Trust Bank/Lake Forest, N.A., as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907, its successors and assigns.

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

1.11 DEED RESTRICTED OPEN SPACE: Those portions, if any, of a Lot which are designated on the plat of subdivision which creates the Lot as "Deed Restricted Open Space".

1.12 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Exhibit A is attached hereto for informational purposes only and no covenants, conditions, restrictions, easements, liens or changes shall attach to any part of the real estate described therein, except to the extent that portions thereof are described in Exhibit B and expressly made subject to the provisions of this Declaration as part of the Premises. Any portions of the Development Area which are not made subject to the provisions of this Declaration as part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a residential development which is administered separate from the Development.

1.13 HOME: That portion of a Lot which is improved with a single family home.

1.14 LOT: Each subdivided lot designated in Exhibit B hereto as a Lot, together with all improvements thereon and thereto.

1.15 MONUMENT SIGN AREA: A portion of a Lot or Common Open Space which is designated on Exhibit B as a Monument Sign Area and which is, or shall be, improved by Declarant with a monument sign with the name of the Development and related landscaping.

1.16 MORTGAGEE: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Lot.

1.17 NON-OWNER: A person other than an Owner or a Resident.

1.18 OWNER: A Record owner, whether one or more persons, of fee simple title to a Lot, including contract seller, but excluding those having such interest merely as security for the performance of an obligation. The Declarant shall be deemed to be an Owner with respect to each Lot owned by the Declarant.

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

1.20 PREMISES: The real estate which is legally described in Exhibit B hereto, as amended or supplemented from time to time, with all improvements thereon and rights appurtenant thereto.

1.21 RECORD: To" record in the office of the Recorder of Deeds for the County.

1.22 RESIDENT: An individual who resides in a Home and who is either the Owner, a tenant of the Owner, a contract purchaser of the Lot, or a relative of any such Owner, tenant or contract purchaser.

1.23 STORMWATER DETENTION FACILITIES: Those portions of the Common Open Space which are necessary for the management of stormwater.

1-24 TURNOVER DATE: The date on which the rights of the Declarant to designate the members of the Board are terminated under Section 9.05.

1.25 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.

1.26 WETLANDS: Those portions of the Premises which are designated and shown as "Wetlands" on that certain Wetlands Mitigation Plan for Tanageray Meadows prepared by Christopher B. Burke Engineering, Ltd., File No. 89-152 dated September, 1989, as revised October 19, 1989 and April 10, 1990, as may be further revised from time to time, which shall be on file with the U.S. Army Corps of Engineers and shall be part of the Association records.

ARTICLE TWO
Scope of Declaration/Certain Property Rights

2.01 PROPERTY SUBJECT TO DECLARATION: Declarant, as the owner of fee simple title to the Premises, expressly intends to and by Recording this Declaration, does hereby subject the Premises to the provisions of this Declaration. Declarant reserves the right to add additional real estate to the terms of this Declaration as more fully provided in Article Twelve.

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 Premises. Reference in any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.

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 the Owner of not less than three-fourths (3/4) of the Lots then subject to the Declaration.

2.04 LOT CONVEYANCE: Once a Lot has been conveyed by the Declarant to a bona fide purchaser for value, then any subsequent conveyance or transfer of ownership of the Lot shall be of the entire Lot and there shall be no conveyance or transfer of a portion of the Lot without the prior written consent of the Board.

2.05 OWNERSHIP: The Common Open Space shall be conveyed to the Association by Declarant free and clear of any mortgage or trust deed whatsoever on or before the Turnover Date; provided, that, if any Common Open Space is made subject to this Declaration after the Turnover Date, such Common Open Space shall be conveyed to the Association free and clear of any mortgage or trust deed whatsoever simultaneously with such Common Open Space being made subject to this Declaration. The Association shall

be responsible for the payment of any and all Community Expenses in connection with the Common Open Space, including, without limitation, real estate taxes, if any, and property damage and public liability insurance premiums.

2.06 RIGHT OF ENJOYMENT: Each Owner shall have the nonexclusive right and easement to use and enjoy the Common Open Space. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Lot, and shall be 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 Association.

2.07 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 Owner may delegate his right to use and enjoy the Common Open Space and the Owner's Lot to Residents of his Lot. An Owner shall delegate such rights to tenants and contract purchasers of the Lot who are Residents.

