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DECLARATION FOR CAMBRIDGE POINTE TOWNHOMES

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DECLARATION FOR CAMBRIDGE POINTE TOWNHOMES

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

RECITALS

Trustee holds record title to the Development Area which is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phased townhome development called "Cambridge Pointe Townhomes" (the "Development"). The Development shall include residential units, parking areas, green space, walkways, driveways, and other amenities.

Initially, the Trustee 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 Trustee may subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as more fully described in Article Eight. Nothing in this Declaration shall be construed to require the Trustee 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.

Portions of the Premises, including, without limitation, walkways, driveways, open areas, including improvements located above and below the ground, shall be designated as "Community Area". The Community Area shall be maintained for the common use and enjoyment of all residents of the Development. Each Owner of a Dwelling Unit shall be assessed to pay his share of the cost of the maintenance and/or improvement of the Community Area.

In order to provide for the orderly and proper administration, maintenance, and improvement of the Community Area and for the architectural control of the Dwelling Units, the Trustee shall incorporate the Association under the Illinois General Not-For-Profit Corporation Act. The Association shall have the responsibility for administering, maintaining and improving the Community Area and shall set budgets and fix assessments to pay the expenses incurred in connection with such duties. The administration, maintenance and improvement of the Community Area by the Association shall at all times be subject to this Declaration and all of the rights and easements provided for the Owners in this Declaration. Each Owner of a Dwelling Unit shall be a member of the Association.

During the construction and marketing of the Development, the Trustee 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 Development Area in connection with Trustee's efforts to sell Dwelling Units and other rights reserved in Article Nine.

NOW, THEREFORE, the Trustee 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: Cambridge Pointe Townhome 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 COMMUNITY AREA: Those portions of the Premises which are described and designated as "Community Area" in Exhibit B hereto, as Exhibit B may be amended or supplemented from time to time, together with all improvements located above and below the ground and rights appurtenant thereto. The Community Area shall generally include open space, private drives, parking areas, walkways and green areas, and shall not include any Dwelling Units. Trustee may make Added Community Area subject to this Declaration as provided in Article Eight below.

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, landscaping and snow removal of the Community Area and the Dwelling Unit Exteriors; the cost of water and sewer service to the Dwelling Units; the cost of insurance, water, waste removal and scavenger services, electricity, telephone and other necessary utility expenses for the Community Area; the cost of general and special real estate

taxes and assessments levied or assessed against any portion of the Community Area 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 operation and maintenance of the Community Area and Dwelling Unit Exteriors; 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: DuPage County, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in DuPage County as of the Recording of this Declaration.

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

1.10 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.

1.11 DWELLING UNIT: The Premises consists of subdivided lots and outlots. Each lot shares at least one line with another lot. Lots are gathered into groups of three or four adjacent lots. Each group of adjacent lots which are made subject to this Declaration as part of the Premises will be improved with a building containing that number of residential units which equals the number of lots on which the building is built. Each of the residential units will be separated from an adjacent unit by a "Party Wall" (defined in Article Twelve). It is intended that each Party Wall will be located on the lot line shared by two adjacent lots. If the Party Wall is located on the common lot line, the lot on which each residential unit is located shall be a Dwelling Unit hereunder. If, however, the Party Wall is not located on the common lot line, then the legal description of the parcel of land conveyed to each buyer of a residential unit may include only a part of a lot or, alternatively, part or all of one lot and part of the adjacent lot. The real estate which is legally described in the deed which conveys a residential unit to the first buyer thereof from the Trustee shall be a "Dwelling Unit" hereunder.

1.12 DWELLING UNIT EXTERIOR: The roof, foundation, steps, footings, outer surface of exterior walls and garage doors of the residential unit and attached garage unit comprising the Dwelling Unit and all portions, if any, of the Dwelling Unit which are not improved with the residence and garage, including, without limitation, the following:

(a) Driveways, walkways, patios, grass, shrubbery and other landscaping, if any; and

(b) Those portions of water, sewer, electric and other operating or utility systems which serve more than one Dwelling Unit (but not including those portions of such systems which serve only such Dwelling Unit).

1.13 MORTGAGEE: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Dwelling Unit.

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

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

1.16 PREMISES: That portion of the Development Area which is described in Exhibit B hereto, as Exhibit B may be amended from time to time, with all improvements thereon and rights appurtenant thereto. Trustee shall have the right, but not the obligation, to make additional portions of the Development Area subject to this Declaration as part of the Premises as more fully provided in Article Eight.

1.17 PRIVACY AREA: Those portions of the Community Area, if any, which are designed for the exclusive use of the owner, as more fully described in Section 3.23.

1.18 RECORD: To record in the office of the Recorder of Deeds of DuPage County, Illinois.

1.19 RESIDENT: An individual who resides in a Dwelling Unit and who is either the Owner, a tenant of the Owner, a contract purchaser of the Dwelling Unit, or a relative of any such Owner, tenant or contract purchaser.

1.20 TRUSTEE: Northern Trust Bank/Lake Forest as Trustee under a Trust Agreement dated December 18, 1981, and known as Trust No. 6907 its successors and assigns.

1.21 TURNOVER DATE: The date on which the rights of the Trustee to designate the members of the Board are terminated under Section 9.05.

1.22 UNADDED AREA: Those portions of the Development Area which from time to time have not been made subject to this Declaration as part of the Premises.

1.23 VILLAGE. The Village of Carol Stream, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Village of Carol Stream as of the Recording of this Declaration.

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

ARTICLE TWO Scope of Declaration

2.01 PROPERTY SUBJECT TO DECLARATION: Trustee, 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. Trustee shall have the right from time to time to subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as provided in Article Eight hereof. Nothing in this Declaration shall be construed to obligate the Trustee to subject to this Declaration as Premises any portion of the Development Area other than those portions which are described in Exhibit B hereto or which are added to Exhibit B by Supplemental Declarations Recorded by Trustee pursuant to Article Eight.

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.

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 Owners of not less than three-fourths (3/4) of the Dwelling Units.

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

2.05 EASEMENT FOR ENCROACHMENT: In the event that, by reason of the construction, repair, reconstruction, settlement, shifting or incorrect conveyances of a Dwelling Unit, any facilities servicing any such Dwelling Unit, or any improvements to the Community Area, shall encroach upon any part of any Dwelling Unit or the Community Area, then, in any case, there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner if such encroachment occurred due to the intentional, willful, or negligent conduct of such Owner or his agent. The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

ARTICLE THREE

Covenants and Restrictions as to Use and Maintenance of the Community Area and Dwelling Units

3.01 IN GENERAL: The restrictions and limitations contained in this Article shall be subject to the rights of the Trustee set forth in Article Nine.

3.02 OWNERSHIP: Upon the recording hereof, the Community Area shall be conveyed to the Association free and clear of any mortgage or trust deed. At the time that an additional portion of the Development Area is made subject to this Declaration as Added Community Area, such portion shall be conveyed to the Association free and clear of any mortgage or trust deed.

3.03 ACCESS EASEMENT: Each Owner shall have a non-exclusive perpetual easement for ingress to and egress from his Dwelling Unit to public streets and roads over and across the Community Area, which easement shall run with the land, be appurtenant to and pass with the title to every Dwelling Unit. The Owner from time to time of any portion of the Unadded Area shall have a non-exclusive perpetual easement over and across the roads located from time to time on the Premises for access to and

from the Unadded Area. The County, the Village or any municipality or other governmental authority which has jurisdiction over the Community Area shall have a non-exclusive easement of access over the Community Area for police, fire, ambulance, waste removal, snow removal and other vehicles for the purpose of furnishing municipal or emergency services to the Premises. The Association, its employees, agents and contractors, shall have the right of ingress to, egress from and parking on the Community Area, and the right to store equipment on the Community Area, for the purposes of furnishing any maintenance, repairs or replacements of the Community Area, as required or permitted hereunder.

