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Date: 12/23/2015 09:03 AM Pg: 1 of 41

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**MASTER DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR PROVENANCE**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS AND EASEMENTS FOR PROVENANCE (this "**Master Declaration**") is made as of this 22nd day of December, 2015 (the "**Effective Date**") by **RSD MISSION HILLS, LLC**, an Illinois limited liability company (as further defined in **Section 1.1** hereof, "**Declarant**").

RECITALS:

- A. As of the Effective Date, Declarant is the owner of certain real property legally described on Exhibit A and consisting of approximately 43.240 acres located in Cook County, Illinois (as further defined in **Section 1.1** hereof, the "**Property**").
- B. Declarant has caused a Plat of Subdivision of the Property (the "**Plat**") to be recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "**Recorder's Office**") on November 18, 2015 as Document No. 1532229026, pursuant to which: (i) the Property was subdivided into the seventy-three (73) lots (collectively referred to herein as the "**Lots**" and individually as a "**Lot**" and further defined in **Section 1.1**); and (ii) an adjacent parcel to the South of the Property of approximately 1.27 acres was dedicated for right-of-way purposes.
- C. Declarant, or an affiliate of Declarant, may construct or has caused to be constructed on the Property a development known as **PROVENANCE** and comprised of (i) up to eighty-two (82) townhomes (as hereinafter described) on Lots 1 through 22, inclusive; (ii) up to thirty-four (34) duplexes (as hereinafter described) on Lots 23 through 39, inclusive; (iii) up to twenty-one (21) single family homes on Lots 40 through 60, inclusive (Lots 1 through 60, inclusive, being sometimes hereinafter referred to individually as a "**Residential Lot**" and collectively as the "**Residential Lots**," as further defined in **Section 1.1**); and (iv) certain common areas and facilities on Lots 61 through 73, inclusive, that will require continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Residential Property.
- D. Declarant desires to provide for construction, maintenance, operation and common use of the Common Facilities (as defined in **Section 1.1**) and to create a master homeowners' association that will be responsible to provide for ownership, maintenance and operation of the Common Facilities and the Master Association Common Lots (as defined in **Section 1.1**).
- E. Declarant desires by this Master Declaration to provide for the development and efficient operation of each Residential Lot and to assure the harmonious relationship of the owners of each Residential Lot or any portion thereof or interest therein by providing for and declaring certain reciprocal easements against

and affecting the Residential Property that will run with the Residential Property, that will be binding upon each present and future owner of the Residential Property, any Residential Lot, or any portion thereof or interest therein and that will inure to the benefit of each present and future owner of the Residential Lots, or any portion thereof or interest or estate therein.

F. Declarant further desires to grant, declare and establish certain reciprocal rights and benefits for and to impose certain duties and obligations upon, the present and future purchasers, owners, mortgagees, lessees and grantees of any of the Residential Lots or any portion of thereof, and upon all persons acquiring any interest therein.

NOW, THEREFORE, Declarant hereby declares that the Residential Property and any portion thereof, including the Residential Lots, is and shall be held, transferred, sold, conveyed, occupied, leased and mortgaged subject to the easements, uses, privileges, duties, obligations, charges and liens hereinafter set forth.

ARTICLE I GENERAL

1.1 **Definitions.** The following words or phrases, when used in this Master Declaration, shall have the following meanings unless the context shall otherwise clearly indicate or provide:

AAA: As defined in Section 7.17.

Acceptable technological means: includes, without limitation, electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, or electronic mail.

Act: The Illinois Common Interest Community Association Act (765 ILCS 160/1-1 et. seq.) as amended from time to time.

American Flag: The flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Annual Board Meeting: As defined in Section 6.8.

Annual Member Meeting: As defined in Section 6.15.

Articles: The Master Association's articles of incorporation, as amended from time to time.

Board: The Board of Directors of the Master Association, as constituted at any time or from time to time in accordance with the applicable provisions hereof.

Board Meeting: A meeting of the Board.

Building: Any structure permanently affixed to any one or more Residential Lots that is designed or built for the enclosure, shelter, protection or occupancy of persons or property.

Buffer Maintenance: (i) Maintaining, caring for, conserving and administering the landscaping located within the Single Family Home Lots Landscape Buffer Easement Area, including but not limited to any weeding, trimming and other removal of landscaping deemed necessary or prudent by the Master Association for the health of the landscaping within the Single Family Home Lots Landscape Buffer Easement Area as a whole); and (ii) planting supplementary or replacement landscaping for diseased or dead landscaping to the extent deemed necessary or prudent by the Master Association with the purpose, but not obligation, to maintain visual privacy between the remaining portions of the Single Family Home Lots and properties to the East, subject to seasonal variations in landscaping foliage. Buffer Maintenance shall in no event require that the Master Association or Board provide sprinklering or otherwise water the landscaping within the Single Family Home Lots Landscape Buffer Easement Area.

Bylaws: Article VI of this Master Declaration, as amended from time to time in accordance with the provisions hereof.

Common Facilities: Collectively:

- (i) as located only on Master Association Common Lots: any perimeter or interior fencing; retaining or seating walls; sidewalks or other pedestrian paths; lighting; monument or other signage; bicycle racks; benches; pergolas; gathering areas; fountains; ponds; wells and pump houses; sanitary lift stations, force mains and related appurtenances; roadways and emergency access areas (including but not limited to any roadway constructed on Lot 73 and any emergency access areas constructed on Lot 65 and Lot 72); the roadway constructed on Lot 71, but only if the Townhome Association is failing to care for and maintain Lot 71 as required under the Townhome Declaration; berms, planters, lawns, garden areas, trees, shrubs, plantings, and other landscaping; and other common improvements of a similar nature that may now or hereafter be located on the Master Association Common Lots and exclusively serve the Residential Property;
- (ii) as located throughout the Residential Property and each portion thereof, whether or not on Master Association Common Lots, Duplex Common Areas, or Townhome Common Areas: (a) each element of the Stormwater Management Facilities that is not dedicated or otherwise conveyed to, and accepted by, a governmental entity that will have responsibility for the operation, maintenance, repair and replacement of such element pursuant to a written instrument; (b) any Sanitary Sewer Mains (as defined in **Section 2.1**) that are not dedicated or otherwise conveyed to, and accepted by, a governmental entity that will have responsibility for the operation, maintenance, repair and replacement of such Sanitary Sewer Mains pursuant to a written instrument; and (c) any Water Mains (as defined in **Section 2.1**) that are not dedicated or otherwise conveyed to, and accepted by, a governmental entity that will have responsibility for the operation, maintenance, repair and replacement of such Water Mains pursuant to a written instrument;
- (iii) the Lot 73 Roadways, including all parkway landscaping within Lot 73 and any other roadway improvements within Lot 73 except to the extent conveyed to, and accepted by, a governmental entity that will have responsibility for the operation, maintenance, repair and replacement thereof;
- (iv) the Single Family Home Lots Landscape Buffer Easement Area; and
- (v) the Off-Site Stormwater Management Facilities.

Without limiting the foregoing, the term Common Facilities shall in no event include any real or personal property that has been dedicated or otherwise conveyed to a utility company or governmental entity (including but not limited to the County, Village, Northfield Township, and Mission Brook) except to the extent a written agreement by and between the Master Association and such transferee provides that the Master Association is to continue maintenance thereof. Except as noted in this paragraph, the term Common Facilities also excludes Lots 66 through 71, inclusive, and any roadway or other improvements therein or thereon.

County: The County of Cook, an Illinois county.

Declarant: (i) RSD MISSION HILLS, LLC, an Illinois limited liability company until such time as it no longer owns any portion of the Property; or (ii) any person to entity (other than the Master Association or a Member Association) to whom or to which Declarant assigns its rights, interests and obligations as Declarant under this Master Declaration, which assignment shall occur only if the transferor-Declarant is conveying to the transferee-Declarant fee title to all or some portion of the Residential Property then owned by the transferor-Declarant.

Declarant Owned Units: Subject to the terms of **Section 5.3** and **Section 6.4(a)**, Residences owned by Declarant, whether vacant or occupied, and whether completed or under construction.

Directors: As defined in **Section 6.6**.

Duplex Access Drive: For the purposes of this Master Declaration and the easements granted herein, Lot 66, including any landscaping, driveways, paving and other roadway improvements, lighting, fencing, sidewalks, service walks and other improvements located therein, but expressly excluding all of the following, whether or not dedicated: any Stormwater Management Facilities, Sanitary Sewer Mains and

Water Mains located therein or thereunder.

Duplex Association: The Provenance Duplex Association, an Illinois not-for-profit corporation, formed for the purposes described in the Duplex Declaration, and its successors and assigns.

Duplex Common Areas: The Duplex Access Drive; Duplex Lot Open Space Areas; and certain Water Lines and Sewer Lines specified in the Duplex Declaration.

Duplex Declaration: That certain Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for the Provenance Duplexes as first made by Declarant and recorded on or about the date hereof in the Recorder's Office (which Duplex Declaration, *inter alia*, obligates the Duplex Association to clear snow, ice, debris and other obstructions from sidewalks and service walks located within the Duplex Property), as amended from time to time in accordance with its terms.

Duplex Lot Open Space Areas: For the purposes of this Master Declaration and the easements granted herein: (i) those areas of each Duplex Lot that are not improved with a Building; and (ii) the landscaping, driveways, lighting, fencing, sidewalks and service walks located within such areas.

Duplex Lots: Subject to **Section 5.3** and **Section 6.4(a)**, Lots 23 through 39, inclusive, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of a titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof). The term "Duplex Lots" shall include the Buildings located thereon, and Duplex Lot Open Space Area, should the context require.

Duplex Unit: Subject to **Section 5.3** and **Section 6.4(a)**, a single-family attached residential housing unit consisting of one or more rooms that is designed or intended for the exclusive use as living quarters for one family and is located upon a portion of a Duplex Lot, even though such Duplex Unit shares a common exterior wall, roof or other structural or common component with one or more other Duplex Units, and any appurtenant land on a Duplex Lot included in the legal description of a Duplex Unit.

Duplex Unit Owner: Subject to **Section 5.3** and **Section 6.4(a)**, an Owner of one or more Duplex Units.

Insurance Policies: As defined in **Section 6.5(e)**.

Insurer or Guarantor: As defined in **Section 7.1**.

Lot or Lots: The 73 lots legally described on **Exhibit A**, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of the titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof).

Lot 73 Roadways: Lot 73 and all improvements located therein, excluding, however: (i) any Stormwater Management Facilities, Sanitary Sewer Mains and Water Mains that no longer constitute Common Facilities hereunder because of their transfer or conveyance; (ii) utility lines that are owned and maintained by utility companies rather than the Master Association.

Major Decision: Any act or amendment to this Master Declaration or the Articles (except for amendments to the Bylaws or the Articles to make them consistent with this Master Declaration) that would have the effect of changing any of the following in a manner other than as expressly provided in this Master Declaration or as required by law: (i) the manner of appointing Directors to the Board; (ii) the relative number of Directors appointed by Members or Member Associations; (iii) the types of Master Association Costs or proportionate share of Master Association Costs paid by Members and Member Associations; or (iv) suspension or termination of the legal status of the Master Association.

Master Association: Provenance Master Association, an Illinois not-for-profit corporation formed for the purpose of owning, operating and maintaining the Master Association Common Lots and the Common Facilities, for performing the obligations set forth herein and for other purposes specified in this Master Declaration, as well as its successors and assigns.

Master Association Common Lots: Those portions of the Residential Property comprised of Lots 61 through 65, inclusive, Lot 72, and Lot 73, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of the titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof); provided, however, that so long as the Townhome Association is failing to care for and maintain Lot 71 as it is supposed to under the Townhome Declaration, the Master Association may treat Lot 71 as a Master Association Common Lot for all purposes. Except as noted in this paragraph, Lots 67 through 71, inclusive, are not Master Association Common Lots.

Master Association Costs: As defined in **Section 5.1**.

Master Association Records: As defined in **Section 6.17**.

Master Association Rules: As defined in **Section 6.5**.

Master Declaration: This Master Declaration, as amended from time to time in accordance with the terms hereof, including all Exhibits hereto that are incorporated herein and made a part hereof by this reference.

Material Amendment: Any amendment to this Master Declaration (including the Bylaws) or the Articles that would change: (i) any provisions that expressly benefit Mortgagees, Insurers or Guarantors; or (ii) any of the following in a manner other than as expressly provided herein: voting rights in the Master Association; assessment liens; subordination of assessments liens; rights to, or use of, any portion of the Common Facilities; or the legal status of the Master Association or Residential Property following substantial destruction or condemnation.

Member Associations: The Townhome Association and Duplex Association.

Member Meeting: A meeting of Members.

Members: The Members of the Master Association, comprised of each Townhome Unit Owner, each Duplex Unit Owner, and each Single Family Home Unit Owner, as further described in **Article VI**.

Military Flag: A flag of any branch of the United States armed forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Mission Brook: Mission Brook Sanitary District, a unit of Local Government under Article VII of the Illinois Constitution, and any successors and assigns to its rights and obligations concerning the Water Mains, Sewer Mains, and Property.

Mortgagee: As defined in **Section 7.1**.

Occupant: Persons or entities in possession of any Building or any portion thereof constructed on any Residential Lot, whether such occupancy is through lease, ownership or other occupancy agreement with the Owner of any such Building or portion thereof.

Off-Site Stormwater Management Facilities: Those facilities (or those portions thereof) installed or constructed by Declarant beyond the boundaries of the Residential Property for drainage and stormwater management of the Property, including detention ponds and basins, swales, retaining walls, fences, landscaping, storm sewer lines, aeration equipment, fountains and all related appurtenances and equipment, but only to the extent and at such times as the Master Association has a contractual right or obligation to operate, maintain, repair and replace such facilities or portions thereof.

Officers: As defined in **Section 6.10** hereof.

On-Site Stormwater Management Facilities: Those facilities (or those portions thereof) located on the Residential Property for drainage and stormwater management of the Residential Property, including detention ponds and basins, swales, retaining walls, fences, landscaping, storm sewer lines, aeration equipment, fountains and all related appurtenances and equipment; provided, however, "On-Site

Stormwater Management Facilities,” shall not include Storm Sewer Mains and other stormwater improvements conveyed to, and accepted by, a governmental entity that will have responsibility for the operation, maintenance, repair and replacement thereof pursuant to a written instrument.

Owner: (i) each and every person or entity, including Declarant, who is record owner of a Residence (unless a tenant or purchaser qualifies as the Owner of such Residence in accordance with the terms of this definition); (ii) the beneficiary of a land trust holding fee simple title to a Residence (unless a tenant or purchaser qualifies as the Owner of such Residence in accordance with the terms of this definition); (iii) the holder of a leasehold interest initially in excess of forty (40) years in any Residence; or (iv) a purchaser of any Residence pursuant to an “installment contract,” unless: (a) Declarant is the seller of such Residence; (b) such purchaser is not yet residing in the Residence; (c) the seller has expressly retained in writing all rights and obligations of ownership; or (d) the Master Association has not been given satisfactory evidence of such installment contract.. The term “Owner” shall not mean or refer to any person or entity who holds only a lien or security interest as security for the performance of any obligation (including, but not limited to, any mortgagee or trustee or beneficiary under a mortgage or deed of trust) unless and until such party shall have acquired legal title of record through foreclosure or any proceeding in lieu of foreclosure.