2.08 EASEMENTS. LEASES. LICENSES AND CONCESSIONS: The Association shall have the right and authority from time to time to lease or grant easements, licenses, or concessions with regard to any portions or all of the Common Open Space 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 and to make recreational facilities or amenities available for use by Non-Owners on a fee basis. Any and all proceeds from leases, easements, licenses or concessions with respect to the Common Open Space shall be used to pay the Community Expenses. Also, the Association shall have the right and power to dedicate any part or all of the Common Open Space to the County or any other governmental authority which has jurisdiction over the Common Open Space; 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 Lot, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements 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, 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 Premises.

2.09 EASEMENT TO THE COUNTY: The duly designated officials and employees of the County are hereby granted an easement to

enter upon, on or over areas of on-site Stormwater Detention Facilities and for the purpose of inspecting such areas to determine whether the improvements and systems which constitute the Stormwater Detention Facilities have been and are being properly maintained in conformity with this Declaration and all applicable ordinances and regulations of the County. If it is determined that the Stormwater Detention Facilities are not in conformity with applicable restrictions, ordinances and regulations, the County shall give the Association written notice of such determination. The County shall be empowered to compel correction of a problem concerning maintenance after providing notice to the Association, although notice shall not be required in the event that the County determines that the failure of maintenance constitutes an immediate threat to public health, safety and welfare. If the Association fails to perform the necessary maintenance within a reasonable time after receiving notice thereof from the County, the County shall have the right to perform or cause to be performed such maintenance or other operations necessary to preserve the drainage structures and characteristics of the Stormwater Detention Facilities. If the County performs such services, it shall be entitled to reimbursement by the Association for any reasonable costs incurred to do so. The easement described herein is an easement appurtenant, running with the land; it shall at all times be binding upon the Association, all of its grantees and their respective heirs, successors, personal representatives and assigns, perpetually and in full force. No amendment to the Declaration applicable which affects the Stormwater Detention Facilities and the maintenance thereof shall become effective unless consented to in writing by the County.

ARTICLE THREE

Maintenance. Repair and Replacement/Architectural Controls

3,01 MAINTENANCE. REPAIR AND REPLACEMENT OF COMMON OPEN SPACE AND MONUMENT SIGN AREAS:

(a) Subject to the provisions of (b) below, maintenance, repairs and replacements of the Common Open Space and Monument Sign Areas shall be furnished exclusively by the Association, and shall include, without limitation, the following:

(i) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the common Open Space and Monument Sign Areas;

(ii) maintenance, repair and replacement of Stormwater Detention Facilities on the Common Open Space;

(iii) maintenance, repair, replacement and landscaping of Monument Sign Areas and the monument signs located thereon;

(iv) maintenance of Wetlands, as more fully provided for in Section 3.03; and

(v) maintenance of Natural Areas shall consist of the removal of litter, junk and debris, which may also include the removal of dead or diseased vegetation and such noxious species as Lonicera tatarica (Honeysuckle), Rhamnus cathartica (Buckthorn) or other invasive species; maintenance of recreational areas, which shall consist of all acts necessary to ensure that recreational areas remain in usable condition and that no hazards, nuisances or unhealthy conditions exist; maintenance of Greenway Areas, which shall consist of all acts necessary to ensure that such areas remain aesthetically and functionally usable as originally designed and that no hazards, nuisances or unhealthy conditions exist; and maintenance of Stormwater Detention areas, which shall consist of all acts necessary to ensure that the areas function as designed and that no hazards, nuisances or unhealthy conditions exist.

In addition, the Association shall maintain and, if necessary, replace trees located in dedicated parkways adjacent to the Premises and, until (and only until) such time as a plat of subdivision of a portion of the real estate commonly known as Country Towne II has been recorded, the Association shall maintain that certain storm sewer main" line to be constructed by Declarant on the Country Towne II real estate. The cost of any maintenance, repairs and replacement furnished under this Section shall be Community Expenses.

(b) Anything herein to the contrary notwithstanding, Declarant shall be primarily responsible for maintenance of the Common Open Space, including, without limitation, the Stormwater Detention Facilities, until such time as eighty percent (80%) of the Lots in the Premises have been sold and conveyed to bona fide purchasers for value and all maintenance and guarantee bonds have been released by the County. However, the cost of such maintenance shall be paid by the Association as part of the Community Expenses.