3.04 RIGHT OF ENJOYMENT: Each Owner shall have the non-exclusive right and easement to use and enjoy the Community Area, except portions thereof which are designated as being part of a Privacy Area as more fully provided in Section 3.23. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit, 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.

3.05 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 Community Area to Residents of his Dwelling Unit. An Owner shall delegate such rights to tenants and contract purchasers of the Dwelling Unit who are Residents.

3.06 RULES AND REGULATIONS: The use and enjoyment of the Community Area shall at all times be subject to reasonable rules and regulations duly adopted by the Association.

3.07 UTILITY EASEMENTS: Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company, and all other public and private utilities serving the Premises are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Community Area and Dwelling Unit Exteriors for the purpose of providing utility services to the Premises or any other portion of the Development Area.

3.08 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 Community Area for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities and similar and related purposes. Any and all proceeds from leases, easements, licenses or concessions with respect to the Community

Area 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 roads or parking areas to the County, the Village or any municipality or other governmental authority which has jurisdiction over the Community Area. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Unit Ownership, 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.

3.09 MAINTENANCE, REPAIR AND REPLACEMENT OF THE COMMUNITY AREA: Maintenance, repairs and replacements of the Community Area shall be furnished by the Association, and shall include, without limitation, the following:

(a) The maintenance (including street cleaning, waste removal and snow removal), repair and replacement of the private drives and roads, walks, paths, parking areas, access facilities, and of all other improvements on and through the Community Area; and

(b) Added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area.

The cost of the maintenance, repairs and replacement of the Community Area shall be Community Expenses. In the event that any of the improvements to the Community Area are damaged and such damage is covered by insurance carried by the Association under Section 4.01(a), then unless a resolution to the contrary is adopted by the affirmative vote of at least 75% of the Voting Members, the damaged improvements shall be repaired, replaced or reconstructed and the insurance proceeds shall be used first to pay the cost thereof, and any excess shall be used to pay the Community Expenses.

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

3.11 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMUNITY AREA: No alterations, additions or improvements shall be made to the Community Area without the prior approval of the Board. The Association may cause alterations, additions or

improvements to be made to the Community Area, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05; except, that, any such alteration, addition or improvement which shall cost more than Two Hundred Dollars (\$200) multiplied by the number of Dwelling Units then subject to this Declaration shall be approved in advance at a special meeting of the Owners.

3.12 MAINTENANCE, REPAIR AND REPLACEMENT OF DWELLING UNITS:

(a) Except as otherwise provided in this Section, each Owner shall be responsible for the maintenance, repair and replacement of his Dwelling Unit.

(b) The Association shall be responsible for the maintenance, repair and replacement of the Dwelling Unit Exteriors, including, without limitation, the following:

(i) maintenance, repair and replacement of the roof, outer surface of exterior walls, foundations, steps, footings, driveways, walkways and patios, but excluding window washing, the replacement of broken glass, and the repair of damage to garage doors;

(ii) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping, if any, on the Dwelling Unit Exteriors, but excluding those portions, if any, of the Dwelling Unit Exterior which are designated as a Privacy Area under Section 3.23;

(iii) maintenance, repair and replacement of water, sewer, electrical and other systems which serve more than one Dwelling Unit (but not including those portions of such systems which serve only one Dwelling Unit, such as a garage door opener, air-conditioning unit, and electrical or plumbing fixtures).

3.13 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE DWELLING UNIT EXTERIORS: No additions, alterations or improvements shall be made to any Dwelling Unit Exterior by an Owner without the prior written consent of the Board. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement to a Dwelling Unit Exterior by an Owner upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance of the Dwelling Unit Exterior as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made to a Dwelling Unit Exterior by an Owner 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 Dwelling Unit Exterior 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.

3.14 NO DEDICATION TO PUBLIC USE: Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Community Area to or for any public use or purpose whatsoever.

3.15 USE RESTRICTIONS:

(a) No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Premises nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any part of the Community Area or any Dwelling Unit Exterior, except as permitted by the Board or as permitted under Article Nine.

(b) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of any Dwelling Unit Exterior or the Community Area. 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.

(c) Each Dwelling Unit shall be used only as a residence; provided that no Owner shall be precluded, with respect to his Dwelling Unit, 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.

3.16 PARKING: The garage which is part of each Dwelling Unit and that portion of the driveway which is adjacent to and extends twenty (20) feet beyond the garage door (regardless of whether such portion is part of the Dwelling Unit or the Community Area) ("Unit Driveway") shall be used for parking only by the resident of the Dwelling Unit and the resident's guests. The garage shall at all times be available to park an automobile

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and shall not be used as living space or for storage of items which would prevent the parking of an automobile. Parking of vehicles on other portions of the Premises shall only be permitted pursuant to rules and regulations adopted by the Board, which rules and regulations may provide for the removal of any violating vehicles at the vehicle owner's expense or for liquidated damages for a violation of the rules and regulations. Without limiting the foregoing, unless expressly permitted by the Board, no boats, trucks, recreational vehicles, trailers or other vehicles shall be parked or stored on any portion of the Premises (other than a garage which is part of a Dwelling Unit) for more than twenty-four (24) hours at a time.

3.17 OBSTRUCTIONS: Except as permitted under Section 9.03 there shall be no obstruction of the Community Area, and nothing shall be stored in the Community Area without the prior written consent of the Board.

3.18 PETS: No animal of any kind shall be raised, bred or kept in the Community Area. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in the Dwelling Units, which may include prohibiting certain species of pets from being kept in the Dwelling Units and (b) use of the Community Area by pets, including, without limitation, rules and regulations which set aside certain portions of the Community Area as a "dog run" or which require an Owner to clean up after his pet. Without limiting the foregoing, no Owner shall keep a pet in a Dwelling Unit whose normal adult weight would exceed thirty (30) pounds; except, that, with respect to the first purchaser of a Dwelling Unit from the Trustee, one household pet which is owned by the purchaser at the time that the purchaser executes the contract to purchase the Dwelling Unit may be maintained in the Dwelling Unit regardless of its actual or potential weight, but such exception shall only apply to the pet owned on the date that the contract is executed. 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 Dwelling Unit containing such pet and the decision of the Board shall be final.

3.19 PROSCRIBED ACTIVITIES: 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.

3.20 STRUCTURAL IMPAIRMENT: Nothing shall be done in, on or to any part of the Premises which would impair the structural integrity of any building or structure located thereon.

3.21 LEASE OF DWELLING UNIT: Any Owner shall have the right to lease all (and not less than all) of his Dwelling Unit. No Dwelling Unit shall be leased for transient or hotel purposes, which are hereby defined as being for a period of less than thirty (30) days or for a period of more than thirty (30) days

where hotel services normally furnished by a hotel (such as room service or mail service) are furnished. Any lease shall be in writing and shall provide that such lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. A lessee shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration.

3.22 ASSOCIATION'S ACCESS: The Association shall have the right and power to come onto any Dwelling Unit for the purpose of furnishing the services required to be furnished hereunder or enforcing its rights and powers hereunder.