Plat: As defined in **Recital B**.

Prescribed Delivery Method: Mailing, delivering, posting in a Master Association publication that is routinely mailed to all Members, electronic transmission, or any other delivery method that is approved in writing by the Member to receive the communication and authorized by the Declaration or Association Rules.

Property: The real property described in **Exhibit A**, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of a titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof).

Property Manager: Any property manager engaged by the Master Association, whether such property manager is an individual person directly employed by the Master Association or a company with which the Master Association contracts.

Recorder’s Office: As defined in **Recital B**.

Residence: Subject to **Section 5.3** and **Section 6.4(a)**, each Townhome Unit, Duplex Unit, and Single Family Home Lot.

Residential Lot or Residential Lots: Lots 1 through 60, inclusive, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of a titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof).

Residential Property: All portions of the Property other than those Lots or other portions of the Property that have been dedicated to, and accepted by, a governmental entity for right-of-way purposes, but including all privileges, rights, easements, hereditaments, and appurtenances thereto belonging, including all right, title and interest of a titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof).

Sanitary Sewer Lines: As defined in **Section 2.1**.

Sanitary Sewer Mains: As defined in **Section 2.1**.

Single Family Home: Subject to **Section 5.3** and **Section 6.4(a)**, a single-family detached residential housing unit consisting of one or more rooms that is designed or intended for the exclusive use as living quarters for one family and located upon a Single Family Home Lot.

Single Family Home Lots: Subject to **Section 5.3** and **Section 6.4(a)**, Lots 40 through 60, inclusive, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging,

including all right, title and interest of the titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof). The term “Single Family Home Lots” shall include the Buildings located thereon, should the context require, provided, however, no more than one Single-Family Home (or other dwelling unit of any type) may be located on any one Single-Family Home Lot.

Single Family Home Lots Landscape Buffer Easement Area: An approximate twenty (20) foot wide landscape buffer area running across the Single Family Home Lots along Western Avenue as recorded on the Plat for the maintenance and preservation of the landscape buffer area.

Single Family Home Unit Owner: Subject to **Section 5.3** and **Section 6.4(a)**, an Owner of one or more Single Family Home Lots.

Special Amendment: As defined in **Section 7.2(b)**.

Special Board Meeting: As defined in **Section 6.8**.

Special Member Meeting: As defined in **Section 6.15**.

Storm Sewer Mains: The mains, including adjacent inlets, for transmission of stormwater to which the Stormwater Management Facilities connect.

Stormwater Management Facilities: The On-Site Stormwater Management Facilities and Off-Site Stormwater Management Facilities.

Townhome Access Drives: Lots 67 through 71, inclusive, as improved with pavement, asphalt or similar materials, landscaping, driveways, paving and other roadway improvements, lighting, fencing, sidewalks, service walks and any other improvements located therein, but expressly excluding all of the following, whether or not dedicated: any Stormwater Management Facilities, Sanitary Sewer Mains and Water Mains located therein or thereunder.

Townhome Association: The Provenance Townhome Association, an Illinois not-for-profit corporation, formed for the purposes described in the Townhome Declaration, and its successors and assigns.

Townhome Common Areas: The Townhome Access Drives; Townhome Lot Open Space Areas; and certain Water Lines and Sewer Lines specified in the Townhome Declaration.

Townhome Declaration: That certain Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for the Provenance Townhomes as first made by Declarant and recorded on or about the date hereof in the Recorder’s Office (which Townhome Declaration, *inter alia*, obligates the Townhome Association to clear snow, ice, debris and other obstructions from sidewalks and service walks located within the Townhome Property and the Townhome Access Drives), as amended from time to time in accordance with its terms.

Townhome Lot Open Space Areas: For the purposes of this Master Declaration and the easements granted herein: (i) those areas of each Townhome Lot that are not improved with a Building; and (ii) the landscaping, driveways, lighting, fencing, sidewalks and service walks located within such areas.

Townhome Lots: Subject to **Section 5.3** and **Section 6.4(a)**, Lots 1 through 22, inclusive, together with all privileges, rights, easements, hereditaments, and appurtenances thereto belonging; and all right, title and interest of a titleholder thereof in and to any streets and other rights-of-way included therein or adjacent thereto (before or after the dedication or vacation thereof). The term “Townhome Lot” shall include both the Townhome Lot Open Space Area and the Buildings or portions thereof located therein and thereon.

Townhome Unit: Subject to **Section 5.3** and **Section 6.4(a)**, a single family attached residential housing unit consisting of one or more rooms that is designed or intended for the exclusive use as living quarters for one family and is located upon a portion of a Townhome Lot, even though such Townhome Unit shares a common exterior wall, roof or other structural or common component with one or more other Townhome Units, and any appurtenant land on a Townhome Lot included in the legal description of a

Townhome Unit.

Townhome Unit Owner: Subject to **Section 5.3** and **Section 6.4(a)**, an Owner of one or more Townhome Units.

Transfer Date: The first to occur of:

- (i) the sixtieth (60th) day after Declarant has first conveyed at least one hundred and three (103) Residences to individual Owners (as opposed to a successor Declarant), which 103 Residences are approximately seventy-five percent (75%) of the 137 Residences planned for Provenance, and
- (ii) three (3) years after the recording of this Master Declaration or
- (iii) such earlier date as Declarant may select, in its sole discretion.

Unit Owner: Subject to the terms of **Section 5.3** and **Section 6.4(a)**, a Townhome Unit Owner, a Duplex Unit Owner, or a Single Family Home Unit Owner.

Village: The Village of Northbrook, an Illinois municipal corporation.

Water Lines: As defined in **Section 2.1**.

Water Mains: As defined in **Section 2.1**.

1.2 **Master Declaration, Binding Effect, and Exceptions.**

(a) **Binding Effect, Persons Subject to Master Declaration, and Duration.** This Master Declaration creates and imposes easements, restrictions, covenants, conditions and obligations and also creates, grants and conveys easements, rights, and benefits upon and for the Property and each portion thereof, the Master Association, all present and future Unit Owners and Occupants, including their respective tenants, mortgagees, heirs, executors, administrators, legal representatives, successors and assigns. In accordance with the foregoing, the Property shall be held, occupied, managed, improved, used, sold and conveyed subject to the easements, restrictions, covenants and conditions of this Master Declaration, all of which: (i) are for the purpose of enhancing and protecting the development value, desirability and attractiveness of the Residential Property; (ii) shall run with the Property and shall be appurtenant to each portion thereof during the term hereof; and (iii) are binding on and shall inure to the benefit of all parties having any right, title or interest in the Property or any portion thereof. Each provision of this Master Declaration, including all easements, restrictions, covenants and conditions, are incorporated by express reference into any instrument conveying any portion of the Property or any interest therein following the Effective Date. This Master Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the parties, for the term of fifty (50) years from the Effective Date, after which time, this Master Declaration shall automatically be extended for successive periods of ten (10) years, subject to amendment as set forth in **Article VII**. Any person accepting a deed of conveyance for all or any portion of the Property, entering into a lease for all or any portion of the Property or otherwise acquiring any interest in the Property shall have agreed that he is subject to and shall comply with the provisions of this Master Declaration, including the Bylaws, as they may be amended from time to time, as though such provisions were recited and stipulated at length in each and every deed, lease or other instrument of conveyance. Each Residence shall constitute a freehold estate subject to the terms, conditions and provisions hereof.

(b) **Transfer of Owner's Interest.** If an Owner shall sell, assign, transfer, convey or otherwise dispose of his Residence (other than as security for a loan to such Owner), then: (a) such Owner (but not the Member Association) shall be entirely freed and relieved of any and all covenants and obligations that arise under this Master Declaration with respect to such Residence and accrue from and after the date such Owner so sells, assigns, transfers, conveys or otherwise disposes of such Residence; and (b) the person or entity who succeeds to such Owner's interest in his Residence shall be deemed to have assumed any and all of the covenants and obligations thereafter arising under this Master Declaration of such Owner with respect to the transferred Residence.

- (c) **No Third Party Beneficiary; No Partnership.** This Master Declaration is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity, including the public, as a third party beneficiary or under any statutes, laws, codes, ordinances, rules, regulations, orders, decrees or otherwise. The Master Association and Member Associations shall not be deemed to be partners or joint venturers of one another.

1.3 **Leasing.**

- (a) Each Unit Owner leasing his Residence shall deliver a copy of the signed lease to the Master Association, or, if the lease is oral, a memorandum of the lease, not later than the date of occupancy or ten (10) days after the lease is signed, whichever occurs first.
- (b) If, following the date hereof, this Master Declaration or Master Association Rules prohibit leasing, nothing in the Act, this Master Declarations or the Master Association Rules shall prohibit a Unit Owner incorporated under 26 USC 501(c)(3) that is leasing a Unit at the time of the prohibition from continuing to do so until such time that the Unit Owner voluntarily sells the Unit; and no special fine, fee, dues, or penalty shall be assessed against the Unit Owner for leasing its Unit.

1.4 **Member Association Declarations, Conflicts.** The Townhome Association also shall be governed by the Townhome Declaration, and the Duplex Association also shall be governed by the Duplex Declaration. Each of the foregoing declarations, as amended from time to time or at any time, shall be consistent with and incorporate the applicable terms of this Master Declaration by reference. Further, wherever any action under this Master Declaration requires the vote or concurrence of the Member Associations, such vote or concurrence shall be exercised by each Member Association in accordance with the majority vote or other supermajority procedure as is expressly set forth in its respective declaration. To the extent of any conflict, ambiguity or contradiction between terms, definitions and provisions contained in this Master Declaration and those contained in the Townhome Declaration or Duplex Declaration, those contained in the Master Declaration shall control and prevail in all instances other than those concerning certain definitions in the Townhome Declaration or Duplex Declaration, where the definitions therein are expressly described as departing from the corresponding definition in this Master Declaration.

1.5 **Single Family Home Lots.** In the case of each Single Family Home Lot, such Single Family Home Lot thereof shall not be governed by a separate declaration of party wall rights, covenants, restrictions and easements, and the Owner thereof shall be entitled to cast the one vote attributable to such Single Family Home Lot hereunder.

1.6 **Flags.** Notwithstanding any provision in this Master Declaration, Master Association Rules, other instruments of the Master Association or the Board's construction of any of those instruments, the Board may not prohibit the display of the American Flag or a Military Flag, or both, on or within the limited common areas and facilities of a Unit Owner or on the immediately adjacent exterior of the Building in which the Residence of a Unit Owner is located. The Board may adopt reasonable Association Rules, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American Flag and may adopt reasonable Association Rules regarding the placement and manner of display of a Military Flag. The Board may not prohibit the installation of a flagpole for the display of the American Flag or a Military Flag, or both, on or within the limited common areas and facilities of a Unit Owner or on the immediately adjacent exterior of the Building in which the Residence of a Unit Owner is located, but may adopt reasonable Association Rules regarding the location and size of flagpoles.

1.7 **Dedication.** Declarant hereby reserves to and for itself (with respect to any Master Association Common Lots or Common Facilities to which Declarant holds title) and hereby reserves for and on behalf of the Master Association (with respect to any Master Association Common Lots or Common Facilities to which the Master Association holds title) the right to dedicate or transfer all or any portion of the Common Facilities and Master Association Common Lots (other than the Single Family Home Lots Landscape Buffer Easement Area) that it owns to any public agency, authority or utility for its purposes. If any of the Common Facilities or Master Association Common Lots are so dedicated, and the applicable public agency, authority or utility accepts such dedication and undertakes or assumes responsibilities for their

maintenance, repair or replacement, then the party under this Master Declaration responsible for such maintenance, repair or replacement shall thereafter be relieved of its responsibility in that regard.

1.8 Ownership of Common Facilities and Master Association Common Lots. The provisions of this Section 1.9 shall not limit nor be deemed to limit the rights and powers of Declarant and the Master Association to dedicate any one or more Common Facilities or Master Association Common Lots as set forth in Section 1.8. Declarant shall own the Common Facilities or Master Association Common Lots until Declarant thereafter conveys such Common Facilities or Master Association Common Lots to the Master Association or otherwise dedicates such Common Facilities or Master Association Common Lots pursuant to Section 1.8. Declarant may cause such conveyance to occur in single or multiple transactions or phases, but shall complete the conveyance of all Common Facilities or Master Association Common Lots (subject to Section 1.8) prior to the Transfer Date (if already constructed) or when completely constructed. Following conveyance of any Common Facilities or Master Association Common Lots to the Master Association, such Common Facilities and Master Association Common Lots shall be thereafter owned by the Master Association, subject to Section 1.8.

ARTICLE II
SANITARY SEWER AND WATER

2.1 Construction. Prior to the Transfer Date, Declarant shall initially cause to be constructed, installed or located the sanitary sewer mains serving the Residential Property (the "Sanitary Sewer Mains"), sanitary sewer service lines connecting the Sewer Mains to individual Residential Lots (the "Sanitary Sewer Lines"), water mains serving the Residential Property (the "Water Mains"), and water service lines connecting the Water Mains to individual Residential Lots (the "Water Lines"). The Sanitary Sewer Mains and Water Mains shall be owned by Declarant until conveyed to Mission Brook, another governmental entity, or the Master Association. The Sanitary Sewer Lines and Water Lines shall be owned by Declarant until conveyed to the Member Associations or Single Family Home Unit Owners, as applicable. Declarant may cause such conveyances to occur in single or multiple transactions or phases, but shall complete such conveyances, in full, on or prior to the Transfer Date.

2.2 Maintenance.

(a) **Sanitary Sewer Mains and Water Mains.** It is intended in this Master Declaration that the Sanitary Sewer Mains and Water Mains will be dedicated by Declarant to, and accepted by, Mission Brook or another governmental entity. It is also intended in this Master Declaration that until such dedication and acceptance have both occurred, the Master Association shall own, operate, maintain, repair, replace and renew the Sanitary Sewer Mains and Water Mains, at its sole cost and expense, as Common Facilities. Following the occurrence of such dedication and such acceptance, Mission Brook (or the other, applicable governmental entity) shall own, operate, maintain, repair, replace and renew the Sanitary Sewer Mains and Water Mains, at its sole cost and expense.

(b) **Sanitary Sewer Lines and Water Lines.** Each Member Association (for its respective Members) shall own the Sanitary Sewer Lines and Water Lines serving its Members' Lots and shall operate, maintain, inspect, test, repair, replace and renew them at such Association's sole cost and expense. Each Single Family Home Unit Owner shall own the Sanitary Sewer Lines and Water Lines serving its respective Single Family Home Lot, and shall operate, maintain, inspect, test, repair, replace and renew those Lines at its sole cost and expense.

ARTICLE III
ADDITIONAL COMMON FACILITIES
AND MASTER ASSOCIATION COMMON LOTS

3.1 Construction. In addition to and not limitation of the provisions in Article II hereof, Declarant also shall cause the other Common Facilities to be initially constructed, installed or located prior to the Transfer Date, including but not limited to the Lot 73 Roadways, the Stormwater Management Facilities (including, without limitation, the Storm Sewer Mains), and all other improvements to the Master Association Common Lots as Declarant shall, in its sole discretion, determine to be necessary, appropriate

or desirable or to be required by governmental laws, ordinances, regulations or approvals as shall be in effect during, and applicable to, the development of the Property.