3.02 ALTERATIONS, ADDITIONS OR IMPROVEMENTS OF COMMON OPEN SPACE AND MONUMENT SIGN AREAS: No alterations, additions or improvements shall be made to the Common Open Space or Monument Sign Areas without the prior approval of the Board. The Association may cause alterations, additions or improvements to be made to the Common Open Space or Monument Sign 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 four (4) months assessments then in effect under the then current budget shall be approved in advance at a special meeting of the Owners.

3.03 MAINTENANCE OF WETLANDS; The Wetlands shall be maintained exclusively by the Association in compliance with applicable laws, rules and regulations governing the maintenance of wetlands generally. Without limiting the foregoing, the Association shall comply with the requirements of the United States Army Corps of Engineers Permit No. 1709016 and any other permits which may be issued by the United States Army Corps of Engineers (the "Permit") which apply to the maintenance of the Wetlands on the Premises and the requirements of the management and monitoring plan adopted pursuant to the Permit. No Wetlands shall be altered without the prior written consent of the Board. The Board shall not permit, cause or authorize any modification, alteration or improvement to be made to any portion of the Wetlands without complying with applicable laws, rules and regulations governing the alteration of wetlands, the Permit or the management and monitoring plan adopted pursuant to the Permit.

3.04 MAINTENANCE. REPAIR AND REPLACEMENT OF LOTS AND HOMES:

(a) The maintenance of Wetlands and Monument Sign Areas, if any, located on a Lot shall be furnished exclusively by the Association, as more fully provided in Sections 3.03 and 3.01, and no Owner shall in any way alter any Wetlands or Monument Sign Areas on the Owner's Lot without the prior written consent of the Board.

(b) Except as otherwise specifically provided in this Declaration, each Owner shall be responsible for the maintenance, repair and replacement of the Owner's Lot and Home and any Deed Restricted Open Space located thereon which are not Wetlands, and shall at all times keep the Lot and Home in good condition and repair and free of debris. The maintenance responsibilities hereunder shall be subject to reasonable rules and regulations adopted from time to time by the Board.

(c) To the extent possible, Deed Restricted Open Space shall be maintained in their natural state, subject to rules and regulations adopted from time to time by the Board and County ordinances from time to time in effect. Without limiting the foregoing, each Owner shall replace diseased or dead trees, shrubs or other foliage on Deed Restricted Open Space with trees, shrubs or other foliage of like kind.

(d) Each Lot Owner shall also be responsible for the cutting of grass located on dedicated parkways adjacent to the Owner's Lot.

(e) If in the sole judgment of the Board (i) an Owner has failed to maintain the Owner's Lot and Home, in good condition and repair or the appearance of portions of the Owner's Lot is not of the character and quality of that of other Lots and Homes in the Development, or in compliance with the terms hereof or rules and regulations adopted by the Board from time to time or (ii) the Owner has altered or damaged the Deed Restricted Open Space which is part of his Lot or has failed to keep the Lot (including the Deed Restricted Open Space 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 Lot 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 of the Lot 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 Lot until such time as payment is made in full.

3.05 ARCHITECTURAL CONTROLS: No additions, alterations or improvements (including without limitation, changes in the landscaping or exterior color of a Home or construction of a fence, shed, outbuilding, antenna, satellite dish or similar changes) shall be made to any part of a Lot or the Home thereon which is visible from outside the Home without the prior written consent of the Board. Without limiting the foregoing (i) no portion of the Deed Restricted Open Space on a Lot shall be altered and no improvements shall be constructed thereon and (ii) fences, play equipment or similar improvements may be constructed on a Lot with the prior written consent of the Board as provided for herein. If an addition, alteration or improvement which requires Board consent hereunder is made to a Lot or Home without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the exterior of the Home to its original condition, all at the Owner's expense; 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 Owner for the cost thereof as determined by the Board; or

(c) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such

ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

ARTICLE FOUR
Insurance/Condemnation

4.01 COMMON OPEN SPACE INSURANCE:

(a) The Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements, if any, to the Common Open Space (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 managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with, the Common Open Space. The Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(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 may be obtained by the Association in such amounts as the Board may deem desirable.