3.23 PRIVACY AREAS: Certain portions of the Community Area and Dwelling Unit Exteriors may be designated as being reserved for the exclusive use of the Owner of a particular Dwelling Unit as a garden, patio or other similar use ("Privacy Area"), as provided in this Section. The Trustee may designate portions of the Community Area and Dwelling Unit Exterior as Privacy Areas by so designating such portions in Exhibit B. Alternatively, the Board may designate Privacy Areas pursuant to rules and regulations adopted from time to time by the Board. The Board shall maintain a record of all Privacy Areas and to which Dwelling Unit each Privacy Area is assigned. The right to use a Privacy Area which is assigned to a Dwelling Unit shall run with title to the Dwelling Unit. Subject to the provisions of Section 3.13, and any rules and regulations established by the Association, an Owner may landscape his Privacy Area, or otherwise improve his Privacy Area in a manner which compliments and enhances the aesthetic appearance of the development. The Owner shall be solely responsible, at his own expense, for the maintenance, repair, upkeep, planting and replanting of his Privacy Area and any improvements thereto. If the Owner fails, in the sole judgment of the Board, to properly maintain his Privacy Area, then the Association, in its discretion and at the Owner's expense, may (i) cause the Privacy Area to be properly maintained and the cost thereof shall be a Charge to the Owner, or (ii) cause the Privacy Area to be restored to its original state in conformity with the surrounding landscape, in which case such portion of the Community Area and/or Dwelling Unit Exterior shall no longer be deemed to be a Privacy Area and the Owner shall no longer have any rights under this Section with respect to such portion of the Community Area and Dwelling Unit Exterior.

ARTICLE FOUR Insurance/Condemnation

4.01 COMMUNITY AREA INSURANCE:

(a) The Association shall have the authority to and shall obtain fire and all risk coverage insurance covering

the improvements to the Community Area (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 Trustee, the Trustee's beneficiary, 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 Community Area. 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 shall be obtained by the Association in such amounts as the Board shall deem desirable.

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

4.02 DWELLING UNIT INSURANCE:

(a) Each Owner of a Dwelling Unit shall be responsible for and shall procure fire and all risk coverage insurance upon such Owner's Dwelling Unit for not less than the full insurable replacement value thereof under a policy or policies of insurance with such company or companies, in such form and for such premiums and periods, as he may determine to be appropriate. Any such policy shall contain waivers of subrogation with respect to the Association and its directors, officers, employees and agents (including the managing agent), occupants of the Dwelling Unit, the Trustee and Trustee's beneficiary or shall name such parties as additional insured parties, as their interests may appear. Each Owner shall also be responsible for his own insurance on the contents of his Dwelling Unit and furnishings and personal property therein.

(b) Each Owner shall deliver to the Board a certificate of insurance certifying that a policy of insurance covering such Owner's Dwelling Unit, as required under this Section,

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

(c) No Owner shall cause or permit anything to be done or kept on the Premises which will result in the cancellation of insurance or an increase in the insurance premium for insurance on such Owner's Dwelling Unit, any other Dwelling Unit, or the Community Area, including Privacy Areas.

4.03 REBUILDING OF DAMAGED DWELLING UNIT:

(a) In the event of damage to or destruction of any Dwelling Unit by fire or other casualty for which the Owner is required to carry insurance hereunder, the Owner thereof shall, within a reasonable time after such damage or destruction, repair or rebuild the same in substantial and workmanlike manner with materials comparable to those used in the original structure, and in conformity in all respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. The Dwelling Unit Exterior, when rebuilt, shall be substantially similar to, and its architectural design and landscaping shall be in conformity with, the surrounding Dwelling Units which are not so damaged or destroyed. The Owner shall not be relieved of his obligation to repair or rebuild his Dwelling Unit under this Subsection (a) by his failure to carry sufficient insurance or the fact that proceeds received by the Owner from his insurer are not sufficient to cover the cost thereof.

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

4.04 OWNER RESPONSIBILITY: In addition to the coverage described in Section 4.02 above with respect to his Dwelling Unit, each Owner shall obtain his own personal liability insurance to the extent not covered by the liability insurance

for all of the Owners obtained as part of the Community Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such individual insurance coverage on behalf of the Owners.

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

4.06 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area, the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Community Area Capital Reserve being held for such part of the Community Area, 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 Community Area under this Declaration. Any acquisition by the Association pursuant to this Section of real estate which shall become Community Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the President of the Association and Recorded.

4.07 INSURANCE TRUSTEE: The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss covered by insurance obtained by the Board, upon such terms as the Board shall determine consistent with the provisions of this Declaration. The fees of such corporate trustee shall be Community Expenses. In the event of any loss covered by insurance obtained by the Board in excess of \$50,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid. The rights of Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding

anything to the contrary therein contained, at all times be subject to the provisions of this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Community Area. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company, liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

ARTICLE FIVE
The Association

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

5.02 MEMBERSHIP: Each Owner shall be a member of the Association. There shall be one membership per Dwelling Unit. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling Unit. Ownership of a Dwelling Unit shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Dwelling Unit within 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 Unit Ownership. 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 Dwelling Unit 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 Dwelling Unit 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 Dwelling Unit as the Voting Member for such Dwelling Unit.

5.04 BOARD: Subject to the rights retained by the Trustee under Section 9.05, the Board shall consist of that number of members determined under Section 5.01 of the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: All of the voting rights at any meeting of the Association shall be vested in the Voting Members and each Voting Member shall have one vote; provided, that, prior

to the Turnover Date all voting rights in the Association shall be vested in the Trustee and the Voting Members shall have no voting rights. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

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 Trustee, Trustee's beneficiary 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 Association may employ a managing agent to assist the Board in administering the affairs of the Association. Any management agreement entered into by the Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable without cause or payment of a termination fee by either party on 90 days written notice. Prior to the Turnover Date, the Association may enter into a management agreement with the Trustee's beneficiary or an affiliate of Trustee's beneficiary.

5.08 DISSOLUTION: To the extent permissible under applicable law, in the event of the dissolution of the

Association, any Community Area owned by the Association shall be conveyed to the Owners, as tenants-in-common.

ARTICLE SIX
Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively for the purposes of promoting the health, safety, and welfare of members of the Association, 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:

- (1) The estimated Community Expenses;
- (2) The estimated amount, if any, to maintain adequate reserves for Community Expenses including, without limitation, amounts to maintain the Capital Reserve;
- (3) The estimated net available cash receipts from the operation and use of the Community Area, plus estimated excess funds, if any, from the current year's assessments;
- (4) The amount of the "Community Assessment" payable by the Owners, which is hereby defined as the amount determined in (1) above, plus the amount determined in (2) above, minus the amount determined in (3) above;
- (5) That portion of the Community Assessment which shall be payable each month by the Owner of each Dwelling Unit which is subject to assessment hereunder, which shall be equal to one-twelfth of the Community Assessment divided by the number of Dwelling Units, so that each Owner shall pay equal Community Assessments for each Dwelling Unit.

Anything in this Section to the contrary notwithstanding, during the Initial Development Period the assessment procedure set forth in Section 6.08 shall apply and the budget provided for in the Section need not disclose the information called for in Subsection (5) above, although the budget shall disclose the portion of each Owner's share of the Community Assessment which shall be added to the Capital Reserve.

6.03 PAYMENT OF COMMUNITY ASSESSMENT: On or before the 1st day of January of the ensuing calendar year, and on or before the 1st day of each and every month thereafter until the

effective date of the next annual or revised Community Assessment, each Owner of a Dwelling Unit 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 Dwelling Unit under Section 6.02(5).

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(5) 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: The Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget for periods after the Initial Development Period. Any special assessment shall be levied against all of the Owners, share and share alike. No special assessment shall be adopted without the affirmative vote of at least two-thirds (2/3) of the Voting Members who cast their votes on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.06 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Community Area and Dwelling Unit Exteriors (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 Community Area, the Dwelling Unit Exteriors and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Community Area, the Dwelling Unit Exteriors 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 Dwelling Unit by the Trustee to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to three (3) months' Community Assessment at the rate in effect with respect to the Dwelling Unit as of the closing. Said amount shall be held and used by the Association for its working capital needs.

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

(a) The Basic Assessment. The basic assessment ("Basic Assessment") shall be \$70⁰⁰ per Dwelling Unit per month.