3.2 Non-Interference. Neither the Master Association, Board, the Member Associations (or their boards), nor any Unit Owner or Occupant, nor any person or entity acting by or through any of the foregoing shall: (i) interfere with Declarant's construction and development of Master Association Common Lots, Common Facilities or Residences; or (ii) have or be deemed to have any right or cause of action relating to the manner or results of Developer's construction and development of the Master Association Common Lots, Common Facilities or Residences arising from this Master Declaration or any provision hereof.

3.3 Improvement. Following conveyance of any Master Association Common Lots and Common Facilities to the Master Association, such Master Association Common Lots and Common Facilities may be further improved by the Master Association, at its discretion, in a manner consistent with the intent and purpose of this Master Declaration, the Plat, and the governing planned unit development, provided, however, that improvements and work by the Master Association within the Single Family Home Lots Landscape Buffer Easement Area shall be limited to Buffer Maintenance. Without limiting the generality of the foregoing, when and if Lot 63 ceases to be used as a golf hole, the Master Association (through the Board), shall have the right but not the obligation to cause Lot 63 or portions thereof to be modified for passive recreation (for example, through the installation of a gazebo, benches, or other improvements selected by the Board, or through the installation of different landscaping improvements).

3.4 Maintenance by Master Association.

(a) **Master Association Obligations.** In addition to the Master Association's duties under **Section 2.2(a)** (if any) and under **Section 2.2b**, the Master Association shall have the following obligations, both prior to and after the Transfer Date:

- (i) to keep, maintain, care for, conserve and operate the Master Association Common Lots and Common Facilities (expressly including, but not limited to, any wells and pump houses, any sanitary lift stations, force mains and related appurtenances, and any emergency access areas) in accordance with this Master Declaration and all applicable governmental requirements and approvals, in a safe, clean, sightly, functional and first-rate manner, including timely operation, cleaning, lighting, inspection, testing, repair, replacement and renewal thereof, mowing, watering, weeding, fertilizing, and replanting of landscaped areas and dredging of ponds;
- (ii) to remove snow, ice obstructions, debris of any kind, and temporary and permanent structures from Lot 71, in the event the Townhome Association fails to do so, to ensure that the Lot 72 can serve as an emergency access connecting Techny Road with the Lot 73 Roadway;
- (iii) to remove snow, ice obstructions, debris of any kind, and temporary and permanent structures from the paved or other hardscape portions of the Lot 73 Roadways, excluding, however, sidewalks and service walks within or connecting to Lot 73; and
- (iv) to perform the Buffer Maintenance.

(b) **Obligations of Duplex Association, Townhome Association, and Owners of Single Family Home Lots.** For the avoidance of doubt, the obligation to remove snow, ice obstructions, debris of any kind, and temporary and permanent structures from sidewalks and service walks is and shall be the obligation of: (i) the Duplex Association, for sidewalks and service walks located within the Duplex Property; (ii) the Townhome Association, for sidewalks and service walks located within the Townhome Property; (iii) each Owner of a Single Family Home Lot, for sidewalks and service walks located within such Owner's Single Family Home Lot; and (iv) the Master Association, for any other sidewalks and service walks within the Residential Property.

(c) **Particular Stormwater Facilities Obligations.** Without limiting any other provision of this **Section 3.4**, the Master Association shall inspect, maintain and repair the Stormwater Facilities (including but not limited to any in-line TideFlex Series 37-G check valves) in accordance with the requirements and recommendations of component manufacturers and the Cook County Watershed

Management Ordinance, as amended, whichever is more restrictive. By way of example and not limitation, the Cook County Watershed Management recommends, as of the date of this Master Declaration: checking structures with valves on a monthly basis between March and November, maintaining and cleaning structure with valves to ensure proper performance, removing any leaves or other debris, and removing any accumulated sediment from the catch basin bottoms when fifty percent (50%) or more of sump zone is filled.

- (d) **Related Obligations.** The Master Association's obligations as set forth in this **Section 3.4** and elsewhere in this Master Declaration shall be deemed inclusive of its obligations to: (i) acquire or obtain, directly or indirectly, the associated materials, equipment, supplies, labor, utilities, governmental permits, licenses, and approvals, and insurance; (ii) pay the Master Association Costs; and (iii) build, maintain and replenish adequate reserves for capital repairs and replacements of Common Facilities not covered by special assessments, all in accordance with the requirements of this Master Declaration, the Plat, and applicable governmental requirements and approvals.
- (e) **Management Company Funds.** All management companies responsible for funds held or administered by the Master Association shall maintain and furnish to the Master Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The Master Association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Master Association and a management company. A management company holding reserve funds of the Master Association shall at all times maintain a separate account for the Master Association, unless otherwise authorized by contract with the Board for investment purposes. With Board consent, the management company may hold all operating funds of associations the management company manages in a single operating account, but shall at all times maintain records identifying all moneys of the Master Association in such operating account. Such operating and reserve funds held by the management company for the Master Association shall not be subject to attachment by any creditor of the management company. The management company shall maintain separate, segregated accounts for the Master Association. The funds shall not, in any event, be commingled with funds of the management company, the firm of the management company, or any other common interest community association. The maintenance of these accounts shall be custodial, and the accounts shall be in the name of the Master Association.
- (f) **Agreement with Third Parties.** Whenever possible, the Master Association, acting through the Board, shall perform its functions and carry out its duties by entering into written agreements for the performance thereof with persons and business entities determined by the Board to be regularly engaged in performing generally similar functions and duties. The written agreements by and between the Master Association and such persons or business entities shall be for such length of time, at such rates of compensation and upon such other terms and provisions as the Board shall determine; provided, however, that if the Master Association, Declarant or Board shall enter into an agreement or agreements for the professional management of the Property before the Transfer Date, each such agreement shall provide that it is terminable by the Master Association at any time after the Transfer Date, without cause, without payment of any penalty, and without advance notice of termination of more than ninety (90) days. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Property or any part thereof. The Master Association itself shall also have power to perform its functions and carry out its duties. Any costs incurred pursuant to this **Section 3.4(f)** shall be paid from the assessments collected pursuant to **Article V** hereof.

3.5 Restrictions on Master Association Common Lots. The provisions of this **Section 3.5** are subject to the provisions of **Section 1.7**. Without limiting any other provisions and restrictions applicable to the operation, use and enjoyment of the Master Association Common Lots set out elsewhere in this Master Declaration, the following shall apply to the Master Association Common Lots:

- (a) Except for the activities of Declarant and its affiliates, no signage of any type or description (including "For Rent" and "For Sale" signs), billboards, unsightly objects or nuisances shall be erected, placed or

permitted on any portion of the Master Association Common Lots.

- (b) No Owner (including Occupants and their respective tenants, guests, occupants, agents and invitees) or Member Association may modify or alter the Master Association Common Lots or improvements located therein without prior written Board approval.
- (c) No noxious, offensive or illegal activity shall be carried in or on any portion of the Master Association Common Lots, nor shall anything be done therein or thereon either willfully or negligently that may be or become an annoyance or a nuisance to the Owners or Occupants.

ARTICLE IV GRANT OF EASEMENTS

In addition to those easements granted, created and declared in the Plat, Declarant, for itself, its successors, grantees and assigns, hereby reserves, grants, creates, declares and conveys the easements described in this Article IV. Furthermore, each easement described in this Article IV, including each easement described in Section 4.8 shall be cumulative and not in limitation of one another.

- 4.1 Stormwater Management Facilities. A non-exclusive, irrevocable and perpetual easement to each Owner and Member Association to connect to and to use the Stormwater Management Facilities for the flow of run-off water from the portions of the Residential Property owned or maintained by such grantees.
- 4.2 Pedestrian Access. A non-exclusive, irrevocable and perpetual easement to each Owner and Member Association for pedestrian uses in, over, across and upon any sidewalk or other pedestrian pathway located within the Master Association Common Lots.
- 4.3 Duplex Association. A non-exclusive, irrevocable and perpetual easement to the Duplex Association for ingress and egress and the storage and disposal of snow that has been removed from the Duplex Lots, over, in, through and across the unpaved portions of the Master Association Common Lots.
- 4.4 Single Family Homes. A non-exclusive, irrevocable and perpetual easement to the Single Family Home Lots for ingress and egress and the storage and disposal of snow that has been removed from the Single Family Home Lots, over, in, through and across the unpaved portions of the Master Association Common Lots.
- 4.5 Townhome Association. A non-exclusive, irrevocable and perpetual easement to the Townhome Association for ingress and egress and the storage and disposal of snow that has been removed from the Townhome Lots and Townhome Common Areas, over, in, through and across the unpaved portions of the Master Association Common Lots.
- 4.6 County, Village, and Mission Brook.
 - (a) Easement for Performance of Official Duties and Emergency Services. An irrevocable license and non-exclusive easement is hereby granted to the County, the Village, Mission Brook, and their respective police, fire, water, public works, engineering, development, health and other authorized officials, employees and vehicles to go upon the Residential Property, including the Master Association Common Lots, at any time and from time to time for the purpose of performance of official duties and emergency services, and for the purpose of inspecting for compliance with, and if necessary, implementing and enforcing this Master Declaration; all applicable County and Village ordinances, rules and regulations; the statutes of the State of Illinois and the United States; and any easements and/or rights granted to such governmental entity herein or on the Plat.
 - (b) Easement in Connection with Infrastructure. In addition, the respective, duly-designated officials and employees of the County, the Village and Mission Brook are hereby granted a non-exclusive easement to enter upon, on or over the Property for the purposes of installing, servicing, maintaining, repairing and reconstructing, except as otherwise provided hereunder, Stormwater Management Facilities, Sanitary Sewer and Water Mains, other Common Facilities and any other utility or public service located in whole or in part within any portion of the Residential Property. Such easement rights shall be exercised in accordance with the Plat and only to the extent and for such

period of time as is required to accomplish said tasks.

(c) **No Obligation**. Neither the County, the Village, nor Mission Brook shall be under any obligation to exercise the rights herein granted.

4.7 **Access**. A non-exclusive, irrevocable and perpetual easement is hereby reserved to Declarant and the Master Association for ingress and egress for persons, vehicles, materials and equipment in, on, over, under, across, from and through the Master Association Common Lots, Townhome Common Areas, and Duplex Common Areas for the purpose of exercising such party's rights and performing such party's obligations under this Master Declaration, including without limitation for the use, maintenance, repair, operation, improvement, replacement and reconstruction of the Master Association Common Lots and Common Facilities.

4.8 **Utility Easements and Related Rights**.

(a) **Utility Easements**. Subject to all limitations and restrictions set forth on the Plat: (a) to the extent not set forth on the Plat, SBC/Ameritech, ComEd, Nicor and all other suppliers of utilities serving the Property and any persons providing cable television or other similar entertainment to any Unit Owner or to the Property, are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Master Association Common Lots, for the purpose of providing the Property and each portion thereof with utility and entertainment services, together with the reasonable right of ingress to and egress from the Property for such purpose; and (b) Declarant may hereafter grant other or additional easements for utility or entertainment purposes and for other similar purposes, including such easements as Declarant may from time to time request, including, but not limited to, such easements as may be required to construct, keep and maintain improvements upon the Property, for the benefit of all or any portion of the Property, over, under, along and on any portion of the Property. Each Unit Owner hereby grants Declarant an irrevocable power of attorney to execute, acknowledge and record for and in the name of such Unit Owner, such instruments as may be necessary to effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owner shall be deprived of, nor be subjected to material interference with, the use of such Unit Owner's Residence, or any Master Association Common Lots serving such Unit Owner's Residence, other than reasonably and temporarily). Each mortgagee of a Residence shall be deemed to consent to and be subordinate to any easement hereafter granted and also grants such power of attorney to Declarant to effectuate the foregoing. Easements are also hereby declared and granted to the suppliers of utilities or cable television or entertainment lines described above in this **Section 4.8** to install, lay, operate, maintain, repair and replace any pipes, wire, ducts, conduits, public utility lines, entertainment lines, components of the communications systems, if any, or structural components, which may run through the walls of a Townhome Unit or Duplex Unit, whether or not such walls lie in whole or in part within the Townhome Unit boundaries or Duplex Unit boundaries.

(b) **Additional Authority to Grants Easements**. In addition to and not limitation of the easement rights reserved elsewhere in this **Section 4.8**, at any time while Declarant holds title to any portion of the Property, regardless of the extent to which any portion of the Property has been conveyed to the Master Association, Townhome Association, Duplex Association or Unit Owners, Declarant shall have and hereby reserves the right to grant and record easements (in addition to the easements set forth and granted on the Plat) from time to time and at any time for sanitary and storm sewers, water, gas, electricity, telephone, cable television and any other necessary or desired public or municipal service, utility services generally, fire protection service, landscaping, sprinklering, metering, buffering, ingress and egress, and such other purposes as Declarant, in its reasonable discretion, deems necessary, desirable or required by the final development plan or final engineering plans for the Property or by the "as-built" condition of the Property, or any part or portion thereof, in, over, under, through, upon and across all or any portion of the Master Association Common Lots, Townhome Common Areas, and Duplex Common Areas, all upon such terms and conditions as Declarant deems necessary or appropriate. Such right, while held by Declarant, shall not require the consent of any other person or entity, including the Member Associations or any Mortgagee, Insurer or Guarantor.

Furthermore, the Master Association and each Owner or Member Association shall, upon request of the Master Association or another Member Association, grant or confirm such utility easements over their respective portions of the Residential Property, provided, however, that: (i) no portion of such easement is located under an existing or proposed Building; and (ii) the easement may reasonably benefit or be necessary to provide utility or similar services to the requesting party or its members.

- (c) **Rights to Adjust Utility Easements.** In furtherance and not limitation of Declarant's reserved rights and powers under **Section 4.8(b)**, at any time while Declarant holds title to any portion of the Property, regardless of the extent to which the Property has been conveyed to the Master Association, Townhome Association, Duplex Association or Unit Owners, Declarant shall have and hereby reserves the right, without having to obtain the consent of any other party or person to record modifications and supplements to the Plat showing "as built" locations of utility or commercial entertainment conduits, cables, pipes, electrical wiring, transformers and switching apparatus and other equipment and granting, revoking or modifying the related easements so that the easement premises are within ten (10) feet on either side of the "as built" equipment. A power coupled with an interest is hereby granted to Declarant, as attorney-in-fact, to exercise its rights under this **Section 4.8(c)**. The acceptance of each deed, mortgage, deed of trust or other instrument with respect to a Residence shall be deemed a grant of such power to such attorney-in-fact, an acknowledgment of a consent to such power, and shall be deemed to reserve to such attorney-in-fact the power to record any and all such supplements.
- (d) **Master Association.** The Declarant shall be deemed to have transferred, and the Master Association shall be deemed to have assumed, all rights and powers, including the powers of attorney reserved and vested in Declarant under this **Section 4.8**, with respect to each portion of the Property transferred by Declarant to the Master Association; provided, however, so long as Declarant retains ownership of any portion of the Property, Master Association's exercise of such rights and powers, including the powers of attorney, shall require Declarant's consent. Notwithstanding such consent requirement, the Master Association shall exercise such rights and powers, including the powers of attorney, through the Board (from and after each applicable transfer). All of Declarant's rights under this **Section 4.8** shall be deemed fully transferred by Declarant and fully assumed by the Master Association on the date Declarant no longer owns any portion of the Property.