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

4.02 CONDEMNATION: in the case of a taking or condemnation by competent authority of any part of the Common Open Space, the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Common Open Space Capital Reserve being held for such part of the Common Open Space, 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 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 Common Open Space under this Declaration. Any acquisition by the Association pursuant to this Section of real estate which shall become Common Open Space 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: Declarant has caused or shall cause the Association to 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 operation of the Common Open Space. The Association shall be responsible for the maintenance, repair and replacement of the Common Open Space and Monument Sign Areas.

5.02 MEMBERSHIP Each Owner shall be a member of the Association. There shall be one membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Lot within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 9.05, 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 Lot. 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 Lot shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Lot shall be designated by such Owner or Owners 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 Lot as the Voting Member for such Lot.

5.04 BOARD: Subject to the rights retained by the Declarant under Section 9.05, The Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners shall have no voting rights. From and after the Turnover Date, 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 Lot which the Voting Member represents. 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.

5.06 DIRECTOR AND OFFICER LIABILITY; Neither the directors nor the officers of the Association shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers 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, Declarant and each of the directors and officers, his heirs, executors or administrators, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers 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, administrative, or other in which any such director may be involved by virtue of such person being or having been such director or officer; 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 or officer, 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 or officer.

5.07 MANAGING AGENT; The Declarant (or an entity controlled by the Declarant) may be engaged by the Association to act as the managing agent for the Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Association and the Declarant (or an entity controlled by the Declarant). 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 by the Association without payment of a termination fee on ninety (90) days written notice.

5.08 SIGNIFICANT 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 the affirmative vote of Voting Members representing at least seventy-five percent (75%) of the Lots to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges) or (b) counterclaims brought by the Association in proceedings instituted against it.

5.09 ASSOCIATION'S EASEMENT: The Association, its employees, agents and contractors, shall have the right to come upon any portion of the Premises as may be necessary in order to permit such persons or entities to do any work provided for or permitted hereunder.

ARTICLE SIX Assessments

6.01 PURPOSE OF ASSESSMENTS; The assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Association, 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 Common Open Space, 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 (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above;
- (e) That portion of the Community Assessment which shall be payable with respect to the ensuing calendar year

by the Owner of each Lot which is subject to assessment hereunder, which shall be equal to the Community Assessment divided by the number of Lots, so that each Owner shall pay equal Community Assessments for each Lot owned. The Community Assessment shall be paid in periodic installments as determined by the Board from time to time, but no less frequently than once each calendar year.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Board prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as shown on Declarant's or Declarant's beneficiary's then current plan for the Development and (ii) all proposed Homes have been sold and are occupied. The current plan for the Development shall be kept on file with the Association and may be modified from time to time by Declarant or Declarant's beneficiary. Declarant shall not be obligated to pay any Community Assessments to the Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Community Assessments payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Community Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Association. From time to time prior to the Turnover Date the Declarant shall deposit with the Association amounts which reasonably approximate Declarant's obligation hereunder as estimated by the Declarant. A final accounting and settlement of the amount, if any, owed by Declarant to the Association shall be made as soon as practicable after the Turnover Date.

6.03 PAYMENT OF COMMUNITY ASSESSMENT: Each Owner of a Lot which is subject to assessment shall pay to the Association, or as the Board may direct, that portion of the Community Assessment which is payable by each Owner of a Lot under Section 6.02(e) at such times as the Board shall determine from time to time.

6.04 REVISED ASSESSMENT; If 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(e) 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 Common Open Space, or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of Lots in equal shares. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast 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 Common Open Space, Monument Sign Areas and Wetlands (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Open Space, Monument Sign Areas, Wetlands and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Common Open Space, Monument Sign Areas and Wetlands 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 Lot by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to two months Community Assessment at the rate which shall become effective with respect to the Lot as of the closing. Said amount shall be held and used by the Association for its working capital needs.

6.08 PAYMENT OF ASSESSMENTS; Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Owner's Lot and also shall be a personal obligation of the Owner in favor of the Association, all as more fully set forth in Article Seven.

ARTICLE SEVEN
Collection of Charges and
Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant hereby covenants, and each Owner of a Lot by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed or other 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 Lot. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Lot against which such Charge is made and also shall be the personal obligation of the Owner of the Lot at the time when the Charge becomes due. The lien 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 or the maximum rate permitted by law, whichever is less, 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, 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. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Common Open Space or by abandonment or transfer of his Lot.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the Mortgagee's mortgage on the Lot which was Recorded prior to the date that any such Charge became due. 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 Lot. Where title to a Lot is transferred pursuant to a decree of foreclosure of the Mortgagee's mortgage or by deed or assignment in lieu of foreclosure of the Mortgagee's 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 Lot shall be personally liable for his

share of the Charges with respect to which a lien against his Lot 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 Lot, as provided in this Article.