(b) Cost of Living Increase. If, as of the first day of any month after this Declaration is Recorded, the level of the most recently published Consumer Price Index--United States City Average--All Items (CPI-U) (1982-4=100) as published from time to time by the Bureau of Labor Statistics (the "Index"), is greater than 118.5 (the "Index Base Level"), then, at the option of the Board, the Community Assessment payable by each Owner (other than Trustee) for such month and months thereafter until next adjusted, shall be equal to the Basic Assessment then in effect multiplied by a fraction, the numerator of which shall be the level of the most recently published Index and the denominator of which shall be the Index Base Level. If the Index shall cease being published, such other standard or index selected by the Trustee, in its discretion, as shall most nearly approximate the measurements theretofore made by the Index shall be used as the Index hereunder, and the Index Base Level shall be adjusted accordingly.

(c) Application of Assessments. Each month each Owner (other than the Trustee) shall pay as his monthly Community Assessment the amount determined under (a) and (b) above. Out of each such payment, the Association shall add that portion of the payment which is designated in the budget as a capital contribution under Section 6.06 to the Capital Reserve. The balance of each such payment shall be used by the Association to pay the Community Expenses.

(d) Trustees's Obligation. During the Initial Development Period the Trustee shall not be obligated to pay any amounts to the Association as a Community Assessment except as provided in this Subsection. The Trustee shall pay to the Association the aggregate excess, if any, of the Community Expenses incurred and paid during the Initial Development Period over the aggregate amounts assessed to the Owners (other than Trustee) for use by the Association

for the payment of Community Expenses under Subsection (c) during the Initial Development Period. The Trustee shall make such payments to the Association as needed during such period (but at least quarter-annually) and a final accounting shall be made between Trustee and the Association within 120 days after the end of the Initial Development Period. The Trustee shall not be responsible for the payment of any amounts to the Capital Reserve during the Initial Development Period.

6.09 PAYMENT OF ASSESSMENTS: Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Owner's Dwelling Unit 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 Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Trustee and each Consenting Owner, and each Owner of a Dwelling Unit 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 Dwelling Unit. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Dwelling Unit against which such Charge is made and also shall be the personal obligation of the Owner of the Dwelling Unit 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 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 Community Area or by abandonment or transfer of his Dwelling Unit.

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 Dwelling Unit 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 Dwelling Unit. Where title to a Dwelling Unit 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 Dwelling Unit shall be personally liable for his share of the Charges with respect to which a lien against his Dwelling Unit 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 Dwelling Unit, 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 Dwelling Unit, 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, enforcement of any of the provisions contained in this Declaration or any rules and regulations adopted hereunder may be by proceeding 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, 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

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at the rate of eighteen percent (18%) per annum 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 Dwelling Unit 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 Dwelling Unit to enforce any lien created hereunder.

7.09 RIGHTS OF THE VILLAGE: In addition to any rights, powers or easements granted to the Village elsewhere in this Declaration, the Village shall have the rights, powers and easements set forth in this Article.

(a) The Village may enter upon, on, and over areas utilized for storm water retention and detention improvements, private roads, walkways, cul de sacs, entrances and other property used for ingress and egress to such areas or any other Community Area, structures or areas along with ingress and egress thereto for the purpose of inspecting such areas, and if it is determined by the Village that any of said areas are not in conformity with applicable restrictions, ordinances, regulations, and covenants, the Village shall give the Association written notice of such determination. The Village may also enforce any provision of this Declaration. The Village shall not be obligated to enforce the provisions of this Declaration, but may do so at its sole discretion.

(b) The notice which the Village shall give shall be in writing and shall permit the Association not less than 15 days to cure the defect. Provided, however, that if an emergency exists requiring immediate intervention by the Village, the Village shall have the right to make emergency repairs or take emergency action without providing written notice, but may, if time permits, give oral notice. If the Association fails to perform any required act or to desist from taking a prohibited act within the time permitted under ordinances, regulations or in the absence of such specific time, within 15 days after receiving notice of the determination, the Village shall have the right to perform or cause to be performed such maintenance or other action or operations necessary to preserve the improvements, to abate the prohibited act, to fulfill the conditions of this Declaration or to bring the Premises into compliance with such restrictions, ordinances, regulations and covenants as are being ignored or violated. If the Village performs such services or has such services performed, it shall be entitled to complete reimbursement by the Association and,

if not paid within thirty (30) days after an invoice therefor is given, may place a lien upon each Dwelling Unit in an amount equal to the sum owed divided by the number of Dwelling Units then subject to this Declaration. Further, the Village shall have the right to enforce compliance with the provisions of this Section by injunction or other legal proceedings and to recover damages and costs of reasonable attorneys' fees which may arise thereby. The right of the Village to enforce the provisions of this Declaration may not be amended by the Trustee, Developer, Association or the Owners without the permission of the Village.

ARTICLE EIGHT
Annexing Additional Property

8.01 IN GENERAL: Trustee reserves the right at any time and from time to time prior to seven (7) 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 Community Area shall be referred to as "Added Community Area"; and any Dwelling Units contained in the Added Premises shall be referred to as "Added Dwelling Units". After the expiration of said seven (7) year period, Trustee 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 of two-thirds (2/3) (by number) of the Owners of all Dwelling Units then subject to this Declaration is first obtained.

8.02 POWER TO AMEND: Trustee hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 8.01, which amends or supplements Exhibit B. Exhibit B may only be amended or supplemented pursuant to this Article to add portions of the Development Area to Exhibit B and shall not be amended to reduce or remove any real estate which is described in Exhibit B immediately prior to the Recording of such Supplemental Declaration. 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 Trustee deems necessary or appropriate.

8.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Trustee which annexes and subjects Added Premises, Added Community Area, or Added Dwelling Units 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 Dwelling Unit 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 Dwelling Units 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 Community Area or the Added Dwelling Units, 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 Dwelling Unit or its Owner prior to such Recording;

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

(f) Each Owner of an Added Dwelling Unit which is subject to assessment hereunder shall be responsible for the payment of the Community Assessment pursuant to Section 6.02(5) or Section 6.08, as the case may be, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Dwelling Unit became subject to assessment hereunder.

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

9.01 IN GENERAL: In addition to any rights or powers reserved to the Trustee under the provisions of this Declaration or the By-Laws, the Trustee 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 as provided in this Article, the provisions of this Article shall terminate and be of no further force and effect from and after such time as the Trustee or Trustee's beneficiary is no longer vested with or controls title to any part 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 Trustee 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 Trustee may, from time to time, determine to be necessary or advisable, including, without limitation, the right to construct and maintain model Dwelling Units, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Trustee may deem advisable; and (ii) Trustee, Trustee's beneficiary and their respective agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Community Area, at any and all reasonable times without fee or charge. The Trustee shall have the right and power to sell or lease any Dwelling Unit owned by it or the Trustee to any person or entity which it deems appropriate in its sole discretion and it need not comply with the provisions of Section 3.21.

9.03 CONSTRUCTION ON PREMISES: The Trustee is hereby granted the right and power to make such improvements to the Premises and improvements thereto (including landscaping) as the Trustee deems to be necessary or appropriate, provided, that, Trustee shall obtain such permits as may be required by the Village. In connection with the rights provided in this Section, the Trustee, Trustee's beneficiary and their respective 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: Trustee shall have the right to dedicate portions of the Community Area to the County, the Village or any municipality or other governmental authority which has jurisdiction over such portions.

Trustee shall also have the right to reserve or grant easements over the Community Area to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Dwelling Unit.