4.9 Additional Easements and Provisions Common to All Easements.

- (a) **Completion of the Development.** Until the last Residence is sold and conveyed by Declarant to a purchaser, and until Declarant determines in its sole discretion that Declarant's construction and development activities with respect to the Residential Property are complete, a blanket easement is hereby granted and reserved in, to, over, across and through the entire Residential Property (excluding only those Residences that have been sold), in favor and for the benefit of Declarant, and its representatives, agents, associates, affiliates, employees, contractors, subcontractors, brokers, licensees, and invitees, for purposes of construction and repair of Residences, Master Association Common Lots, Townhome Common Areas and Duplex Common Areas, including but not limited to the construction, installation, repair and replacement of all utilities, Buildings, structures, improvements and landscaping relating to the Property, and also including, without limitation, performance of service and warranty work, if any. This easement includes, without limitation, rights of ingress, egress and passage through and across the entire Residential Property (excluding only those Residences that have been sold, and expressly including, without limitation, common vehicular and pedestrian traffic areas located in the Master Association Common Lots, Townhome Common Areas and Duplex Common Areas), for the purpose of providing access to all areas of the Residential Property and for the purpose of enabling the performance or exercise of all functions, rights, responsibilities and obligations permitted or required to be performed by any person or entity to which this easement is granted.
- (b) **Marketing of the Residential Property Development.** Until the last Residence is sold and conveyed by Declarant to a purchaser, a blanket easement is hereby granted and reserved in, to, over, across and through the Master Association Common Lots, Townhome Common Areas, and Duplex

Common Areas, in favor and for the benefit of Declarant, and its representatives, agents, associates, affiliates, employees, contractors, subcontractors, brokers, licensees, and invitees, for purposes of advertising signs and banners and associated lighting in connection therewith, and other promotional facilities at such locations and in such forms as shall be determined by Declarant, for the sale, marketing and transfer of the Residences. Such easement includes, without limitation, rights of ingress, egress and passage through and across the Master Association Common Lots, Townhome Common Areas, and Duplex Common Areas, including, but not limited to, common vehicular and pedestrian traffic areas located in the Master Association Common Lots, Townhome Common Areas and Duplex Common Areas, for the purpose of providing access to all areas of the Property and for the purpose of enabling the performance or exercise of all functions, rights, responsibilities and obligations permitted or required to be performed by any person or entity to which this easement is granted, and the right to maintain and operate a sales office on the Residential Property.

- 4.10 **No Dedication.** Nothing contained in this Master Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Master Association Common Lots, Townhome Common Areas, and Duplex Common Areas for any public use or purpose whatsoever.
- 4.11 **Temporary Interference with and Limitations On Use of Easement.** Declarant (prior to the Transfer Date) and the Master Association, in connection with performance of its respective obligations under this Master Declaration, or to prevent a dedication of, or accruing of rights by the public in and to use of, any Master Association Common Lots, may temporarily obstruct, block, close off or impede the flow of pedestrian or vehicular ingress, egress or use over, across and through any one or more of the Master Association Common Lots, provided that no such temporary action shall prevent ingress and egress between any Residence and the Lot 73 Roadways.
- 4.12 **Abandonment.** Easements described in this Master Declaration : (i) shall not be presumed abandoned by non-use, damage or destruction of the easement premises; and (ii) may only be terminated or abandoned with the written consent or written acknowledgment of the easement beneficiaries, which written instrument shall expressly state the effective date of the termination or abandonment.
- 4.13 **Extension of Easements Hereby Reserved.** Each and every access easement contained herein for the benefit of any Owner shall be deemed to extend not only to such Owner, but also to any Occupant and any family Member, guest, licensee or invitee of any Owner or Occupant.
- 4.14 **Limitations.** In any case when an Owner, the Master Association or a Member Association enters onto a Residential Lot to exercise any rights granted under any easement set forth in, or to perform any obligation under, this Master Declaration, such person or entity shall: (i) provide reasonable advance notice (other than in cases of emergency); (ii) repair any damage caused by such entry; and (iii) restore the surface to its condition existing prior to such entry. No easement granted pursuant to this **Article IV** shall permit any change to be made in the finished grade of any portion of the Residential Property that is subject to an easement in favor of a governmental entity, nor shall the grantee or any other party exercising any rights under an easement granted pursuant to this **Article IV** in any manner disturb, damage, destroy, injure, obstruct or permit to be obstructed any portion of the Residential Property that is subject to an easement in favor of a governmental entity nor any facilities owned by a governmental entity at any time whatsoever, without the express prior written consent of the applicable governmental entity. Further, each easement granted pursuant to this **Article IV** shall be subject to all approvals required by the Plat.

ARTICLE V **MASTER ASSOCIATION COSTS AND ASSESSMENTS**

5.1 Sharing of Master Association Costs.

- (a) In addition to any other costs and expenses for which a Member Association or Unit Owner may be responsible under this Master Declaration, each Member Association and Unit Owner shall contribute to the Master Association's actual costs of performing its duties and exercising its rights hereunder, including but not limited to the obligations set forth in **Article III**, **Article IV**, and **Article VI**

hereof. Collectively, such costs (referred to herein as the “Master Association Costs”), shall include, without limitation, any or all of the following, incurred by the Master Association in the course of performing its duties and exercising its rights:

- (i) all costs of material, equipment, supplies and labor (including any of the foregoing that are reimbursements to or salaries of a Property Manager);
- (ii) utility costs (provided that if any utilities for which the Master Association is responsible are metered to an Owner or Member Association, such Owner or Member Association shall furnish copies of bills and meter readings to the Master Association within five (5) days of receipt or forego reimbursement);
- (iii) costs of obtaining governmental permits, licenses, and approvals, including but not limited to fees and exactions imposed by the governmental authority issuing same;
- (iv) management fees charged by third parties (including but not limited to fees, salaries, overhead and out-of-pocket expenses of any Property Manager);
- (v) any personal or real property taxes, assessments or levies that are imposed, assessed or levied upon the Master Association Common Lots or Common Facilities;
- (vi) premiums and deductibles for the Insurance Policies;
- (vii) overhead and other administrative costs and expenses of the Master Association in the fulfillment of its obligations or exercise of its rights under this Master Declaration, including, without limitation, attorneys’ fees, accountants’ fees and court costs; and
- (viii) funding to establish and renew reserves as described in this Article V.

Master Association Costs shall in no event include: (i) depreciation of real or personal property or (ii) costs or expenses attributable to portions of the Residential Property that are neither Master Association Common Lots nor Common Facilities.

- (b) The Board shall build up and maintain a reasonable reserve fund for authorized capital expenditures, contingencies, replacements and deficits in the Master Association’s operating account (“Extraordinary Expenditures”) not originally included in any annual estimates. Among other things, funds necessary to cover any deductible amounts of the Insurance Policies shall be maintained as part of the Master Association’s reserves. The Board may use all or portions of the reserve funds for Extraordinary Expenditures that arise. If such reserve fund proves inadequate for any reason, including non-payment of any assessment, the Board may, at any time, levy a further assessment that shall be divided pro rata among the remaining installments for such fiscal year and assessed on a proportionate basis as described below. Provided the Board determines there is a surplus reserve, the Board may transfer a portion thereof fund any deficit in the Master Association’s operating accounts.

5.2 Budget.

- (a) On or before November 1 of each year, or as soon thereafter as reasonably possible (but at least thirty (30) days and nor more than sixty (60) days prior to its adoption by the Board), the Master Association shall prepare and furnish an annual budget for the ensuing calendar year to each Member Association and Owner, together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes. Such budget shall take into account: (i) the estimated Master Association Costs; and (ii) the amount and timing of cash requirements for the year. The annual budget also shall take into account any amounts by which assessments collected during the preceding year exceeded or were less than expenditures for the preceding year plus reasonable reserves. Without limiting the foregoing, each Member shall receive through a Prescribed Delivery Method, at least thirty (30) days but not more than sixty (60) days prior to the adoption thereof by the Board, a copy of the proposed annual budget (based on the Estimated Cash Requirement), together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes. The failure or delay of the Board to prepare an annual or adjusted budget shall not constitute a waiver or release in any manner of the Member Associations’ or Owners’

obligation to pay the installments of the assessment due hereunder, whenever the same shall be determined. In the absence of any annual estimate or adjusted estimate, each Member Association and Owner shall continue to pay the assessment rate established for the previous period.

- (b) If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred and fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Master Association, upon written petition by Members with twenty percent (20%) of the votes of the Master Association delivered to the Board within fourteen (14) days of the Board action, shall call a Member Meeting within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Members are cast at the Member Meeting to reject the budget or separate assessment, it shall be deemed ratified.
- (c) If total common expenses exceed the total amount of the approved and adopted budget, the Master Association shall disclose this variance to all Members and specifically identify the subsequent assessments needed to offset this variance in future budgets.
- (d) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member consideration or approval. As used herein, "emergency" means a danger to or a compromise of the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the Membership.
- (e) Assessments for additions and alterations to the Common Facilities and Master Association Common Lots not included in the adopted annual budget, shall be separately assessed and are subject to approval of a simple majority of the total Members at a Member Meeting called for that purpose.
- (f) The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments, the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.
- (g) The Board may establish and maintain a system of master metering of public utility services to collect payments in conjunction therewith, subject to the requirements of the Illinois Tenant Utility Payment Disclosure Act.

5.3 Authority to Assess, Duty to Pay. The Master Association is authorized to assess the Master Association Costs against each Member Association and Owner, and each Member Association and Owner shall pay to the Master Association, when due, its proportionate share of the Master Association Costs (including special assessments) as set forth in this **Section 5.3** and in **Section 5.5**. In the event of any perceived conflict between **Section 5.3** and **Section 5.5**, this **Section 5.3** shall control. As used in this **Article V** and for allocating assessments and Master Association Costs, no partially-built Residence or portion of land within the Property to be improved in the future with a Residence shall be deemed to be a Residence or a Declarant Owned Unit until Declarant has completed construction of the Residence for transfer (as determined in Declarant's reasonable determination). Further, Declarant's obligation for assessments on unsold Residences pursuant to this Master Declaration shall be limited to the difference between the actual operating costs of the Master Association and the assessments levied on the other Owners. In no event, however, shall Declarant be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on unsold Residences.

5.4 Start-Up Costs and Working Capital Fund.

- (a) At the time Declarant conveys a Townhome Unit or a Duplex Unit, each Member Association shall collect from the purchaser and remit to the Master Association an amount equal to one-sixth of such Unit's portion of the annual Master Association assessment due from such Member Association.
- (b) At the time Declarant conveys a Single Family Home Lot, the Single Family Home Unit Owner shall pay to the Master Association an amount equal to one-sixth of the annual Master Association assessment for said Single Family Home Lot.

- (c) The Master Association shall use and apply such payments for the start-up costs, initial operating expenses and establishment of a working capital fund. Such amounts shall not be refundable nor applied against the subsequent assessments due from Member Associations or Single Family Home Unit Owners hereunder.

5.5 Proportionate Share of Master Association Costs. In accordance with sharing Master Association Costs on an approximately equal basis among the completed Residences, Master Association Costs shall, be allocated as follows among the Member Associations and Single Family Home Lots, subject, however, to adjustments in accordance with **Section 5.3** and **Section 5.6**:

Townhome Association (having 82 of 137 Residences):	59.853%
Duplex Association (having 34 of 137 Residences):	24.817%
Each Single Family Home Lot (being 1 of 137 Residences):	0.730%

5.6 Installments.

- (a) The annual assessment shall commence as follows: (i) for the Townhome Association and Duplex Association, on the first day of the first month following the conveyance of the first Townhome or Duplex Unit, as applicable; and (ii) for every Single Family Home Lot, on the first day of the first month following conveyance of any Single Family Home Lot. If only one Member Association has become subject to assessments as provided in the immediately preceding sentence, that one Member Association shall pay assessments in accordance with its proportionate share under **Section 5.5** as if the other Member Association had also commenced paying assessments, and Declarant shall be responsible to pay the amount by which (i) the aggregate amount of Master Association Costs required to be paid by both Member Associations under **Section 5.5** exceeds (ii) the amount required to be paid by one Member Association actually paying assessments.

- (b) Beginning on the date a Member Association or Single Family Home Unit Owner becomes subject to assessment as provided in **Section 5.6(a)** and on or before the first day of each and every month (or other assessment period as the Board may establish) thereafter, such Member Association and Single Family Home Unit Owner shall be obligated to pay the monthly (or other periodic) installment of its annual assessment. Notwithstanding anything herein to the contrary, the Board shall have the right to require that each Member Association pay the annual assessment due hereunder in one annual payment, two equal semi-annual installments or four equal quarterly installments, as well as twelve equal monthly installments; provided, however, that said payment schedule shall be uniformly and equally applicable to each Member Association and the Single Family Home Lot Unit Owners.

5.7 Adjustments. If the Board foresees during an assessment year that its collections or reserves are inadequate in amount or timing to meet its obligations, or, are far in excess of what is needed to meet its obligations, the Board may, upon written notice (in accordance with **Article VI**) to each of the Member Associations and the Single Family Home Lot Unit Owners, adjust the ongoing, scheduled assessment installment amounts and/or timing to address the net shortage or excess. Any increased assessment amounts to be levied in connection with the foregoing shall be due as decided by the Board or payable on the next scheduled installment of assessments due to the Master Association from the Member Associations, whichever occurs later.

5.8 Special Assessments. Further, the Master Association may levy a special assessment applicable to one assessment year or for several specified years for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of any improvement for which the Master Association is responsible hereunder, including fixtures and personal property related thereto. Special assessments may be levied notwithstanding the fact that the Master Association may then have accumulated a reserve.

5.9 Lien Rights. In order to insure payment of all amounts owed by a Single Family Home Lot Unit Owner or a Member Association under this **Article V** or elsewhere in this Master Declaration, the Master Association shall have the right, in addition to all other legal rights and remedies, to assert and record a

lien against the interests in the Residential Property held by the Single Family Home Unit Owners, the Member Associations, or the Owners who are Members of such Member Association. In accordance with the foregoing, the Master Association shall be entitled to a lien against: (i) a Single Family Home Lot, in the event its Owner fails to pay all assessments due from such Owner hereunder; (ii) all Duplex Units, in the event the Duplex Association fails to pay all assessments due from it hereunder; and (iii) all Townhome Units, in the event the Townhome Association fails to pay all assessments due from it hereunder. The Master Association shall have the right to foreclose such lien in accordance with the provisions of **Section 5.10**, except that: (i) no Townhome Unit Owner shall be obligated to pay any obligation of the Townhome Association in excess of the product of the total obligation of the Townhome Association multiplied by such Owner's percentage share of assessments levied by the Townhome Association as set forth in the Townhome Declaration; and (ii) no Duplex Unit Owner shall be obligated to pay any obligation of the Duplex Association in excess of the product of the total obligation of the Duplex Association multiplied by such Owner's percentage share of assessments levied by the Duplex Association as set forth in the Duplex Declaration. Upon payment of such amount to the Master Association for which such Member Association or Owner may be liable, any lien arising against such party's interests in the Residential Property (or portion thereof) on account of such claim shall be deemed released. At the written request of such party, the Master Association shall deliver an instrument releasing such lien at said Association's or Owner's cost and expense. If the lien is asserted against a Residential Lot, or portion thereof, that is subject to a leasehold or other non-fee interest by virtue of which the holder of the leasehold estate or other interest constitutes an "Owner" as defined in **Section 1.1**, the Master Association shall be entitled to enforce such asserted lien not only against the leasehold estate or other non-fee interest therein, but also against the fee interest in such Residential Lot or portion thereof. No Owner may waive or otherwise avoid liability for an assessment or charge as provided for herein by nonuse of common areas, facilities or easements, or by abandonment or transfer of its portion of a Residential Lot or other interest in the Residential Property.