7.05 SELF-HELP BY BOARD; In the event of a violation or breach by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws, or rules or regulations of the Board, 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 Premises where the violation or breach exists to remove or rectify the violation or breach; provided, that, if the violation or breach exists within a Home, judicial proceedings must be instituted before any items of construction can be altered or demolished.

7.06 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, to enforce any of the provisions contained in this Declaration or any rules and regulations adopted hereunder the Board may levy a fine or the Board may bring an action at law or in equity by the Association against any person or persons violating or attempting to violate any such provision, either to restrain such violation, require performance thereof, to recover sums due or payable or to recover damages or fines, and against the land to enforce any lien created hereunder; and failure by the Association or any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

7.07 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with any action, proceedings or self-help in connection with exercise of its rights and remedies under this Article, including, without limitation, court costs, 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 or the maximum rate permitted by law, whichever is less, until paid, shall be charged to and assessed against the defaulting Owner, and the Association shall have a lien for all the same, upon his Lot as provided in Section 7.01.

7.08 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, and against a Lot to enforce any lien created hereunder.

ARTICLE EIGHT Use
Restrictions

8.01 INDUSTRY/SIGNS: No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Common Open Space nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any part of the Common Open Space or any Monument Sign Area, except as permitted by the Board or as permitted under Article Nine.

8.02 UNSIGHTLY USES: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of any Lot or the Common Open Space. The Premises 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 by the Board.

8.03 RESIDENTIAL USE ONLY: Each Home shall be used only as a residence; provided that no 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 or (iii) handling his personal business or professional calls or correspondence therefrom.

8.04 PARKING: Unless expressly permitted by the Board, no boats, trucks, recreational vehicles, trailers, commercial vehicles or other similar vehicles shall be parked or stored on the driveway or front lawn of any Lot for more than twenty-four (24) hours at a time. Except for emergencies, no repairs or maintenance work shall be performed on any vehicle on the Premises (other than within a garage).

8.05 OBSTRUCTIONS: Except as permitted under Section 9.03 there shall be no obstruction of the Common Open Space, and nothing shall be stored in the Common Open Space without the prior written consent of the Board.

8.06 PETS: No animal of any kind shall be raised, bred or kept in the Common Open Space. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home and (b) use of the Common Open Space by pets, including, without limitation, rules and regulations which set aside certain portions of the Common Open Space as a "dog run" or which require an Owner to clean up after his pet. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Premises upon three (3) days written notice from the Board to the Owner of the Home containing such pet and the decision of the Board shall be final.

8.07 NO NUISANCE; No noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Residents.

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

9.01 IN GENERAL: In addition to any rights or powers reserved to the Declarant under the provisions of this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. Anything in this Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Article shall govern. If not sooner terminated pursuant to the provisions hereof, the rights and powers reserved in this Article shall terminate and expire at such time as Declarant no longer holds or controls title to any portion of the Development Area.

9.02 PROMOTION OF PROJECT: In connection with the promotion, sale or rental of any improvements upon the Development Area: (i) the Declarant 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 Premises as the Declarant 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 may deem advisable; and (ii) Declarant, its 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 Common Open Space, at any and all reasonable times without fee or charge. The Declarant shall have the right and power to lease any unit owned by it or the Declarant to any person or entity which it deems appropriate in its sole discretion.

9.03 CONSTRUCTION ON PREMISES; In connection with the construction of improvements to any part of the Premises, the Declarant, its agents and contractors, shall have the right, at the Declarant's own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the construction, reconstruction or alteration of any temporary or permanent improvements to any structure which shall contain Homes or the Common Open Space which the Declarant deems, in its sole discretion, to be necessary or advisable, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises. In connection with the rights provided in the

preceding sentence, the Declarant, its agents and contractors, shall have the right of ingress, egress and parking on the Premises and the right to store construction equipment and materials on the Premises without the payment of any fee or charge whatsoever.