9.05 TRUSTEE CONTROL OF ASSOCIATION: The first and all subsequent Boards shall consist solely of three (3) persons from time to time designated by the Trustee, which persons may, but need not, be members under Section 5.02. Trustee's rights under this Section to designate the members of the Board shall terminate on the first to occur of (i) such time as Trustee no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Trustee to the Association of Trustee's election to terminate such rights, (iii) five (5) years from the date of Recording hereof or (iv) within ninety (90) days of the consummation of the sale by Trustee of 135 Dwelling Units. The date on which the Trustee's rights under this Section shall terminate shall be referred to as the "Turnover Date". Prior to the Turnover Date, the Voting Members may elect that number of non-voting counselors to the Board as the Trustee may, in its sole discretion, permit. From and after the Turnover Date, the Board shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Trustee and the Owners shall have no voting rights.

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

ARTICLE TEN Amendment

10.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Trustee 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 Department of Housing and Urban Development, the Federal Housing Authority, 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

Dwelling Units, (iii) to correct clerical or typographical 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 Trustee 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 Dwelling Unit 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 Trustee to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate at such time as Trustee no longer holds or controls title to a portion of the Development Area.

10.02 AMENDMENT: Subject to Section 10.01 and Section 11.02, (a)(1), 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 (75%) of the total votes or by an instrument executed by Owners of at least Seventy-Five Percent (75%) of the Dwelling Units; 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 Eight, Article Nine or any other provisions relating to the rights of Trustee may be amended only with the written consent of the Trustee, (iii) Article Seven or any other provisions relating to the rights of the Village may be amended only with the written consent of the Village, and (iv) 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 Dwelling Unit shall no longer have the legal access to a public way from his Dwelling Unit. No amendment shall become effective until properly Recorded.

ARTICLE ELEVEN Mortgagees' Rights

11.01 NOTICE TO MORTGAGEES: Upon the specific, written request of a 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 Dwelling Unit 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 any proposed action that requires the consent of a specified percentage of Eligible Mortgagees;

(e) Notice of any substantial damage to any part of the Community Area or the Dwelling Unit subject to the Mortgagee's Mortgage;

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area or the Dwelling Unit Subject to the Mortgagee's Mortgage.

(g) Notice of any default by the Owner of the Dwelling Unit 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;

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

(i) In the case of a Mortgagee, the right to be listed on the records of the Association as an "Eligible Mortgagee" for purpose of Section 11.02 below;

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

(k) The right to be designated as an Eligible Mortgagee hereunder.

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 CONSENT OF MORTGAGEES:

(a) In addition to any requirements or prerequisites provided for elsewhere in this Declaration, the consent of Mortgagees holding, in the aggregate, first mortgages on at least fifty-one percent (51%) of the Dwelling Units (by number) which are subject to first mortgages held by Mortgagees which specifically request to be treated as "Eligible Mortgagees" under Section 11.01(k) above will be required for the Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which (i) changes Article Six or otherwise changes the method of determining the Community Assessments or other Charges which may be levied against an Owner; (ii) changes Section 7.04 or Article Ten, (iii) changes this Article Eleven or any other provision of this Declaration or by By-Laws which specifically grants rights to Mortgagees, (iv) materially changes insurance and fidelity bond requirements, (v) changes voting rights, or (vi) imposes a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Dwelling Unit;

(2) The abandonment, partition, subdivision, encumbrance, sale, or transfer of the Community Area owned, directly or indirectly by the Association (except for the granting of easements for public utilities or dedication for public purposes or for other purposes consistent with the intended use of the Community Area);

(3) The removal of a portion of the Community Area from the provisions of this Declaration;

(4) The effectuation of a decision by the Association to terminate professional management and assume self-management; or

(5) The withdrawal of the Premises from the provisions of this Declaration (except that this action shall require the consent of at least 67% of such Mortgagees);

provided, that, such consent of Eligible Mortgagees will not be required with respect to any action under (1) through (5) above which occurs as a result of (i) a taking of a portion or all of the Community Area by condemnation or eminent domain, or (ii) withdrawal of a portion of the Premises from the provisions hereof pursuant to Section 4.06, or (iii) any action taken pursuant to Article Eight.

(b) Whenever required, the consent of an Eligible Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary, in writing, by the Eligible Mortgagee within thirty (30) days after making the request for consent.

11.03 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Community Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area, any

such distribution shall be made to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the Mortgagee of a Dwelling Unit with respect to any such distribution to or with respect to such Dwelling Unit; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to repair or replace damaged improvements as provided in Article Three or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Section 4.01.

ARTICLE TWELVE Party Walls

12.01 PARTY WALL: Every wall, including the foundations therefor, which is built as a part of the original construction of a building and placed on the boundary line between separate Dwelling Units shall constitute and be a "Party Wall", and the Owner of a Dwelling Unit immediately adjacent to a Party Wall shall have the obligation and be entitled to the rights and privileges of these covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls.

12.02 RIGHTS IN PARTY WALL: Each Owner of a Dwelling Unit, which is adjacent to a Party Wall, shall have the right to use the Party Wall for support of the structure originally constructed thereon and all replacements thereof and shall have the right to keep, maintain, repair and replace therein all pipes, conduit, and ducts originally located therein and all replacements thereof.

12.03 DAMAGE TO PARTY WALL:

(a) If any Party Wall is damaged or destroyed through the act or acts of any Owner of a Dwelling Unit which is adjacent to such Party Wall, or his agents, servants, tenants, guests, invitees, licensees, or members of his family, whether such act is willful, negligent or accidental, such Owner shall forthwith proceed to rebuild or repair the same to as good a condition as in which such Party Wall existed prior to such damage or destruction without costs therefor to the Owner of the other adjoining Dwelling Unit.

(b) Any Party Wall damaged or destroyed by some act or event other than one caused by the Owner of a Dwelling Unit which is adjacent to such Party Wall, or his agents, servants, tenants, guests, invitees, licensees, or members of his family, shall be rebuilt or repaired by the Owners of the adjacent Dwelling Units to as good a condition as in which such Party Wall existed prior to such damage or

destruction at joint and equal expense of such Owners, and as promptly as is reasonably possible; provided that the cost of repairing or replacing any portion thereof which is part of a Dwelling Unit Exterior shall be paid by the Association as a Community Expense to the extent not covered by insurance.

(c) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in this Section, to perform the necessary repair or rebuilding, then, the Board may cause such repairs or rebuilding to be performed in the manner as provided in this Section and the cost thereof shall be charged to such Owner as his personal obligation and shall be a continuing lien on the Owner's Dwelling Unit.

12.04 CHANGE IN PARTY WALL: Any Owner of a Dwelling Unit who proposes to modify, rebuild, repair or make additions to any structure upon his Dwelling Unit in any manner which requires the extension, alteration or modification of any Party Wall shall first obtain the written consent thereto, as to said Party Wall, of the Owner of the other adjacent Dwelling Unit and the Board, in addition to meeting any other requirements which may apply.

12.05 ARBITRATION: In the event of a disagreement between Owners of Dwelling Units adjoining a Party Wall with respect to their respective rights or obligations as to such Party Wall, upon the written request of either of said Owners to the other the matter shall be submitted to the Board and the decision of the Board shall be final and binding.

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 Dwelling Unit.

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: Invalidity 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 TRUSTEE: All rights which are specified in this Declaration to be rights of the Trustee are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Trustee 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 Trustee hereunder as fully as if named as such party herein. No such successor assignee of the rights of Trustee 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 Dwelling Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Dwelling Unit 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 Dwelling Unit. 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 Dwelling Unit and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Dwelling Unit.

DATED: April 12, 1987

TRUSTEE:

Northern Trust Bank/Lake Forest,
as Trustee as aforesaid

By:

Its:

SECOND VICE PRESIDENT

Attest:

[Signature]
Secretary TRUST OFFICER

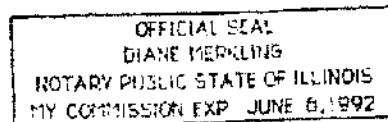
(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, DIANE MERKLING, a Notary
Public in and for said County and State, do hereby certify that
and PEGGY PETERS
TRUST OFFERS
(Vice) President and (Assistant) Secretary, respectively, of
NORTHERN TRUST BANK LAKE FOREST (the "Bank") and, as such
President and as such (Assistant) Secretary of said Bank,
appeared before me this day in person and acknowledged that they
signed, sealed and delivered said instrument as their free and
voluntary act, and as the free and voluntary act of said Bank,
for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24th day of
April, 1989.