5.10 **Delinquent Assessments.**

- (a) Any assessments or charges that are not paid when due shall be delinquent.
- (b) If a Member Association fails to pay any assessment or charge within five (5) days of its due date, said Member Association shall be liable for a late payment and administrative expense charge equal to ten percent (10%) of the amount of the unpaid assessment or charge. In addition to the foregoing and in addition to all other legal and equitable rights and remedies, the Master Association may: (i) bring an action at law against the Member Association obligated to pay the assessment or charge; (ii) enforce the lien provided for under **Section 5.9** by all methods generally available for the enforcement of liens, including by foreclosure through an action brought in a manner similar to the type of action instituted to foreclose the lien of a mortgage or deed of trust; and (iii) collect in such action or through such proceeding the delinquent assessment or charge, the aforesaid late payment and administrative expense charge and the costs of collection and reasonable attorneys' fees and court costs of any such action or proceeding; or (iv) if applicable, exercise any and all remedies afforded a common interest community under the Illinois Code of Civil Procedure, as amended (735 ILCS 5/9-101 et seq.) or other applicable statutes.
- (c) If a Single Family Home Unit Owner fails to pay any assessment or charge within five (5) days of its due date, the provisions of **Section 5.10(b)** shall apply, however, other than attorney's fees and court or arbitration costs, no fees pertaining to the collection of such Unit Owner's financial obligation to the Master Association, including fees charged by a manager or managing agent, shall be added to and deemed a part of the Unit Owner's respective share of the Master Association Costs unless: (i) the managing agent fees relate to the costs to collect assessments for the Master Association; (ii) the fees are set forth in a contract between the managing agent and the Master Association. The authority to add such management fees to the Unit Owner's respective share of the Master Association Costs is hereby specifically incorporated into this Master Declaration.

5.11 **Master Association's Lien.** The lien provided for in this **Article V** shall secure the payment of the amounts owed, applicable late payment and administrative expenses, and the costs and reasonable

attorneys' fees described in Section 5.10. Said lien shall be subordinated to the interests of Mortgagees, Insurers or Guarantors as set forth in Section 7.1.

- 5.12 **Characterization of Member Association Payments.** In its respective declarations, articles, bylaws, budgets, procedures and actions, each Member Association shall establish and collect from its respective Unit Owners sufficient annual assessments, special assessments and reserves in order to comply with the Member Association's duties under this Article V. It is expressly understood that any delinquency of a Member Association shall be deemed to be a delinquency of all of its Members notwithstanding the fact that any one or more of its Members may have fully paid all assessments due from said Member(s) to their Member Association.
- 5.13 **Indemnity.** Each Owner (on behalf of itself any each of its Occupants, agents, tenants, licensees, invitees and permittees) and each Member Association (on behalf of itself and its Directors, Officers, employees, agents and assigns) exercising any easement or other right granted to such party hereunder does hereby and shall indemnify, defend and hold Declarant, the other Owners, the other Member Association and the Master Association harmless from and against any loss, cost, damage, expense or liability (including reasonable attorneys' fees and litigation expenses) that may arise from such exercise including damage to property and injury or death to persons, to the extent not covered by the indemnified party's insurance.
- 5.14 **Itemized Accounting.** The Board shall provide all Members and Member Associations with a reasonably detailed summary of the receipts, common expenses, and reserves for the preceding budget year. The Board shall (i) make available for review to all Members an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Master Association.
- 5.15 **Cooperation.** The Member Associations shall cooperate with the Master Association in repaving, maintaining and replacing their portions of the Residential Property or any adjoining property or performing their obligations under this Master Declaration, such as selection of the same contractor or performance of work at the same time, so as to minimize costs and inconvenience to the Master Association in performance of its obligations under this Master Declaration, to the extent possible.
- 5.16 **Additional Powers.** The Board, after notice and an opportunity to be heard, may levy and collect reasonable fines from Unit Owners for violations (by such Unit Owner or by any its Occupants, agents, tenants, licensees, invitees and permittees) of this Master Declaration or the Association Rules. Notwithstanding the foregoing, no action or inaction by the Board to enforce the provisions of this Section 5.16 shall effect any Unit Owner's obligation hereunder to share in the Association Costs.
- 5.17 **Real Estate Taxes of Master Association Common Lots.** If real estate taxes are assessed separately as to the Master Association Common Lots, each Member Association shall contribute to payment of real estate taxes attributable to the Master Association Common Lots in accordance with the proportionate share of such Member Association as set forth in Article V. If at any time any of such Master Association Common Lots are not taxed as separate real estate tax parcels but are included in tax parcels that include one or more other Lots, the Master Association shall reasonably determine real estate taxes attributable to the Master Association Common Lots.

ARTICLE VI BYLAWS OF THE MASTER ASSOCIATION

- 6.1 **Incorporation.** Declarant has incorporated or will incorporate the Master Association under the General Not-for-Profit Corporation Act of the State of Illinois.
- 6.2 **Registered Office.** The Master Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Master Association may have other offices within or without the State of Illinois as the Board may from

time to time determine.

6.3 Principal Office. The principal office of the Master Association shall be maintained in Cook County, Illinois or as otherwise determined by the Board.

6.4 Membership in Master Association and Member Voting Rights.

(a) **Membership Appurtenant to Ownership of Residence.** Every Unit Owner (including Declarant) is hereby declared to be a Member of the Master Association. Membership in the Master Association is appurtenant to, and shall not be separated from, ownership of such Owner's Residence. By acceptance of a deed or other conveyance of a Residence, each Owner automatically becomes a Member, whether or not this Master Declaration or such Membership is made a part of, incorporated by reference in, or expressed in such deed or conveyance. Furthermore, for all purposes under this **Article VI**, each portion of the Property to be improved as a Residence (as depicted in the County-approved site plan for the Property) shall be deemed a completed Residence, *i.e.*, the total of all Residences (including Declarant Owned Units) shall always equal one hundred thirty-seven (137).

(b) **One Vote per Residence Owned.** Except with respect to Declarant's rights under the Townhome Declaration and Duplex Declaration to have and to exercise multiple votes per Unit owned by Declarant prior to the applicable Transfer Date thereunder, each Residence shall have only one (1) vote appurtenant thereto, regardless of how many Unit Owners or Members own such Residence. Accordingly, only one (1) of the Members owning a particular Residence may cast the vote in Master Association matters appurtenant to such Residence. While ownership of a Residence is in more than one person, or while an Owner is a trustee, corporation, partnership or other legal entity, the individual who shall be the voting Member for Master Association matters as to such Residence shall be designated by such Owner or Owners in writing, and only that designated individual may cast the vote appurtenant to the applicable Residence. The Declarant, Master Association and Board: (i) shall be entitled to rely upon any written statement purporting to identify the voting Member allocable to each Residence; (ii) shall have no liability whatsoever for actions or inactions taken in reliance upon such written statements, however incorrect or false such statements may be; (iii) shall not be obligated to perform any independent research as to the ownership of such portion of the Residential Property; (iv) shall be entitled, but not obliged, to disregard such written statements if it receives or otherwise possesses any written statement or evidence to the contrary; and (v) in accordance with Section 1-20 of the Act (765 ILCS 160/1-20), shall not require that all Owners of a Residence be present in order for that Resident's designated representative to vote. Each and every reference in this Master Declaration to any percentage "of the Membership" shall mean the percentage of votes in the Master Association. By way of example and not limitation, the phrase "twenty percent (20%) of the Membership" means and shall mean "Members entitled to cast and casting twenty percent (20%) of the votes in Master Association matters".

(c) **Purchasers.** In accordance with the Act, upon proof of purchase, the purchaser of a Residence from a seller (other than Declarant) pursuant to an installment contract shall, during such times as he or she resides in the Residence: (i) be counted toward a quorum for Directors elections at Member Meetings called for such purpose; and (ii) have such rights to vote for Directors and be elected and serve as a Director not expressly retained in writing retained by the seller.

6.5 Powers and Duties of the Master Association. The Master Association shall be responsible for the general management and supervision of the Residential Property and the ownership of the Master Association Common Lots and Common Facilities and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in this Master Declaration. Further, the Master Association shall have all powers now or hereafter granted by the General Not-For-Profit Corporation Act of the State of Illinois that shall be consistent with the purposes specified in this Master Declaration. The Master Association also shall comply with the Act as well as those provisions of the Illinois Condominium Act applicable to master associations. Without limiting the foregoing, the Master Association, to the extent the Board deems necessary and appropriate, and subject to the other terms of this Master Declaration, shall have the following powers:

- (a) to buy, own and sell real and personal property;
- (b) to grant easements and licenses;
- (c) to open, maintain and close bank accounts;
- (d) to take such action, legal or otherwise, necessary to enforce this Master Declaration as herein provided (provided, however, the statute of limitations for any actions in law or equity the Board may bring shall not begin to run until Members have elected the Board, in accordance with the Act).
- (e) to obtain the following policies of insurance insuring the Master Association, the Member Associations the Board and the Residential Property, including the Master Association Common Lots and the Common Facilities (collectively, the “**Insurance Policies**”), which Insurance Policies shall be effected under valid and enforceable policies issued by insurance companies authorized and licensed to transact business in the State of Illinois and holding a current Policyholder’s Alphabetic and Financial Size Category Rating of not less than A/VIII according to Best’s Insurance Reports-International Edition or a substantially equivalent rating from a nationally-recognized insurance rating service and shall provide a minimum of ten (10) days advance notice of modification or cancellation in writing to the insured thereunder:
 - (i) Physical damage insurance on the Master Association Common Lots and Common Facilities (and including fixtures thereon and any personal property and supplies of the Master Association) against loss or damage by fire and other hazards now or hereafter covered by the standard extended coverage endorsement, with an inflation guard endorsement and a building ordinance or law endorsement, all in an amount sufficient to prevent the insured from being a co-insurer within the terms of the applicable policies, but in any event in an amount not less than one hundred percent (100%) of the full insurable replacement cost thereof. The “full insurable replacement cost” shall be determined from time to time by the Board, which determination may be based upon appropriate insurance appraisals. Perils to be covered by such policies shall be no less than “all risk” or “special form” on real property and “broad form” named perils on personal property, and such other perils as may be determined by the Board. All such policies of insurance shall (a) name the Master Association as an insured, and (b) name Declarant as an insured, so long as Declarant has an insurable interest;
 - (ii) Commercial general liability insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Master Association Common Lots, Common Facilities or upon, in or about the adjoining streets, passageways and other adjoining areas, with such limits as the Board shall deem desirable; provided, however, such limits shall be no less than \$1,000,000.00 per occurrence for personal injury and/or property damage. All policies of insurance of the character described in this subparagraph shall contain a “severability of interest” endorsement that shall preclude the insurer from denying the claim of an Owner on account of the negligent acts of the Master Association or another Owner, and shall be endorsed to cover cross-liability claims of one insured against the other. All such policies shall name as insureds: (A) the Master Association and (B) Declarant and Declarant’s manager and designated affiliates so long as Declarant has an insurable interest;
 - (iii) Such worker’s compensation insurance as may be necessary to comply with applicable laws;
 - (iv) Employer’s liability insurance in such amount as the Board shall deem desirable;
 - (v) Fidelity insurance against dishonest acts on the part of Directors, Officers, Property Managers, trustees, employees, agents or volunteers responsible for handling funds belonging to or administered by the Master Association, written for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Master Association, including all reserves; containing waivers of any defense based on the exclusion of persons who serve without compensation from any definition of “employee” or similar expression; and naming the Master Association as an insured or obligee.

- (vi) Flood insurance for all improvements on Master Association Common Lots and Common Facilities to the extent the foregoing are located within a Special Flood Hazard Area as shown on the applicable Flood Insurance Rate Map prepared by the Federal Emergency Management Agency, for an amount not less than one hundred percent (100%) of the full replacement cost thereof on a blanket basis or the maximum coverage available through the National Flood Insurance Program, if less than full replacement cost; and
- (vii) Such other insurance in such reasonable amounts as the Board shall deem desirable;
- (f) to select deductibles to the required or permitted Insurance Policies if the economic savings justify the additional risk and if permitted by law; provided, however, that no deductibles shall exceed the lesser of \$1,000.00 (\$5,000.00 with respect to a flood insurance policy) or one percent (1%) of the face amount of the Insurance Policy to which such deductible applies, and further provided that funds to cover any deductible amounts shall be maintained as part of the Master Association's reserves;
- (g) to contract for architectural, engineering, legal, accounting and similar professional services or consultants; provided, however:
 - (i) the Master Association may not enter into a contract with a current Director, or with a corporation, limited liability company, or partnership in which a Director or a member of his immediate family (meaning the Director's spouse, parents, siblings, and children) has 25% or more interest, unless notice of intent to enter into the contract is given to Members within 20 days after a decision is made to enter into the contract, and the Members are afforded an opportunity by filing a petition, signed by 20% of the Membership, for an election to approve or disapprove the contract; such petition shall be filed within 20 days after such notice and such election shall be held within 30 days after filing the petition; and
 - (ii) certain contracts, leases, or other agreements that are made prior to the Members' election of a majority of the Board and that extend for a period of more than 2 years from the recording date of this Master Declaration may be subject to cancellation by Members cast at a Special Member Meeting pursuant to Section 1-50(e) of the Act, and the Board (or, if the Board is still under Declarant control, Declarant) shall send notice (in accordance with the deadlines to do so under 765 ILCS/1-50(e) to every Member notifying them of 765 ILCS/1-50(e); of what contracts, leases, and other agreements are affected, and of the procedures for calling a Member Meeting or Board action to terminate such contracts, leases or other agreements;
- (h) to borrow and repay funds;
- (i) to employ the services of a Property Manager and contractors and to employ employees directly or through the Property Manager (including any Property Manager, contractors, agents or employees who are related to or affiliated with Declarant, a Member Association, an Owner, or any Director);
- (j) to otherwise do that which it believes necessary to protect or defend the Master Association, Residential Property and any associated property owned by the Master Association or for which the Master Association is responsible from loss or damage by suit or otherwise;
- (k) to exercise all powers of a not-for-profit corporation under the Illinois General Not-For-Profit Corporation Act;
- (l) to adopt and amend such policies, rules and regulations for the use, administration, management, operation, maintenance, conservation or beautification of the Common Facilities, the Master Association Common Lots, Single Family Home Lots Landscape Buffer Easement Area or for the health, comfort, safety or general welfare of the Owners and Occupants (as so adopted and amended from time to time in accordance with the terms hereof, the "Master Association Rules"), provided that: (i) such policies, rules and regulations or amendments thereto have been previously approved through a resolution of the Board; (ii) such policies, rules and regulations do not conflict with any provision of this Master Declaration or with any applicable law, ordinance or code, including but not limited to the Act; and (iii) timely written notice of such policies, rules and regulations shall be given

by the Board to all Owners prior to their effective date;

(m) to perform maintenance, repair and replacement as required pursuant to this Master Declaration, including Section 3.4 herein; and

(n) to pay the costs of the foregoing from assessments collected hereunder.