9.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant shall have the right to dedicate portions of the Common Open Space to the County, or any other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the Common Open Space 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 Lot.

9.05 DEVELOPER CONTROL OF ASSOCIATION: The first and all subsequent Boards shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board shall terminate on the first to occur of (i) such time as Declarant no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Declarant to the Association of Declarant's election to terminate such rights, or (iii) ten (10) years from the date of Recording hereof. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners (other than the Declarant) shall have no voting rights. From and after the Turnover Date, the Board shall be constituted and elected as provided in the By-Laws.

9.06 OTHER RIGHTS; The Declarant shall have the right and power to execute all documents and do all other acts and things affecting the Premises which, in Declarant's opinion, are necessary or desirable in connection with the rights of Declarant under this Declaration.

ARTICLE TEN
Amendment

10.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Declarant 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 Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency 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 Lots, (iii) to correct errors in the Declaration or any Exhibit, or (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant 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 Lot 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 to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate at such time as Declarant no longer holds or controls title to a portion of the Premises.

10.02 AMENDMENT: Subject to Section 2.09, Section 10.01 and Article Eleven, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Members representing at least Seventy-Five percent of the total votes or by an instrument executed by Owners of at least Seventy-Five Percent (75%) of the Lots; except, that (i) the provisions of this Section 10.02 may be amended only by an instrument executed by all of the Owners and all Mortgagees, (ii) Article Nine or any other provisions relating to the rights of Declarant may be amended only upon the written consent of the Declarant, and (iii) no amendment to the Declaration which changes the ratio of assessments against Owners shall become effective without the consent of all Mortgagees. No amendment which removes Premises from the provisions of this Declaration shall be effective if as a result of such removal, an Owner of a Lot shall no longer have the legal access to a public way from his Lot. No amendment shall become effective until properly Recorded.

ARTICLE ELEVEN
Mortgagees Rights

11.01 NOTICE TO MORTGAGEES: Upon the specific, written request of Mortgagee or the insurer or guarantor of a Mortgagee's mortgage, such party shall receive some or all of the following:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Lot covered by the Mortgagee's mortgage;

(b) Any audited or unaudited financial statements of the Association which are prepared for the Association and

distributed to the Owners; provided, that, if an audited statement is not available, then upon the written request of the holder, insurer or guarantor of a Mortgage, the Association shall permit such party to have an audited statement for the preceding fiscal year of the Association prepared at such party's expense;

(c) Copies of notices of meetings of the Owners;

(d) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Open Space.

(f) Notice of any default by the Owner of the Lot which is subject to the Mortgagee's mortgage under this Declaration, the By-Laws or the rules and regulations of the Association which is not cured within 30 days of the date of the default;

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

(h) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

The request of any such party 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.

11.02 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 Common Open Space 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 Common Open Space, any such distribution shall be made to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the Mortgagee of a Lot with respect to any such distribution to or with respect to such Lot; 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 Common Open Space or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Four.

ARTICLE TWELVE

Annexing Additional Property

12.01 IN GENERAL: Declarant reserves the right at any time and from time to time prior to ten (10) years from the date of Recording of this Declaration to annex, add and subject

additional portions of the Development Area to the provisions of this Declaration as additional Premises by recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Development Area which is subjected to this Declaration by a Supplemental Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Common Open Space shall be referred to as "Added Common Open Space"; and any Lots contained in the Added Premises shall be referred to as "Added Lots". After the expiration of said ten (10) year period, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Development Area to the provisions of this Declaration, provided that the consent the Owners (by number) of two-thirds (2/3) of all Lots then subject to this Declaration is first obtained. -

12.02 POWER TO AMEND: Declarant hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 12.01, which amends or supplements Exhibit B. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate.

12.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Declarant which annexes and subjects Added Premises, Added Common Open Space, or Added Lots to this Declaration, as provided in this Article, then:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added Premises and inure to the benefit of and be binding on any Person having at any time any interest or estate in the Added Premises in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Premises, and Persons having an interest or estate in the Premises, subjected to this Declaration prior to the date of the Recording of the Supplemental Declaration;

(b) Every Owner of an Added Lot shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners of Lot immediately prior to the Recording of such Supplemental Declaration;

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Premises (including the Added Common Open Space or the Added

Lots, if any) made subject to this Declaration by any such Supplemental Declaration and the Owners, mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Premises were subjected to this Declaration at the time of the Recording hereof;

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any Charges made to a Lot or its Owner prior to such Recording;

(e) The Declarant shall have and enjoy with respect to the Added Premises all rights, powers and easements reserved by the Declarant in this Declaration, plus any additional rights, powers and easements set forth in the Supplemental Declaration; and

(f) Each Owner of an Added Lot which is subject to assessment hereunder shall be responsible for the payment of the Community Assessment pursuant to Section 6.02, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Lot became subject to assessment hereunder.