Diane Merkling
Notary Public



THIS INSTRUMENT PREPARED BY:

Brian Meltzer
Keck, Mahin & Cate
1699 East Woodfield Road
Suite 206
Schaumburg, Illinois 60173
(312) 330-1208

chi-1.txt

Mail TO:
Cambridge Homes, Inc
800 S. Milwaukee Ave.
Suite 250
Libertyville, IL 60048
ATTN: James W. Schultz.

R89-047148

EXHIBIT A TO
DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

The Development Area

- All of the Lots, Outlots, and Common Areas in Cambridge^{Pointe} Unit 2, being a Subdivision in the West fractional 1/2 of Section 19, Township 40 North, Range 10 East of the Third Principal Meridian in DuPage County, Illinois ("Cambridge Pointe Unit 2").
- All of Lots, Outlots, and Common Areas in Cambridge^{Pointe} Unit 10, being a Subdivision in the East 1/2 of the Southeast 1/4 of Section 24, Township 40 North, Range 10 East and the West fractional 1/2 of Section 19, Township 40 North, Range 10 East of the Third Principal Meridian in DuPage County, Illinois ("Cambridge Pointe Unit 10").
- All of Lots, Outlots, and Common Areas in Cambridge^{Pointe} Unit 11, being a Subdivision in the East 1/2 of the Southeast 1/4 of Section 24, Township 40 North, Range 10 East and the West fractional 1/2 of Section 19, Township 40 North, Range 10 East of the Third Principal Meridian in DuPage County, Illinois ("Cambridge Pointe Unit 11").

FIN 03-19-300-013

01-24-400-006

(Underlying)
(")

PA VACANT PROPERTY
NE + NW CORNERS
Kingsbridge Dr + Woodhill Dr.
Carol Stream, IL

chi-1.txt

EXHIBIT B TO
DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

The Premises

I. Dwelling Units:

- A. Lots 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, 5C, 6A, 6B, 6C, 6D, 7A, 7B, 7C, 8A, 8B, 8C, 8D, 9A, 9B, 9C, 9D, 10A, 10B, 10C, 10D, 11A, 11B, 11C, 11D, 12A, 12B, 12C, 12D, 30A, 30B, 30C, 31A, 31B, 31C, 31D, in Cambridge Pointe Unit 2.

II. Community Area:

- A. Outlots A and B and the "Common Area" in Cambridge Pointe Unit 2.

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UNOFFICIAL COPY

RECORDER
DU PAGE COUNTY*Planey*

0002.022

04/05/89

SUPPLEMENT NO. 1 TO
THE DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

This Supplement is made and entered into by Northern Trust Bank/Lake Forest, not individually, but as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907 ("Trustee").

RECITALS

Trustee Recorded the Declaration for Cambridge Pointe Townhomes (the "Declaration") on APRIL 24, 1989 in the Office of the Recorded of Deeds for DuPage County, Illinois as Document No. 5119-6960R89-47-48

In Article Eight of the Declaration, Trustee reserved the right and power to add and submit certain real estate to the Declaration by making any or all of the Development Area subject to the Declaration as part of the Premises. Trustee now desires to exercise this right and power reserved in Article Eight of the Declaration to add and submit certain real estate to the provisions of the Declaration.

NOW, THEREFORE, Trustee does hereby supplement and amend the Declaration as follows:

1. Terms. All terms used herein, if not otherwise defined herein, shall have the meanings set forth in the Declaration.

2. Added Premises. Those portions of the Development Area which are legally described in Sections I(B) and II(B) of the First Amended and Restated Exhibit B attached hereto are hereby made part of the Premises as "Added Premises."

3. Added Dwelling Units. The Dwelling Units contained in the Added Premises, which are described in Section I(B) of the First Amended and Restated Exhibit B, are hereby made part of the Premises as "Added Dwelling Units."

4. Added Community Area. Those portions of the Added Premises which are described in Section II(B) of the First Amended and Restated Exhibit B are hereby made part of the Premises as "Added Community Area."

5. Amendment of Exhibit B. To reflect the addition of real estate to the Declaration as set forth in Sections 2, 3, and 4 above, Exhibit B to the Declaration is hereby amended and

CHARGE C.T.I.C. DUPAGE

D-336933
336933*Hol*

R89 005786

restated to be as set forth in the First Amended and Restated Exhibit B to the Declaration, attached hereto.

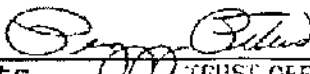
6. Covenants to Run with Land. The covenants, conditions, restrictions and easements contained in the Declaration, as amended by this Supplement, shall run with and bind the Premises, including the Added Premises.

7. Continuation. As expressly hereby amended, the Declaration shall continue in full force and effect in accordance with its terms.

8. Trustee Exculpation. Anything herein to the contrary notwithstanding, each and all of the representations, covenants, undertakings, warranties and agreements herein made on the part of the Trustee while in form purporting to be the representations, covenants, undertakings, warranties, and agreement of said Trustee are nevertheless, each and every one of them, made and intended not as personal representations, covenants, undertakings, warranties and agreements by the Trustee or for the purpose or with the intention of binding said Trustee but are made and intended solely in the exercise of the powers conferred upon it as Trustee; and no personal liability or personal responsibility is assumed by or shall be enforceable against trustee on account of this Supplement or any representation, covenant, undertaking, warranty, or agreement of the said Trustee in this Supplement contained, either expressed or implied. The Trustee makes no personal representations as nor shall it be responsible for the existence, location or maintenance of the chattels herein described, if any.

Dated: May 9, 1989

NORTHERN TRUST BANK/LAKE FOREST,
as Trustee as aforesaid and
not personally

By: 

Its  TRUST OFFICER

R89 095786

STATE OF ILLINOIS)
 LAKE) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that PEGGY PETERS of the Northern Trust Bank/Lake Forest and , personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such TRUST OFFICER and respectively, appeared before me this day in person and acknowledged that they ^{she} signed and delivered the said instrument as ^{her} own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 9th day of May, A.D., 1989.

Delores J. Paley
 Notary Public

OFFICIAL SEAL
 DELORES J. PALEY
 NOTARY PUBLIC STATE OF ILLINOIS
 MY COMMISSION EXP. SEPT 5, 1992

THIS INSTRUMENT PREPARED BY AND SHOULD BE RETURNED TO:

Brian Meltzer
 KECK, MAHIN & CATE
 1699 E. Woodfield Road
 Suite 206
 Schaumburg, Illinois 60173-4933
 (312) 330-1200

R89 085786

FIRST AMENDED AND RESTATED EXHIBIT B
TO THE DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

The Premises

I. Dwelling Units:

- A. Lots 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, 5C, 6A, 6B, 6C, 6D, 7A, 7B, 7C, 8A, 8B, 8C, 8D, 9A, 9B, 9C, 9D, 10A, 10B, 10C, 10D, 11A, 11B, 11C, 11D, 12A, 12B, 12C, 12D, 30A, 30B, 30C, 31A, 31B, 31C, 31D, in Cambridge Pointe Unit 2. *Sec 19-40-10*
- B. Lots 19A, 19B, 19C, 19D, 20A, 20B, 20C, 20D, 21A, 21B, 21C, 21D, 22A, 22B, 22C, 22D, 23A, 23B, 23C, 23D, 24A, 24B, 24C, 24D, 25A, 25B, 25C, 25D, 32A, 32B, 32C, 32D, 33A, 33B, 33C, 33D, 34A, 34B, 34C, 34D, 35A, 35B, 35C, and 35D, in Cambridge Pointe Unit 10. *Sec 19-40-10*

II. Community Area:

- A. Outlots A and B and the "Common Area" in Cambridge Pointe Unit 2. *Sec 19-40-10*
- B. Outlot A and "Common Area" in Cambridge Pointe Unit 10. *Sec 19-40-10*

P.A. VACANT PROPERTY

NORTHSIDE WOODHILL DR.