6.6 Board of Directors.

(a) **Board and interim Declarant Role.** The Master Association shall act through a Board composed of three (3) persons (hereinafter referred to as the “**Directors**”); provided, however, so long as the following is required under the Act, the same rights, titles, powers, privileges, trusts, duties, and obligations that are vested in or imposed upon the Board by the Act or in this Master Declaration or other duly recorded covenant shall be held and performed by Declarant until the initial election of the Board by the Members.

(b) **Director Qualifications.** Directors shall be only those Members appointed or elected in the manner hereinafter provided. Each Director shall be one of the Unit Owners (including Declarant); provided, however, that in the event a Unit Owner is a corporation, partnership, trust, limited liability company, or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, manager, officer or member of such limited liability company, or manager or principal of such legal entity, shall be eligible to serve as a Director and provided further that in the event a Director has entered into a contract to sell his Residence and vacates the Residence prior to the consummation of that transaction, such Director shall thereafter no longer be eligible to serve on the Board, and his term of office shall be deemed terminated. Furthermore, if there are multiple Owners of a Residence, only one of those multiple Owners shall be eligible to serve as a Director at any one time, unless the multiple Owners also own another Residence.

(c) **Board Duties, Generally.** The Board shall exercise the powers and duties of the Master Association and pay all costs required or permitted to be paid pursuant to this Master Declaration from assessments or charges levied in accordance with the terms hereof.

(d) **Board Actions.** Board actions shall only be effective or taken by: (i) unanimous written consent of all Directors holding office; or (ii) an affirmative vote by a majority of the Directors who are present (whether in person or by telephone/video conferencing) at a Board Meeting having a quorum.

6.7 Director Appointment and Elections. The Directors shall be appointed and elected, and shall serve or be removed, in the following manner:

(a) **Terms.** Subject to Section 6.7(b) and the remaining provisions of this Section 6.7, Directors shall serve terms of one (1) year and shall not be barred from serving additional or successive terms.

(b) **Appointment.** Prior to the Transfer Date, Declarant shall appoint three (3) Directors to serve on the Board. Subsequent vacancies in Declarant-appointed Board that occur prior to the Transfer Date also shall be filled by Declarant in the same manner. The Members shall not, without the prior written consent of Declarant, have the right to amend, modify or change this Master Declaration to in any way diminish the authority of the Board during the period that Declarant has the right to appoint any Directors. Declarant may, from time to time, by written notice, voluntarily terminate its right to appoint one or more Directors while continuing to retain and exercise its right to appoint the remaining Directors or until the Transfer Date. Election by Declarant to terminate its right to appoint any number of Directors or to terminate its control of the Master Association shall not affect Declarant’s rights to participate in the Master Association as a Member or Director to the extent Declarant is a Unit Owner of one or more Residences.

(c) **Election by Members, including Special Provisions of the Act For the First Election.**

(i) At an initial Member Meeting and at all Annual Member Meetings thereafter, Members shall elect a Board of Directors. The Townhome Lot Owner receiving the highest number of votes shall be

deemed to be elected as a Director. The Duplex Lot Owner receiving the highest number of votes shall be deemed to be elected as a Director. The Owner of a Single Family Home Lot receiving the highest number of votes shall be deemed to be elected as a Director. In the event of a tie vote, the Owner having owned a Residence longer shall be deemed elected. Notwithstanding any other provision of this Master Declaration, the election of the initial Board shall be held not later than the Transfer Date (*i.e.*, not later than sixty (60) days after the conveyance by Declarant of seventy-five percent (75%) of the Units, or three (3) years after the recording of this Master Declaration, whichever is earlier). Declarant shall give at least twenty-one (21) days' notice of the Member Meeting to initially elect the Board and shall upon request provide to any Member, within three (3) working days of the request, the names, addresses, and weighted vote of each Member entitled to vote at the Member Meeting. Any Member shall, upon receipt of the request, be provided with the same information, within ten (10) days after the request, with respect to each subsequent Member Meeting to elect Directors. If the initial Board election is not held by the time established in this **subsection (c)**, Declarant shall continue in office for a period of thirty (30) days, whereupon written notice of his resignation shall be sent to all of the Unit Owners.

- (ii) If no election is held to elect Directors within the time period specified herein, or within a reasonable amount of time thereafter not to exceed ninety (90) days, then twenty percent (20%) of the Members may bring an action to compel compliance with the election requirements specified herein. If the court finds that an election was not held to elect Directors within the required period due to the bad faith acts or omissions of the Board, the Members shall be entitled to recover their reasonable attorney's fees and costs from the Master Association; provided, however, if the relevant notice requirements have been met, and an election is not held solely due to a lack of a quorum, this provision does not apply.

- (d) **Declarant Deliveries to Board**. Within sixty (60) days following the election of a majority of the Directors by the Members, Declarant shall deliver to the Board (unless previously delivered): (1) all documents recorded or filed pertaining to the Property, its administration, and the Master Association, such as this Master Declaration, the Articles, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the Master Association; (2) a detailed accounting by Declarant, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance, and operation of the Property, copies of all insurance policies, and a list of any loans or advances to the Master Association that are outstanding; (3) Master Association funds, which shall have been at all times segregated from any other moneys of Declarant; (4) a schedule of all real or personal property, equipment, and fixtures belonging to the Master Association, including documents transferring the Property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills; and (5) a list of all litigation, administrative action, and arbitrations involving the Master Association, any notices of governmental bodies involving actions taken or that may be taken concerning the Master Association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any Master Association requirements, copies of any documents relating to disputes involving Members or Unit Owners. If originals of documents listed in this paragraph are unavailable, Declarant may provide a copy certified by affidavit of Declarant, or an officer or agent of Declarant, as being a complete copy of the original. If Declarant fails to fully comply with this **subsection (d)** within the sixty (60) days provided and fails to fully comply within ten (10) days after written demand mailed by registered or certified mail to his last known address, the Board may bring an action to compel compliance with this **subsection (d)**. If the court finds that any of the required deliveries were not made within the required period, the Board shall be entitled to recover its reasonable attorney's fees and costs incurred from and after the date of expiration of the 10-day demand.

- (e) **Director Vacancies Prior to Transfer Date**. After the Transfer Date, if there is a vacancy on the Board, the remaining Directors may fill the vacancy by a two-thirds vote of such Directors until the

next Annual Member Meeting or until Members holding twenty percent (20%) of the votes of the Master Association request a Member Meeting to fill the vacancy for the balance of the term. A Special Member Meeting shall be called for such purpose no later than thirty (30) days following the filing of a petition, signed by Members holding twenty percent (20%) of the votes of the Master Association, and requesting such a Special Member Meeting.

- (f) **Director Removals.** Any Director may be removed from the Board by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any Special Member Meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a removed Director may be elected by the Members at the same Special Member Meeting or any subsequent Member Meeting called for that purpose.

6.8 **BOARD MEETINGS.**

- (a) **Initial Board and Annual Board Meeting.** The Board shall meet from time to time as necessary but in no event less than four (4) times per year. The initial Board Meeting shall be held at such time as may be designated upon thirty (30) days' written notice given by Declarant, provided such initial Board Meeting shall be held no later than the Transfer Date. At such Initial Board Meeting, the Board shall elect its Officers to serve until the first Annual Board Meeting, which shall be held immediately following the first Annual Member Meeting at the same place. Thereafter, there shall be an annual Board Meeting (the "**Annual Board Meeting**") on the first Tuesday of May of each succeeding year, at 7:30 P.M., or such other date or time set by the Board. If the date for the Annual Board Meeting is a legal holiday, the Annual Board Meeting will be held at the same hour on the first day succeeding such date that is not a legal holiday.
- (b) **Quorum; Procedure.** Board Meetings shall be held at the principal office of the Master Association or at such other place in Cook County, Illinois as may be designated in any notice of a Board Meeting. A quorum will exist provided that a majority of the Directors entitled to vote on an issue are present at the Board Meeting, in person or telephone/video conferencing. Any Director, in writing, may waive notice of a Board Meeting, or may consent to any action of the Master Association without a Board Meeting.
- (c) **Special Board Meetings.** Special meetings of the Board ("**Special Board Meetings**") may be called by any one or more Directors, at any time, for the purpose of considering matters that, by the terms of this Master Declaration, require the approval of all or some of the Directors, or for any other reasonable purposes. Not less than forty-eight hours (48) hours prior to the date fixed for said Special Board Meeting, all Directors entitled to vote on the subject matter of the Special Board Meeting, and Owners, shall receive written notice specifying the date, time and place of the Special Board Meeting and the matters to be considered.
- (d) **Open Meetings and Exceptions.** All Board Meetings shall be open to all Owners, except for the portion of any Board Meeting held: (i) to discuss litigation when an action against or on behalf of the Master Association has been filed and is pending in a court or administrative tribunal or when the Master Association finds such action is probable or imminent; (ii) to consider third party contracts or information regarding appointment, employment or dismissal of an employee; or (iii) to discuss violations of the Master Association Rules or an Owner's unpaid share of Master Association assessments. Any vote on these matters shall be taken at a Board Meeting or portion thereof open to any Owners. The Board also must reserve a portion of each Board Meeting for comments by Members; provided, however, the duration and meeting order for the Member comment period is within the sole discretion of the Board.
- (e) **Notices of Board Meetings.** Notices of all Board Meetings required to be given herein may be delivered either personally or by mail to the Directors entitled to vote thereat, addressed to each such Director at the address given by him to the Board for the purpose of service of such notice and the Owners. Such notices shall state the specific purpose and the nature of the business for which the Board Meeting is called, as well as the date, time and location of such Board Meeting. No business may be transacted at any Board Meeting unless specified in the notice. The Board shall send

Members notice of each Board Meeting at least forty-eight (48) hours prior to the Board Meeting by using a Prescribed Delivery Method or posting copies of the notice in entranceways, elevators, or other conspicuous places in the Master Association Common Lots at least forty-eight (48) hours prior to the Board Meeting (except where there is no common entranceway for seven (7) or more units, the Board may designate one or more locations in the proximity of these units for posting the notice). Without limiting the foregoing general rule, different notice procedures will apply in the following two circumstances. Notices required for each Annual Board Meeting shall be delivered no later than ten (10) days prior to the date of such Annual Board Meeting. Notices from the Board to Members for any Board Meeting concerning the adoption of a proposed annual budget or assessments shall be given, by a Prescribed Delivery Method, within ten (10) to sixty (60) days prior to such Board Meeting, unless otherwise provided in Section 1-45 (a) or another provision of the Act.

6.9 General Powers of the Board.

- (a) **Dispute Resolution.** Subject to **Section 7.17** and to the jurisdiction of any applicable court of law, all matters of dispute or disagreement between Owners or the Member Associations with respect to interpretation or application of the provisions of this Master Declaration shall be determined by the Board, which determination shall be final and binding on the Master Association, Member Associations and Owners.
- (b) **Vesting of Association Powers, General Powers.** Except as expressly otherwise provided by the Articles or this Master Declaration, all power and authority to act on behalf of the Master Association both pursuant to this Master Declaration and otherwise is and shall be vested in the Board, and the Board shall exercise the powers and duties of the Master Association for the benefit of the Property and pay all costs required or permitted to be paid pursuant to this Master Declaration from assessments or charges levied in accordance with the terms hereof. Without limiting the foregoing or general powers that may be provided by law, or the specific powers delegated in this Master Declaration, the Board shall have the following general powers and duties:
- (i) to elect and remove the Officers as provided herein;
 - (ii) to administer the affairs of the Master Association and maintain the Common Facilities, Master Association Common Lots and Single Family Home Lots Landscape Buffer Easement Area as further described in **Section 6.5**;
 - (iii) to appoint Committees and delegate to such Committees the Board's authority to carry out certain duties of the Board;
 - (iv) subject to the limitations on the Master Association, to engage, modify or terminate the services of a Property Manager and to delegate to such Property Manager appropriate maintenance, enforcement and collection obligations and powers of the Master Association and Board powers, including the authority to approve payment vouchers;
 - (v) to adopt, revise and enforce the Master Association Rules;
 - (vi) to undertake the actions set forth in **Section 6.5**, to make payments therefor, and to delegate to the Officers or the Property Manager the right to make such payments;
 - (vii) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Facilities, the Master Association Common Lots or Single Family Home Lots Landscape Buffer Easement Area and to delegate any such powers to the Property Manager;
 - (viii) to engage and terminate the services of any Property Manager; provided, however, that any management contract of the Master Association that is entered into prior to the Transfer Date shall be terminable by the Master Association, with or without cause, without payment of any penalty and without requiring advance notice of termination of more than ninety (90) days written notice;
 - (ix) to estimate the amount of the Master Association's annual budget, and to provide the manner of

assessing and collecting from the Member Associations and Single Family Home Unit Owners their respective shares of such estimated expenses, as herein provided;

- (x) in connection with the Common Facilities and the Master Association Common Lots, to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments or any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, that are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith as Master Association Costs;
- (xi) to dedicate or transfer all or any part of the Common Facilities or Master Association Common Lots owned by the Master Association to any public agency, authority or utility or to mortgage the Common Facilities or Master Association Common Lots or any portion thereof for such purposes and subject to such conditions as may be agreed to by the Directors; and
- (xii) to exercise all other powers and duties vested in or delegated to the Master Association, and not specifically reserved to the Owners or the Member Associations by the Articles or other provisions of this Master Declaration.

6.10 Officers.

- (a) At each Annual Board Meeting, the Board shall elect from among its Directors, for the term of one (1) year the following officers (herein "Officers");
 - (i) a President who shall preside over the Member Meetings and Board Meetings, be the chief executive officer of the Master Association, and be designated to mail and receive all notices and execute all documents on behalf of the Master Association herein;
 - (ii) a Secretary who shall keep the minutes of all Board Meetings and who shall, in general, perform all the duties incident to the office of the Secretary,
 - (iii) a Treasurer who shall keep the financial records and books of account, and
 - (iv) such additional Officers as the Board shall see fit to elect from amongst its Directors, with such duties as the Board shall specify or as may be authorized or conferred by law.
- (b) Vacancies in any office shall be filled by the Board by a majority vote of the remaining Directors. Any Officer elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Officer he succeeds. Removal of an Officer may be effectuated by the Board with a majority vote of the remaining Directors.

6.11 Execution of Instruments. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such Officers or agents of the Board and in such manner as the Board shall determine by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary.

6.12 Compensation. Directors and Officers shall receive no compensation for their services, unless expressly allowed hereafter by the unanimous vote of all Directors, after notice to all Member Associations and Owners. However, any Director may be reimbursed for reasonable expenses incurred in the performance of his duties.

6.13 Association, Board, Director and Officer Liability.

- (a) Association and Board Liability. The Master Association and Board shall not be personally liable to the Unit Owners or others for any mistake of judgment or for any acts or omissions made in good faith by the Master Association or Board. The Unit Owners shall indemnify and hold harmless the Master Association and Board from and against all contractual liability to others and all costs and expenses (including, but not limited to, attorneys' 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) arising out of

contracts made by the Master Association or Board on behalf of the Unit Owners, unless any such contract shall have been made in bad faith or contrary to the provisions of this Master Declaration. The liability of any Unit Owner arising out of any such contract or out of the aforesaid indemnity in favor of the Master Association and Board, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder. The provisions for the protection and indemnification of the Master Association and Board shall be deemed modified as and when necessary to comply with applicable laws, including the Act.