ARTICLE THIRTEEN
Miscellaneous

13.01 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 Lot.

13.02 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.

13.03 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.

13.04 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 now living lawful descendants of the President of the United States at the time this Declaration is Recorded.

13.05 ASSIGNMENT BY DECLARANT; All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No such successor assignee of the rights of Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

13.06 TITLE HOLDING LAND TRUST: In the event title to any Lot is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Lot 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 Lot. 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 Lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot.

Dated: July 22, 1993

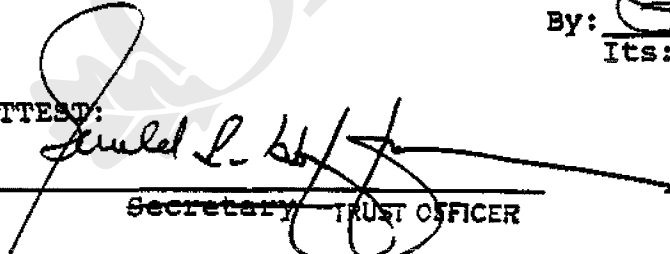
DECLARANT:

NORTHERN TRUST BANK/LAKE FOREST, as
Trustee **aforsaid**

By: 

Its: SECOND VICE PRESIDENT

ATTEST:


Secretary TRUST OFFICER
(SEAL)

0001.182

STATE OF ILLINOIS)
 LAKE) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that PEGGY PETERS and Cur Huffman, Second Vice President and ~~TRUST OFFICE secretary~~ respectively, of Northern Trust Bank/Lake Forest (the "Declarant") and, as such Second Vice President and as such ~~TRUST OFFICER Secretary~~ of the 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 the Declarant for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 22nd day of July, 1993.

OFFICIAL SEAL
SHILA K FINKELBERG
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISS

Shila K. Finkelberg
Notary Public

THIS INSTRUMENT PREPARED BY:

Brian Meltzer
KECK, MAHIN & GATE
1515 East Woodfield Road
Suite 250
Schaumburg, Illinois 60173-5431
(708) 330-1200

EXHIBIT A TO DECLARATION FOR
OAKWOOD

The Development Area

Outlets D, E, F, G, H, I, and J in Tangueray Meadows Unit 1 Subdivision, created pursuant to a plat thereof recorded in Lake County, Illinois as Document No. 2829174, plus all real estate within 2,500 feet of the perimeter of Tangueray Meadows Unit 1.