CAROL STRAM

PIN 02-19-102-064 thru -084

02-19-301-001 thru -008

02-19-303-001 thru -015

02-19-305-001 thru -007

02-19-300-013 Underlying

R90-012054

90 JAN 26 PM 3:00

RECORDED
DU PAGE COUNTY*Blaney*

0003.022

04/06/89

SUPPLEMENT NO. 2 TO
THE DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

This Supplement is made and entered into by Northern Trust Bank/Lake Forest, not individually, but as Trustee under Trust Agreement dated December 10, 1981 and known as Trust No. 6907 ("Trustee").

RECITALS

Trustee Recorded the Declaration for Cambridge Pointe Townhomes (the "Declaration") on APRIL 24, 1989 in the Office of the Recorder of Deeds for DuPage County, Illinois as Document No. R89-471-48

In Article Eight of the Declaration, Trustee reserved the right and power to add and submit certain real estate to the Declaration by making any or all of the Development Area subject to the Declaration as part of the Premises. Trustee now desires to exercise this right and power reserved in Article Eight of the Declaration to add and submit certain real estate to the provisions of the Declaration.

Trustee exercised these rights by recording the following document:

<u>Name of Document</u>	<u>Recording Date</u>	<u>Recording Number</u>
Supplement No. 1	<u>JULY 18, 1989</u>	<u>R89-085786</u>

NOW, THEREFORE, Trustee does hereby supplement and amend the Declaration as follows:

1. Terms. All terms used herein, if not otherwise defined herein, shall have the meanings set forth in the Declaration.

2. Added Premises. Those portions of the Development Area which are legally described in Sections I(C) and II(C) of the Second Amended and Restated Exhibit B attached hereto are hereby made part of the Premises as "Added Premises."

3. Added Dwelling Units. The Dwelling Units contained in the Added Premises, which are described in Section I(C) of the Second Amended and Restated Exhibit B, are hereby made part of the Premises as "Added Dwelling Units."

D-3411449
CHARGE C.I.L.C. DuPAGE
15/4

4. Added Community Area. Those portions of the Added Premises which are described in Section II(C) of the Second Amended and Restated Exhibit B are hereby made part of the Premises as "Added Community Area."

5. Amendment of Exhibit B. To reflect the addition of real estate to the Declaration as set forth in Sections 2, 3, and 4 above, Exhibit B to the Declaration is hereby amended and restated to be as set forth in the Second Amended and Restated Exhibit B to the Declaration, attached hereto.

6. Covenants to Run with Land. The covenants, conditions, restrictions and easements contained in the Declaration, as amended by this Supplement, shall run with and bind the Premises, including the Added Premises.

7. Continuation. As expressly hereby amended, the Declaration shall continue in full force and effect in accordance with its terms.

8. Trustee Exculpation. Anything herein to the contrary notwithstanding, each and all of the representations, covenants, undertakings, warranties and agreements herein made on the part of the Trustee while in form purporting to be the representations, covenants, undertakings, warranties, and agreement of said Trustee are nevertheless, each and every one of them, made and intended not as personal representations, covenants, undertakings, warranties and agreements by the Trustee or for the purpose or with the intention of binding said Trustee but are made and intended solely in the exercise of the powers conferred upon it as Trustee; and no personal liability or personal responsibility is assumed by or shall be enforceable against trustee on account of this Supplement or any representation, covenant, undertaking, warranty, or agreement of the said Trustee in this Supplement contained, either expressed or implied. The Trustee makes no personal representations as nor shall it be responsible for the existence, location or maintenance of the chattels herein described, if any.

Dated: May 4, 1989

NORTHERN TRUST BANK/LAKE FOREST,
as Trustee as aforesaid and
not personally

By: [Signature]
Its TRUST OFFICER

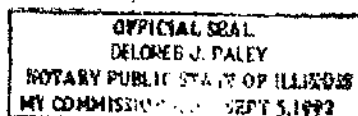
R90 12054

STATE OF ILLINOIS)
 LAKE)
 COUNTY OF COOK) SS

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that PEGGY PETERS of the Northern Trust Bank/Lake Forest and , personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such TRUST OFFICER and respectively, appeared before me this day in person and acknowledged that ~~they~~ ^{she} signed and delivered the said instrument as ~~their~~ ^{her} own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 24th day of May, A.D., 1989.

Delores G. Paley
 Notary Public



THIS INSTRUMENT PREPARED BY AND ~~SHOULD BE RETURNED TO:~~

Brian Meltzer
 KECK, MAHIN & CATE
 1699 E. Woodfield Road
 Suite 206
 Schaumburg, Illinois 60173-4933
 (312) 330-1200

RETURN TO:

JAMES SCHULTZ
 CAMBRIDGE HOMES
 850 S. MILWAUKEE
 LIBERTYVILLE, IL 60048

SECOND AMENDED AND RESTATED EXHIBIT B
TO THE DECLARATION FOR
CAMBRIDGE POINTE TOWNHOMES

The Premises

I. Dwelling Units:

- A. Lots 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, 5C, 6A, 6B, 6C, 6D, 7A, 7B, 7C, 8A, 8B, 8C, 8D, 9A, 9B, 9C, 9D, 10A, 10B, 10C, 10D, 11A, 11B, 11C, 11D, 12A, 12B, 12C, 12D, 30A, 30B, 30C, 31A, 31B, 31C, 31D, in Cambridge Pointe Unit 2.
- B. Lots 19A, 19B, 19C, 19D, 20A, 20B, 20C, 20D, 21A, 21B, 21C, 21D, 22A, 22B, 22C, 22D, 23A, 23B, 23C, 23D, 24A, 24B, 24C, 24D, 25A, 25B, 25C, 25D, 32A, 32B, 32C, 32D, 33A, 33B, 33C, 33D, 34A, 34B, 34C, 34D, 35A, 35B, 35C, and 35D, in Cambridge Pointe Unit 10.
- C. Lots 13A, 13B, 13C, 13D, 14A, 14B, 14C, 14D, 15A, 15B, 15C, 15D, 16A, 16B, 16C, 16D, 17A, 17B, 17C, 17D, 18A, 18B, 18C, 18D, 26A, 26B, 26C, 26D, 27A, 27B, 27C, 27D, 28A, 28B, 28C, 28D, 29A, 29B, 29C, and 29D, in Cambridge Pointe Unit 11.

II. Community Area:

- A. Outlots A and B and the "Common Area" in Cambridge Pointe Unit 2.
- B. Outlot A and "Common Area" in Cambridge Pointe Unit 10.
- C. Outlot A and the "Common Area" in Cambridge Pointe Unit 11.

PIN'S (01-24-⁴⁰⁰~~800~~-013)
02-12-300-013 UNDERLYING
P.A. Cambridge Pointe Townhomes
Kingsbridge Dr & Woodhill Dr.
Carol Stream, IL

R90 12054

THE BY-LAWS OF
THE CAMBRIDGE POINTE TOWNHOME ASSOCIATION
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE I
NAME OF CORPORATION

The name of this corporation is Cambridge Pointe Townhome 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 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 Cambridge Pointe Townhomes ("Declaration") recorded with the Office of the Recorder of Deeds for Du Page County, Illinois on _____, 198__, as Document No. _____. All terms used herein shall have the meanings set forth in the Declaration.