- (b) **Director And Officer Liability.** No Director, Officer or committee members shall be personally liable for any judgment or for any other acts or omissions of any nature whatsoever made, taken or omitted to be taken as such Directors, Officers or committee members except for claims for which such persons are not entitled to be indemnified as set forth below. The Master Association and each Member Association and Unit Owner (each to the extent of its proportionate share) shall indemnify and hold harmless the aforesaid Directors, Officers and committee members and their respective heirs, personal representatives, successors and assigns from and against all contractual and other liabilities to others arising out of contracts made by, or acts or omissions of, any of said Directors, Officers or committee members, on behalf of the Owners, Member Associations or the Master Association or arising out of their status as Directors, Officers or committee members and all costs and expenses (including, but not limited to, attorneys' 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, Officer or committee member may be involved by virtue of being or having been such Director, Officer or committee member; provided, however, that such indemnity shall not be operative with respect to: (i) any matter as to which such person shall have finally been adjudged in such action, suit or proceeding to be liable for malicious, illegal or willful misconduct or fraud in the performance of his duties as such Director, Officer or committee member or (ii) any claim for malicious, illegal or willful misconduct or fraud that is settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is no reasonable ground for such person being adjudged liable for such malicious, illegal or willful misconduct or fraud in the performance of his duties as such Director, Officer or committee member. The foregoing provision shall be in addition to and not in lieu of any other provision of law providing for limitation of liability of directors and officers of Illinois not-for-profit corporations. The liability of any Unit Owner under this **Section 6.13**, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability hereunder. The provisions for the protection and indemnification of the Directors, Officers and committee members shall be deemed modified as and when necessary to comply with applicable laws, including the Act.

6.14 **COMMITTEES.**

- (a) **Board Committees.** The Board, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more Directors. Said 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 Master Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.
- (b) **Special Committees.** Other committees not having and exercising the authority of the Board in the management of the Master Association may be designated by a resolution adopted by a majority of the Directors present at a Board Meeting at which a quorum is present. Except as otherwise provided in such resolution, the President shall appoint the committee members, who shall only be individuals who are eligible to be Directors. Any committee member may be removed whenever in the Board's judgment the best interests of the Master Association shall be served by such removal.
- (c) **Term.** Each committee members shall continue as such until: (i) the next Annual Board Meeting; (ii) until his successor is appointed and qualified; (iii) the committee is terminated, or (iv) such member ceases to qualify as a committee members thereof

- (d) **Chairman**. The committee members shall appoint one such committee member to serve as chairman and may replace such chairman as the committee members determine is in the best interests of the Master Association. Vacancies in the chairmanship of any committee may be filled in the same manner as provided in the case of the original appointments.
- (e) **Quorum**. Unless otherwise provided in the resolution designating a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the committee members present at a committee meeting at which a quorum is present shall be the act of the committee.
- (f) **Rules**. Each committee may adopt rules for its own governance not inconsistent with this Master Declaration or with Association Rules.

6.15 **Member Meetings**.

- (a) **Annual and Special Member Meetings**. The Members shall hold annual meetings (“**Annual Member Meetings**”). Notice of any Member Meeting shall be given detailing the time, place, and purpose of such Member Meeting no less than ten (10) and no more than thirty (30) days prior to the Member Meeting through a Prescribed Delivery Method. Special meetings of the Members (“**Special Member Meetings**”) may be called for the purpose of considering matters that, by the terms of this Master Declaration, require the approval of all or some of the Members, or for any other reasonable purposes. Authorization for said Special Member Meetings shall be made by (i) the President; (ii) at least twenty-five percent (25%) of the Directors; or (iii) a petition submitted to the President by at least twenty percent (20%) of the Memberships.

(b) **Voting Methodology**.

- (i) **Proxy limitations**. Unless this Master Declaration, the Articles or a written proxy itself provides otherwise, proxies utilized for Member votes will not be valid for more than eleven (11) months after the date of the proxy’s execution. Further, proxy voting shall not be allowed for votes to elect Directors.
- (ii) **Acceptable Means of Voting**. Subject to the foregoing proxy limitations, compliance with the Act and compliance with **Section 6.15(b)(iii)**, each Member may vote by: (1) a qualifying proxy executed in writing by the Member or by his or her duly authorized attorney in fact and bearing the date of execution; (2) submitting a Master-Association-issued ballot in person at the Member Meeting; (3) submitting a Master-Association-issued ballot to the Master Association or its designated agent by mail or other means of delivery specified in this Master Declaration; or (4) by any electronic or acceptable technological means. Votes cast by any of the means described in this **Section 6.15(b)(ii)** are valid for the purpose of establishing a quorum.
- (iii) **Electronic or Acceptable Technological Means**. The Master Association, upon adoption of applicable Association Rules by the Board, may conduct elections by electronic or acceptable technological means (subject, however, to the aforementioned prohibition against Members voting by proxy in Board elections). Instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less than ten (10) and not more than thirty (30) days before the Member Meeting at which an election occurs. The instruction notice must include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Association Rules shall provide, and instructions provided to Members shall state, that Members who submit a vote using electronic or acceptable technological means may request and cast a ballot in person at the Member Meeting in which an election occurs, and thereby void any vote previously submitted by that Member.

- 6.16 **Use of Technology**. Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under this Master Declaration or any provision of the Act may be accomplished using the technology generally available at that time. This **Section 6.16** governs the use of technology

in implementing the provisions of this Master Declaration or the Act concerning notices, signatures, votes, consents, or approvals. The Master Association, Unit Owners, and Occupants may perform any obligation or exercise any right under this Master Declaration or any provision of the Act by use of any technological means that provides sufficient security, reliability, identification, and verifiability. A verifiable electronic signature satisfies any requirement for a signature under this Master Declaration or any provision of the Act. Voting on, consent to, and approval of any matter under this Master Declaration or any provision of the Act may be accomplished by electronic transmission or other equivalent technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in non-electronic form. Subject to other provisions of law, no action required or permitted by this Master Declaration or any provision of the Act needs to be acknowledged before a notary public if the identity and signature of the person can otherwise be authenticated to the satisfaction of the Board. If any person does not provide written authorization to conduct business using electronic transmission or other equivalent technological means, the Master Association shall, at its expense, conduct business with the person without the use of electronic transmission or other equivalent technological means. This **Section 6.16** does not apply to any notices required under Article IX of the Code of Civil Procedure related to: (i) an action by the Master Association to collect a common expense; or (ii) foreclosure proceedings in enforcement of any lien rights under the Act.

6.17 **Board Records.**

- (a) The Board shall maintain the Master Association Records and make them available for examination and copying by the Unit Owners, Mortgagees, Insurers, Guarantors (and representatives of the foregoing persons who have been duly authorized as such in writing) at those reasonable times during normal business hours as may be requested by such persons.
- (b) As used herein, “**Master Association Records**” shall mean:
 - (i) copies of this Master Declaration as recorded, the Articles, other community instruments, other duly recorded covenants and bylaws and any amendments, articles of organization, annual reports, and any Association Rules (and, prior to the organization of the Board, Declarant shall maintain and make available the records set forth in this paragraph (i) for examination and copying);
 - (ii) detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Facilities and Master Association Common Lots, specifying and itemizing the maintenance and repair expenses of the Common Facilities and Master Association Common Lots and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Board;
 - (iii) minutes of all Board Meetings (which shall be maintained for not less than seven (7) years);
 - (iv) with a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Members (which shall be maintained for not less than one (1) year);
 - (v) with a written statement of a proper purpose, such other records of the Board as are available for inspection by Members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986; and
 - (vi) the records provided to the Master Association with respect to Residences owned by a land trust, a living trust, or other legal entity, whereby the trustee, officer, or manager of the entity has designated, in writing, a person to cast votes on behalf of the Member or Unit Owner (which designation shall remain in effect until a subsequent document is filed with the Master Association).
- (c) **Failure to Provide Records.** Where a request for records under **Section 6.17(a)** is made in writing to the Board or its agent, failure to provide the requested record or to respond within thirty

(30) days shall be deemed a denial by the Board. A reasonable fee may be charged by the Board for the cost of retrieving and copying records properly requested. If the Board fails to provide records properly requested under Section 6.17(a) within the time period provided, the Member may seek appropriate relief and shall be entitled to an award of reasonable attorney's fees and costs if the Member prevails and the court finds that such failure is due to the acts or omissions of the Board. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Common Facilities, Master Association Common Lots, or more than one Unit, on behalf of the Members or Unit Owners as their interests may appear.

- (d) **Statement of Account.** Upon not less than ten (10) days' prior notice to the Board, any Unit Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessment or other charges due and owing from such Unit Owner. In addition, the Board shall provide for the preceding fiscal year, upon the written request of any Mortgagee, Insurer or Guarantor, any annual audited or unaudited financial statements that are prepared and distributed by the Master Association to the Unit Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, fifty-one percent (51%) or more of the Mortgagees (by number) shall upon written request, be entitled to have such an audited statement prepared at their expense.
- (e) **Residence Resales.** In the event of any resale of a Residence, the Board shall make available for inspection to the prospective purchaser, upon demand, the following: (i) a copy of this Master Declaration, other instruments, and any rules and regulations; (ii) a statement of any liens, including a statement of the account of the Residence setting forth the amounts of unpaid assessments and other charges due and owing; (iii) a statement of any capital expenditures anticipated by the Master Association within the current or succeeding two (2) fiscal years; (iv) a statement of the status and amount of any reserve or replacement fund and any other fund specifically designated for Master Association projects; (v) a copy of the statement of financial condition of the Master Association for the last fiscal year for which such a statement is available; (vi) a statement of the status of any pending suits or judgments in which the Master Association is a party; and (vii) a statement setting forth what insurance coverage is provided for all Members or unit Owners by the Master Association for common properties. The President or other Board-designated Officer shall furnish the above information within thirty (30) days after receiving a written request for such information. A reasonable fee covering the direct out-of-pocket cost of copying and providing such information may be charged by the Master Association or the Board to the selling Unit Owner for providing the information.

6.18 Dissolution. Upon any dissolution of the Master Association, its assets shall be transferred to another homeowner's association having similar purposes.

ARTICLE VII MISCELLANEOUS

7.1 Rights of Mortgagees, Insurers and Guarantors. The following provisions are intended for the benefit of each holder (a "Mortgagee") of a recorded first mortgage or deed of trust encumbering a Residence and each insurer or guarantor (an "Insurer or Guarantor") of a recorded first mortgage or deed of trust encumbering a Residence. To the extent, if at all, that any other provision of this Master Declaration conflicts with the following provisions, the following provisions of this Section 7.1 shall, in all instances, control:

- (a) Upon request in writing to the Master Association identifying the name and address of the Mortgagee, Insurer or Guarantor, the Master Association shall furnish each such Mortgagee, Insurer or Guarantor a written notice of the default of any Owner's obligations under this Master Declaration that is not cured within thirty (30) days. Any Mortgagee who comes into possession of a Residence pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall, to the extent permitted by law, take said property free of any claims for unpaid assessments or charges in favor of the Master Association hereunder that became due prior to the first

to occur of: (i) the date on which the Mortgagee or its successor or assigns comes into possession thereof; and (ii) the date on which title thereto transferred to the Mortgagee or its successor or assigns.

- (b) Upon request in writing, each Mortgagee, Insurer or Guarantor shall have the right:
- (i) to examine current copies of this Master Declaration, the Master Association Rules and the Master Association's books and records during normal business hours;
 - (ii) to receive, without charge and within a reasonable time after such request, financial statements prepared by the Master Association at the end of each of its fiscal years;
 - (iii) to receive written notices of all Board Meetings and Member Meetings and to designate a representative to attend all such meetings;
 - (iv) to receive written notice of any decision by the Master Association to make a Material Amendment to this Master Declaration or the Articles;
 - (v) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Association;
 - (vi) to receive written notice of any proposed action that would require the consent of a specified percentage of Mortgagees; and
 - (vii) to receive written notice of any condemnation or casualty loss that affects a material portion of the Residential Property or Residence on which it holds, insures or guarantees the mortgage.
- (c) No provisions of this Master Declaration, the Articles, or any similar instrument pertaining to the Residential Property shall be deemed to give an Owner or any other party priority over the rights of the Mortgagees pursuant to their mortgages in the case of distribution to such Owners of insurance proceeds or condemnation awards for losses to, or a taking of, the Residential Property or any portion thereof or interest therein. In such event, the Mortgagees of the affected portions of the Residential Property shall be entitled, upon specific written request, to timely written notice of any such loss.
- (d) Upon specific written request to the Master Association, each Mortgagee, Insurer or Guarantor shall be furnished notice in writing to the extent the following are known by the Officer responsible for such notices: (i) any damage to, destruction of, or taking of Master Association Common Lots or Common Facilities exceeding \$10,000.00, or (ii) any damage to a Residence exceeding \$1,000.00.
- (e) If the Residential Property or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Mortgagee thereof will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of this Master Declaration, the Articles or any other instrument pertaining to the Residential Property or portion thereof will entitle the Owner or other party to priority over such Mortgagee with respect to the distribution of the proceeds of any award or settlement with respect thereto.
- (f) Each Unit Owner shall notify the Master Association of the name and address of the Mortgagee relating to his respective Residence.

7.2 Declarant's Rights with Respect to Amending the Plat and this Master Declaration and Association's Rights with Respect to Amending this Master Declaration.