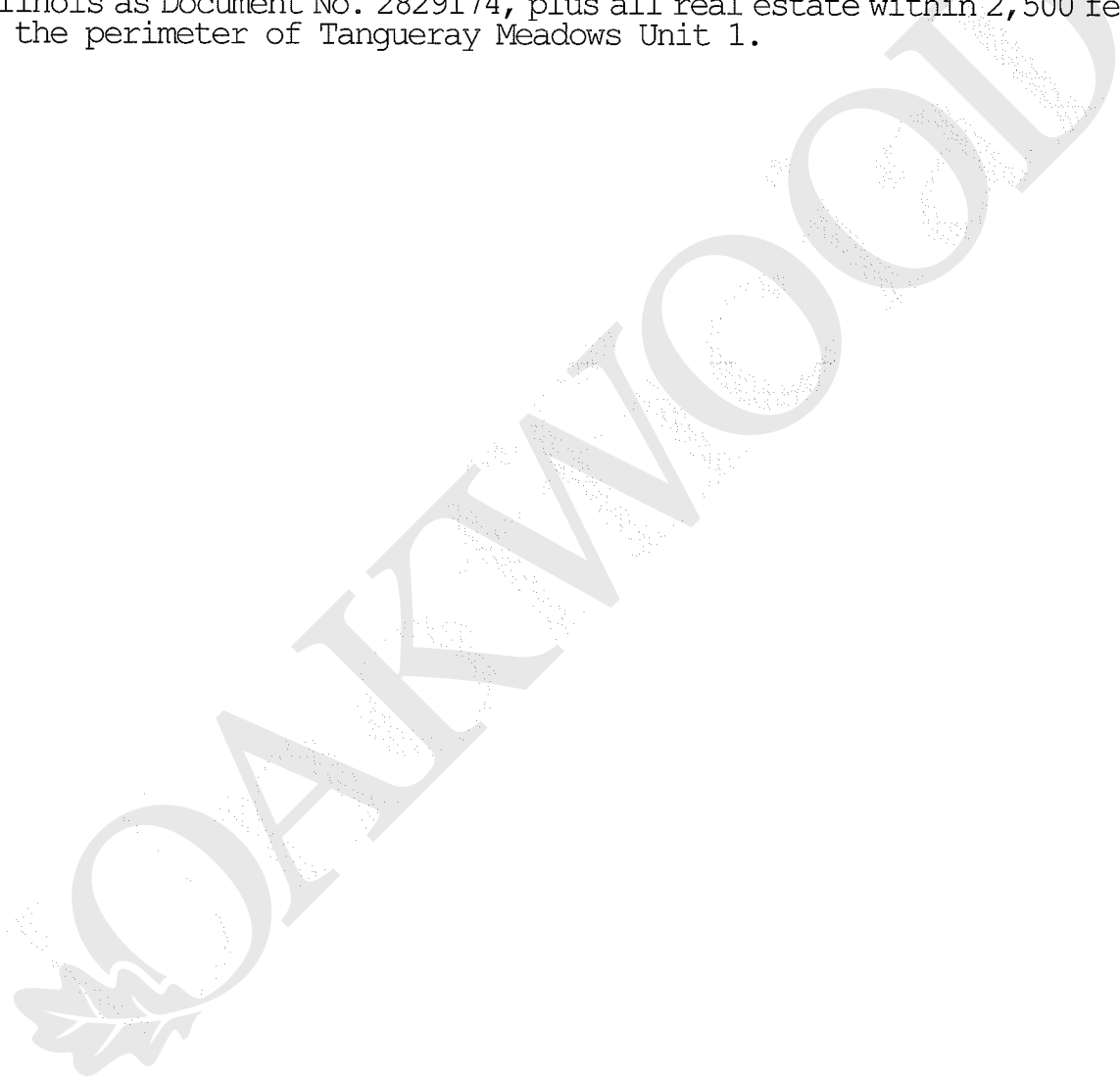


EXHIBIT B TO DECLARATION FOR
OAKWOOD

The Premises

Lots.

Lots 46 through 59, both inclusive, 79 through 104, both inclusive, 133, 134 and 144 through 150, both inclusive as delineated on the Plat of Subdivision for Tangueray Meadows Unit No. 2, recorded as Document No. 3442512, being a resubdivision of Outlets D and G and part of Outlet J in Tangueray Meadows Unit 1 ("Tangueray Meadows Unit 2").

II. Common Open Space;

Outlets X, Y and Z in Tangueray Meadows Unit 2.

III. Monument Sign Areas;

None.

PIN:

0719401006

ADDRESS :

Tangueray Drive and Meander Drive Lake
County, Illinois

THE BY-LAWS OF
THE OAKWOOD HOMEOWNERS ASSOCIATION
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE I
NAME OF CORPORATION

The name of this corporation is OAKWOOD HOMEOWNERS 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 Oakwood ("Declaration") to be recorded with the Office of the Recorder of Deeds for Lake County, Illinois. 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 Declarant 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 Lot which he 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 the County 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. Twenty percent (20%) of the Voting Members 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 members present at such meeting.

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 Declarant. If not called earlier by the Declarant, 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 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 the affirmative vote of 50% 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 Declarant. During such period the Owners may elect from among themselves that number of non-voting counselors to the Board as the Declarant 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 Declarant 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 Declarant 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 Declarant 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 three (3) candidates receiving the greatest number of votes shall each serve a two year term and the four (4) 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 Dwelling Unit 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 75% of 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 Common Open Space and Monument Sign Areas 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 Common Open Space, 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.

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.

7.02 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.

7.03 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.

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

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

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

7.07 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 depositaries 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 Declarant, and provided further, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.

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