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

ARTICLE III
OFFICES

3.01 REGISTERED OFFICE: The Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

3.02 PRINCIPAL OFFICE: The Association's principal office shall be maintained in the County in which the Premises are located.

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 all voting rights shall be vested in the

Trustee 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 Dwelling Unit 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 Du Page County, Illinois as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order as from time to time published. 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 Owners shall be held on not less than twenty-one (21) days' written notice from the Trustee to all Owners, which notice shall be given no later than the Turnover Date. After the initial meeting, there shall be an annual meeting of the Owners at 7:30 PM on the _____ Tuesday of the month of _____ each year, or at such other reasonable time or day (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 Dwelling Unit 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 five (5) 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 TRUSTEE DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the initial meeting of the Owners the Board shall consist of three (3) persons from time to time designated by the Trustee, who shall serve at the discretion of the Trustee. During such period the Owners may elect from among themselves that number of non-voting counselors to the Board as the Trustee 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 Trustee 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 Trustee, the Trustee shall deliver to the Board:

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

(b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Trustee 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 two (2) candidates receiving the greatest number of votes shall serve a two year term and the three (3) candidates receiving the next greatest number of votes shall each serve a one year term. Thereafter, each Director shall serve a two year term. Each Director shall hold office until his term expires or until his successor shall have been elected and qualified. Directors may succeed themselves in office. In all elections for members of

the Board, the Voting Member for each 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 and accountants, as the Board may, in its discretion, deem necessary or proper;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Community Area and the Dwelling Unit Exteriors for which the Association is responsible under the Declaration and these By-Laws;
- (d) To procure insurance as provided for under the Declaration;
- (e) To estimate and provide each Owner with an annual budget showing the Community Expenses;
- (f) To set, give notice of, and collect Community Assessments from the Owners as provided in the Declaration;
- (g) To pay the Community Expenses;
- (h) Subject to the provisions of the Declaration, to own, convey, encumber or otherwise deal with any real property conveyed to or purchased by the Association;
- (i) To adopt and, from time to time, to amend such reasonable rules and regulations as the Board may deem advisable for the use, enjoyment, administration, management, maintenance, conservation and beautification of the Community Area and the Dwelling Unit Exteriors, 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 of 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 counter-signed by the President or a Vice President of the Association.

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

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

ARTICLE IX FISCAL MANAGEMENT

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

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

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

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

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

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

ARTICLE X 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 XI AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time by the affirmative votes of Voting Members representing more than two-thirds (2/3) of the total votes, provided, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.

(1456/N)

CAMBRIDGE POINTE TOWNHOME ASSOCIATION

**RESOLUTION TO ACCEPT THE BENEFITS AND BE BOUND
BY THE OBLIGATIONS OF ARTICLE IX OF THE
ILLINOIS CODE OF CIVIL PROCEDURE**

WHEREAS, this organization is a not-for-profit corporation organized and existing under the laws of the State of Illinois; and

WHEREAS, the affairs of this corporation are managed by its Board of Directors; and

WHEREAS, this corporation and its Board of Directors are responsible for managing certain real estate in the County of DuPage, State of Illinois, which real property is subject to the provisions of the Declaration of Covenants and Restrictions for Cambridge Pointe Townhome Association, which was recorded in the Office of the Recorder of Deeds of DuPage County, Illinois on April 24, 1989, as Document No. R89-047148 (hereinafter "Declaration") as amended; and

WHEREAS, the Declaration establishes a common interest community which requires the owner to pay regular or special assessments for the maintenance or repair of common areas owned in common by all of the Owners of the common interest community or by the community Association itself; and

WHEREAS, this Association, from time to time, is obligated under the Declaration to take legal action against its Unit Owner members to collect the amounts of unpaid regular or special assessments or other charges lawfully assessed by the Association; and

WHEREAS, Article IX of the Illinois Code of Civil Procedure provides a legal mechanism for this Association to collect such assessments or charges by means of the procedure known as an Action in Forcible Entry and Detainer; and

WHEREAS, the Board of Directors of this Association has determined to obtain the benefits and be bound by the obligations contained in Article IX of the Illinois Code of Civil Procedure;

NOW, THEREFORE, in furtherance of the above stated determinations, objectives and goals, this Association, through its Board of Directors, resolves as follows:

1. This Association shall be bound by the requirements of Section 9-102 of the Illinois Code of Civil Procedure. Specifically, it is the policy of this Board and this Association that all Unit Owners shall be and are authorized to attend meetings of this Board in the same manner as provided for condominiums under the Illinois Condominium Property Act. In furtherance of this policy, the following procedures shall be applicable:

(A) Meetings of the Board of this Association shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of this Association has been filed and is pending in a court or administrative tribunal, or when the Board of this Association finds that such an action is probable and imminent, (ii) to discuss violations of rules/regulations of the Association or a Unit Owner's unpaid share of assessments or other lawful charges of this Association.

(B) Any vote on matters discussed in closed sessions of the Board shall be taken at a meeting or portion thereof which is open to Unit Owners.

(C) Any Unit Owner may record the proceedings of any portion of a Board meeting which is open for Unit Owner attendance by use of tape, film, or other means; provided, however, that the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

(D) Notice to all Board meetings shall be mailed or delivered to Board members at least 48 hours prior thereto, unless a written waiver of such notice is signed by the Board member entitled to such notice before the meeting is convened.

(E) Copies of notices of Board meetings shall be posted in entranceways, elevators, or other conspicuous places in the Association at least 48 hours prior to any Board meeting; provided, however, that where there is no common entranceway for seven or more units, the Board designates one or more locations in the proximity of the units where notices of the meetings shall be posted.

(F) Each Unit Owner shall receive notice of any Board meeting concerning the adoption of the Association's annual budget or any increase or establishment of an assessment. Such notice shall be mailed or delivered to members of this Association no less than ten (10) and nor more than thirty (30) days in advance of such meeting stating the time, place and purpose of the Board meeting.

(G) Any subsequent amendments to the Illinois Condominium Property Act which affect the rights of Unit Owners to attend meetings shall also be applicable to this Association in the same manner as they are applicable to condominium associations in this State.

2. Notice of this Resolution shall be delivered or mailed to each Unit Owner.

3. The Board is hereby entitled to use, and shall direct its attorneys to use, actions in forcible entry and detainer in order to collect the assessments and lawful charges of this Association, which actions shall entitle the Board to evict any Unit Owner and to take possession of his or her Unit upon a finding by a court of competent jurisdiction that they have failed to pay the assessments or other lawful charges of this Association.

4. The Secretary of this Association is authorized to prepare any certified copies of this Resolution which may be brought under the authority of this Resolution.

Adopted by the Board of Directors of the Cambridge Pointe Townhome Association at a meeting held on August 24, 1993, at Carol Stream, Illinois.

Respectfully Submitted,


Secretary
Cambridge Pointe Townhome Association

CERTIFICATE

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of Cambridge Pointe Townhome Association ("Association"), an Illinois not-for-profit corporation; and that the attached is a true, correct and accurate copy of the Resolution of the Board of Directors adopting and applying Article IX of the Illinois Code of Civil Procedure regarding the use of the Forcible Entry and Detainer cause of action, effective as of the date of this Certificate.

I further certify that the attached Resolution was mailed in the ordinary course of business to all of the owners of the Association on the 26th day of October, 1993, with proper postage prepaid and that the original of this Certificate, with a copy of the mailed Resolution are made a part of the minutes, and kept in the records of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and affix the corporate seal this 26 day of OCTOBER, 1993.

CAMBRIDGE POINTE
TOWNHOME ASSOCIATION

Joe E. Crawford
Secretary

(Corporate Seal)