- (a) Declarant hereby reserves to itself the right, subject to the approval of the County and Village, to re-record the Plat to correct any inaccuracies, errors or mistakes contained therein.
- (b) Declarant hereby reserves to itself the right and power, to be exercised without the consent of any Owner, Member Association, or any Mortgagee, to record a special amendment to this Master Declaration or to the Plat (a "**Special Amendment**") at any time and from time to time for any of the following purposes:
- (i) to cause this Master Declaration or the Plat to comply with the 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 Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity that performs (or may in the future perform) functions similar to those currently performed by such entities;

- (ii) to induce any of the aforesaid agencies or entities to make, purchase, sell, insure, or guarantee mortgages covering a Residence;
 - (iii) to correct clerical or typographical errors in this Master Declaration or any Exhibit hereto or any supplement or amendment thereto; or
 - (iv) to change, amend or modify any of the terms or conditions of this Master Declaration or the Plat (notwithstanding that such change or modification could otherwise be considered a Material Amendment) based upon Declarant's good faith determination that such change; amendment or modification is in the best interests of the Residential Property and is consistent with the intent and purposes of this Master Declaration; provided, however, no change, modification, or amendment that could reasonably be inferred to affect any of the rights of governmental authorities hereunder shall be made without the written consent of the applicable governmental authorities.
 - (v) In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, deed of trust, other evidence of obligation, or other instrument affecting a Residence, and the acceptance thereof, shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, Declarant's power to vote in favor of, make, execute and record Special Amendments. The right of Declarant to act pursuant to rights reserved or granted under this **Section 7.2** shall terminate at such time as Declarant no longer holds title to a Residence.
- (c) Notwithstanding anything to the contrary contained in this Master Declaration (including, without limitation, **Section 7.2(b)**), this Master Declaration may not be amended, changed or modified without the express prior written consent of a governmental entity (such as the County, Village or Mission Brook) if such change or modification materially amends the terms and provisions concerning (i) such governmental entity's right of entry onto and maintenance of the Residential Property or (ii) the obligation that Owners comply with all applicable ordinances, codes and regulations of that governmental entity.
- (d) So long as Declarant holds title to a Residence (and therefore holds the rights reserved or granted under this **Section 7.2**), the President and each other Officer shall be obligated, at Declarant's written direction, to execute and record the Special Amendments.
- (e) As used in this paragraph, the phrase "**common elements**" or "**common areas**" shall mean the Common Facilities and the Master Association Common Lots, and "**common expenses**" shall mean the Master Association Costs. If there is an omission or error in this Master Declaration or another Master Association instrument, the Master Association may correct the error or omission by an amendment to this Master Declaration or such instrument, as may be required to conform it to the Act, any other applicable statute, or this Master Declaration. The amendment shall be adopted by vote of two-thirds of the Directors or by a majority vote of the Members at a Member Meeting called for that purpose, unless the Act or this Master Declaration specifically provides for greater percentages or different procedures. If, through a scrivener's error, a Residence has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements have not been distributed in this Master Declaration, so that the sum total of the shares of common areas that have been distributed or the sum total of the shares of the common expenses fail to equal one hundred percent (100%), or if it appears that more than one hundred percent (100%) of the common elements or common expenses have been distributed, the error may be corrected by operation of law by filing an amendment to this Master Declaration, approved by vote of two-thirds of the Directors or a majority vote of the Members

at a Member Meeting called for that purpose, which proportionately adjusts all percentage interests so that the total is equal to one hundred percent (100%), unless this Master Declaration specifically provides for a different procedure or different percentage vote by the Unit Owners and the Mortgagees thereon affected by modification being made in the undivided interest in the common areas, the number of votes in the Master Association or the liability for common expenses appertaining to the Residence. If a scrivener's error in this Master Declaration or other instrument is corrected by vote of two-thirds of the Directors pursuant to this paragraph, the Board, upon written petition by Members with twenty percent (20%) of the votes of the Master Association received within thirty (30) days of the Board action, shall call a Member Meeting within thirty (30) days of the filing of the petition to consider the Board action. Unless a majority of the votes of the Members are cast at the Member Meeting to reject the action, it is ratified whether or not a quorum is present. Nothing contained in this paragraph shall be construed to invalidate any provision of a this Master Declaration authorizing Declarant to amend an instrument prior to the latest date on which the initial Member Meeting must be held, whether or not it has actually been held, to bring the instrument into compliance with the legal requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veterans Affairs, or their respective successors and assigns.

7.3 Additional Amendment Procedures.

- (a) In addition to Declarant's and Association's reserved rights to specially amend this Master Declaration pursuant to **Section 7.2**, this Master Declaration may be amended in whole or in part only if executed or otherwise agreed to in writing the entities (if any) required to consent under **Section 7.3(b)** and by:
 - (i) at least 117 Members (*i.e.*, Members whose 117 Residences constitute more than seventy-five percent (75%) of the 137 Residences planned for Provenance); and
 - (ii) Declarant, if the amendment is a Major Decision or if the amendment would, if enacted, adversely affect the rights of Declarant hereunder; and
 - (iii) Members whose Residences include at least eleven Single Family Home Lots, if the amendment is a Major Decision or if the amendment would, if enacted, adversely affect the rights and benefits appurtenant to any one or more Single Family Home Lots or the Residences located therein;
- (b) As a further procedural requirement and limitation upon the amendment procedures set forth in this **Section 7.3**, this Master Declaration may not be amended without the express prior written consent of the County, Village or Mission Brook if such change or modification materially amends the terms and provisions concerning (i) such governmental entity's right of entry onto and maintenance of the Residential Property or (ii) the obligation that Owners comply with all applicable ordinances, codes and regulations of that governmental entity. Further, anything to the contrary herein notwithstanding, in no event shall this Master Declaration be abrogated without the prior written consent of both the County and Village.
- (c) Each amendment shall be evidenced by a written document, recorded in the Recorder's Office or such other place as may be required by law at the time such document is recorded, and the President shall execute and record such document in accordance with Section 1-20 of the Act (765 ILCS 160/1-20).

7.4 Rights and Remedies in the Event of a Default by a Unit Owner. In amplification of and addition to provisions contained elsewhere in this Master Declaration, all Unit Owners, the Master Association and those governmental authorities with jurisdiction thereover may and shall have all rights and remedies as shall otherwise be provided or permitted by law or in equity in the event of any default by any Unit Owner under this Master Declaration. Any Unit Owner found by a court of competent jurisdiction to be in violation of this Master Declaration also shall be liable for reasonable attorney's fees incurred by Declarant, the Master Association and any applicable governmental authority in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Unit Owner's Residence, enforceable as other liens herein established.

- 7.5 Validity, Severability and Non-Waiver.** Violation of or failure to comply with any covenant, condition or restriction contained in this Master Declaration shall not affect the validity of any mortgage, deed of trust or other similar security instrument encumbering any Residence or other interest in the Residential Property. Invalidation of any one or more of such covenants, conditions and restrictions, or any portions thereof, by a judgment or court order shall not affect any of the other provisions herein contained, which shall remain in full force and effect. In the event any provision of this Master Declaration requires an act that would violate any law, ordinance or regulation promulgated by the County or any other governmental entity having jurisdiction, then the action so required hereunder shall be excused, and such law, ordinance or regulation shall control. Failure by Declarant, Master Association, a governmental authority or any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- 7.6 Headings.** The headings contained in this Master Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Master Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise.
- 7.7 Notices.** Any notice required or desired to be given under the provisions of this Master Declaration (other than notices among the Master Association, Member Associations, Board, Directors and Members as governed by Article VI) shall be in writing and shall be deemed to have been properly given and received when hand delivered or when deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, addressed: if to an Owner (other than a Member Association), to the last address of such Owner provided to the Master Association; if to a Member Association, to the principal office of such Member Association; and if to the Master Association, then to the principal office of such Association. Each Member Association shall provide the Master Association, by notice given or delivered to the Master Association, with a current name and address of the party authorized to receive notice on behalf of such Member Association and may from time to time change the name and address for notices by notice to the Master Association.
- 7.8 Approvals.** No approval, consent or waiver by Declarant, Master Association, a Member Association or any Owner pursuant to the provisions hereof shall be effective unless in writing.
- 7.9 Estoppel Certificate.** Upon written request of any Member Association or Single Family Home Lot Unit Owner, the Master Association shall state in an estoppel: (i) the total of any unpaid amounts, if any, owed by such Member Association or Single Family Home Lot Unit Owner; (ii) whether or not such Member Association or Single Family Home Lot Unit Owner is then in default for failure to perform any of its obligations under this Master Declaration; and (iii) whether or not a lien has been asserted against any Owner's Residence or other interest in the Residential Property. The requesting party shall pay any reasonable charge (which may include any payment of reasonable attorney's fees) required by the Master Association as a condition to issuance of any such statement.
- 7.10 Governing Law.** This Master Declaration shall, in all respects, be governed, construed, applied and enforced in accordance with the laws of Illinois, including without limitation laws affecting title to all real property described herein and the Act.
- 7.11 Rule Against Perpetuities.** If and to the extent any covenant, restriction, right, condition, term, provision, etc. contained in this Master Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities; (b) the rule restricting restraints on alienation; or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenant, restriction, right, condition, term, or other provision may be valid, then the covenant, restriction, right, condition, term, provision, etc. concerned shall continue and endure only until the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of William Jefferson Clinton, President of the United States in the year 2001, who are living at the date of this Master Declaration.
- 7.12 Interpretation Provisions.** In the event of any conflict, contradiction or ambiguity between the terms, conditions and provisions of this Master Declaration and the terms, provisions and conditions of any

separate declaration of covenants, conditions and restrictions or declaration governing, as applicable, the Townhome Association or the Duplex Association, this Master Declaration shall, in all instances, control and prevail. Further, the Plat grants and reserves certain easements relative to use, access, maintenance, repair and operation of all or parts of Master Association Common Lots for utility and other purposes. In the event of any conflict or ambiguity between the terms and conditions of the easements granted and reserved in the Plat with respect to the Master Association Common Lots and the terms and conditions of the easements granted and reserved in this Master Declaration with respect to the Master Association Common Lots, those terms and conditions that are more restrictive to the grantee or more specific and consistent with the intent and purposes of this Master Declaration and the Plat (whether set forth herein or therein) shall, in all instances, control and prevail over the less restrictive or less specific terms and conditions.

7.13 Declarant's Approval. Until Declarant (or any successor Declarant) no longer owns any portion of the Residential Property, neither the Master Association, any Member Association nor any Owner shall seek in any way to amend, modify or abrogate any governmental approvals applicable to the Residential Property (including but not limited to zoning, subdivision and planned residential approvals from the County or Village) without having first secured Declarant's prior written approval. Provided Declarant (and any successor Declarant) no longer owns any portion of the Residential Property:

- (a) No Owner shall seek in any way to amend, modify or abrogate any governmental approvals applicable to the Residential Property without having first secured prior written approval from the Master Association and any Member Association in which such Owner is a Member, and no such amendment, modification or abrogation may modify the legal rights or privileges appurtenant to any portion of the Residential Property not exclusively owned by such Owner;
- (b) No Member Association shall seek in any way to amend, modify or abrogate any governmental approvals applicable to the Residential Property without having first secured prior written approval from the Master Association and the other Member Association.

7.14 Re-Recording. If at any time or times the Declarant or Board shall deem it necessary or advisable to rerecord this Master Declaration or any part hereof in the Recorder's Office, in order to avoid the expiration hereof or of any of the covenants, conditions, restrictions, rights, reservations, easements, agreements or other provisions herein contained under any statute or act relating to or governing marketable title, the Board shall submit the matter to a Member Meeting called upon not less than ten (10) days' prior written notice, and unless at least two-thirds (2/3) of the votes cast at such Member Meeting are against such rerecording, the Master Association shall have, and is hereby granted, the power to so rerecord this Master Declaration or such part thereof, and such rerecording shall be binding upon all Unit Owners in every way and with the full force and effect as though such action were taken by each of said Unit Owners and as though the rerecorded document was executed and acknowledged by each of them.

7.15 Condemnation. If all or any part of the Master Association Common Lots or Common Facilities (but no part of any Residence) shall be taken through condemnation by any governmental authority having power to do so, the net proceeds of such taking shall be paid to and retained by the then owner of the Master Association Common Lots subject, however, to the rights of the Mortgagees. If any part of one or more Residences shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, including (without limitation) all proceeds received on account of such taking of any part of the Master Association Common Lots, shall be divided equitably among, and retained by, the Unit Owners of the Residences wholly or partially taken in such condemnation proceedings, subject to the rights of the Mortgagees. For purposes of this **Section 7.15**, the term "**condemnation**" shall include also any sale under threat of condemnation to any governmental authority having condemnation power.

7.16 Parties and Persons Eligible to Enforce. Declarant, the Master Association, the governmental bodies granted express rights hereunder, each Unit Owner, and their respective successors or assigns, each shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Master

Declaration. In furtherance and not limitation of the foregoing, any aggrieved Unit Owner may enforce the provisions of this Master Declaration, by an action at law or in equity against the defaulting Unit Owner (or Occupant of his Residence). Declarant and Master Association shall use their best efforts to assist applicable governmental authorities in connection with the enforcement of any provisions hereunder, the violation of which shall also be considered a violation of any applicable governmental ordinance.

7.17 Arbitration. All disputes, claims, controversies or matter (hereinafter referred to as “**Matter**”) between the Master Association and Declarant, which shall not be resolved between the parties, shall be submitted for, or determined by, arbitration. Arbitration of any Matter shall be initiated by either the Board or Declarant by making a written demand by notice thereof to the other party and by filing a copy of such demand with the American Arbitration Association (the “**AAA**”). The AAA shall have jurisdiction upon receipt of such notice and the filing of such demand. Any such arbitration shall be held in Chicago, Illinois, and shall be conducted and completed in an expeditious manner and without delay. The Eligible Mortgage Holders shall be a party to any arbitration of any Matter that requires a consent or approval of the Eligible Mortgage Holders.

- (a) Unless otherwise agreed to in writing by the parties to the arbitration, within sixty (60) days after the notice demanding arbitration has been given, the parties shall jointly designate three (3) arbitrators to resolve the Matter. If the parties fail to designate the arbitrators within such time period, the arbitrators shall be appointed in accordance with the procedures set forth in the applicable AAA rules; provided, however, that, in any event, such arbitrators shall be experienced as to the design, construction and/or operation, as the Matter requires, of townhome structures similar to the Townhome Units and duplex structures similar to the Duplex Units. Except where contrary to the provisions of this Master Declaration, the rules of the AAA for arbitration shall apply to the arbitration of any Matter. During the sixty (60)-day time period referenced above, the parties may agree in writing to any additions, deletions or changes to the applicable arbitration rules.
- (b) The arbitrators shall commence a hearing within one hundred eighty (180) days of selection, unless the parties agree upon an expedited or delayed schedule of hearings. Prior to the hearings, any party to the arbitration may send out requests to compel document production from the other party. Disputes concerning the scope of document production and endorsement of the document requests shall be subject to agreement by such parties or may be ordered by the arbitrators to the extent reasonable. The arbitrators may obtain independent legal counsel or other professional consultants to aid in resolution of legal or other questions present in the course of arbitration, provided that it is economical to do so considering the financial consequences of the Matter. In rendering a decision, the arbitrators may base such decision only on the facts presented in the course of arbitration and shall not modify or amend the provisions of this Master Declaration. Subject to the other terms hereof, if either party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the Matter upon evidence produced by the appearing party. The arbitration costs shall be borne equally by each party, except that each party shall be responsible for its own attorneys’ fees and expenses. With respect to any Matter subject to arbitration under this **Section 7.17**, it is agreed that the arbitration provisions of this **Section 7.17** shall be the sole and exclusive remedy between the Master Association and Declarant. Notwithstanding any other provisions of this Master Declaration, the foregoing agreement to arbitrate shall be specifically enforceable under prevailing arbitration law. The foregoing agreement to arbitrate shall not constitute any agreement or consent to arbitration with any person not named or described herein, provided that any arbitration proceeding initiated under the terms of this **Section 7.17** may, at the request of any party, be joined or consolidated with other arbitration proceedings involving additional parties if the Matter and the subject of such other proceedings arise out of common or interrelated factual occurrences. Any award of the arbitrators shall be final and binding upon the parties to arbitration and the Eligible Mortgage Holders and judgment thereon shall be entered by any court having jurisdiction.

EXHIBIT A
LEGAL DESCRIPTION

LOTS 1 THROUGH 73, INCLUSIVE, IN THE PROVENANCE SUBDIVISION IN SECTION 18, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF, RECORDED NOVEMBER 18, 2015 AS DOCUMENT NO. 1532229026, IN COOK COUNTY ILLINOIS

PIN: 04-18-200-037-0000 (partial)
04-18-200-004-0000 (partial)
04-18-200-020-0000