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 IL Rental Housing Fund: \$10.00  
 Lake County IL Recorder  
 Mary Ellen Vanderventer Recorder  
 File # **6413887**

This instrument prepared by and after recording mail to:

(This Space for Records)

Herbert A. Kessel  
 Beckman Swardlove LLP  
 161 North Clark Street, #2600  
 Chicago, IL 60601  
 312/621-9700

**DECLARATION OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR  
 THE RESIDENCES AT WILLOW LAKES HOMEOWNERS ASSOCIATION**

THIS DECLARATION is made and entered into this 24th day of November, 2008, by Lake Forest Estates, L.L.C., an Illinois limited liability company ("Owner" or "Developer").

WHEREAS, Owner is the developer and owner in fee simple of certain real property in the City of Lake Forest, County of Lake and State of Illinois, legally described in Exhibit A, attached hereto and made a part hereof by this reference (the "Property"); and

WHEREAS, Owner plans to improve the Property with duplex townhomes and common areas; and

WHEREAS, Owner desires to provide for the preservation of the value and the harmonious, beneficial, and proper use of the Property and to this end Owner desires to subject the Property to the rights, easements, covenants, restrictions, charges, and liens hereinafter set forth; and

WHEREAS, Owner intends that the several owners of the Property, their successors and assigns, and their mortgagees, guests, and invitees shall at all times enjoy the benefit of, and that the several owners of and all persons hereafter acquiring an interest in the Property hold their interests subject to, the terms of this Declaration, all of which are established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Property;

NOW, THEREFORE, Owner hereby declares that the Property shall be held, conveyed, occupied, and encumbered subject to the rights, easements, covenants, restrictions, charges, and liens hereinafter set forth, each and all of which shall, with respect to the Property, attach to and constitute covenants running with the land.

\\\Fs1\lca\1 - Documents\Property\Lake Forest\2008\11-05-08\Declaration of Easements Association (IL 11-05-08 from email) bcc@lca.com

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1. Definitions. The following terms shall have the following meanings:
- a. Alteration. Any change in the exterior appearance of any Improvement, landscaping or in the grading or drainage pattern of any Lot.
  - b. Articles of Incorporation. The articles of incorporation of the Association which are attached hereto as Exhibit D.
  - c. Association. The Residences at Willow Lakes Homeowners Association, an Illinois not-for-profit corporation, and its successors and assigns.
  - d. Board. The Board of Directors of the Association.
  - e. Buildings. Duplex townhomes, each containing two (2) single-family residences and attached garages, which shall be constructed upon two (2) platted lots.
  - f. By-Laws. The By-laws of the Association, a copy of which is attached as Exhibit E hereto, as they may be amended pursuant thereto.
  - g. City. The City of Lake Forest, a municipal corporation, its elected and appointed officers, agents and employees.
  - h. Common Areas. All property, real or personal, owned by the Association, which shall initially include the real estate described in Exhibit B attached hereto, and shall include without limitation any fences, trees, landscaping, detention ponds and related storm sewer appurtenances, private roads and utilities on the Common Areas and such other portions of the Property for which the Association is obligated to maintain but may not be owned by the Association.
  - i. Damaged Common Improvement. Any Improvements in the Common Areas damaged by fire, other casualty, vandalism, act of nature, storm or similar act.
  - j. Declaration. This Declaration of Easements, Restrictions, and Covenants for The Residences at Willow Lakes Homeowners Association.
  - k. Detention Pond. The body of water located more or less in the center of the Property as shown on the Site Plan attached hereto as Exhibit G, to be used for, among other things, storm water detention and flood control. The storm sewer conveyance of the Detention Pond, including the related control structures, is part of the Common Areas.

l. Developer. Lake Forest Estates, L.L.C., an Illinois limited liability company, its successors and assigns.

m. Easement Parcels. The real property described in Exhibits C-1, C-2, C-3, C-4 and C-5, attached hereto and made a part hereof, and/or described in the Plat, over which certain easements for utility services, including fiber optics and cable television service, access, ingress and egress and such other purposes as are described in the Lakes Access Easement, the Road Easement, the Tree Preservation and Replacement Easement and Section 4 hereof.

n. Eligible Mortgage Holders. Those First Mortgagees who have requested the Association to notify them of any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders.

o. First Mortgagees. Holders of notes secured by mortgages or trust deeds which constitute first mortgage liens against a Lot or Lots.

p. Improvement. Any permanent structure attached to the Property which is erected after the date hereof including, without limitation, Buildings, any ancillary facilities such as garages or parking areas, driveways, private roadways and utilities, curbs, fences, sidewalks, detention ponds and landscaping for the remaining portion of the Lot not occupied by Buildings and their ancillary facilities.

q. Lakes Access Easement. That certain perpetual easement and right of way for the benefit of Parcel 1 of the Property as described in Exhibit C-2 attached hereto, pursuant to which the owners of Parcel 1 have access, use and enjoyment of certain waterways adjacent to the Property, subject to the terms and conditions set forth in said easement and right of way.

r. Landscaping. The lawns, sod, trees, shrubs and any annual and perennial flowers located in the Common Areas or the public rights-of-way.

s. Lift Station. The lift station the Association shall be required to maintain pursuant to Section 3 hereof.

t. Lot. A platted lot designated as such upon any recorded subdivision plat of the Property or any portion thereof upon which an Individual Residential Unit is constructed or to be constructed. Portions of the Property designated as Lot 1 shall not be deemed a "Lot" for the purposes of this Declaration.

u. Lot Landscaping. The lawn, sod, trees and shrubs located on the Lots, if any, including any annual and perennial flowers on the Lots, if any. Notwithstanding the

foregoing, the Lots are intended to consist only of the real estate upon which a portion of each Building is or will be constructed, the driveway accessing the garage of the Residential Unit contained thereon and any sidewalk or walkway serving the pedestrian entrances to such Residential Unit. For purposes of the Association's maintenance responsibilities, it is the intention that all landscaped and otherwise unimproved areas of the Property shall be part of the Common Areas although such portions may not be owned by the Association.

v. Lot Owner. The person or persons whose estate or interests, individually or collectively, aggregate fee simple ownership of a Lot (without reference to the interests of lien holders or tenants for terms of years or otherwise).

w. Maintenance Fund. All monies collected by the Association pursuant to the terms hereof.

x. Member. Each person or entity who is a member of the Association, as provided in the By-Laws.

y. No Disturbance Areas. The area or areas designated on or in the Site Plan, the Plat and/or applicable ordinances of the City of Lake Forest as such.

z. Owner. Lake Forest Estates, L.L.C., an Illinois limited liability company.

aa. Owner's Rights shall mean any and all rights, powers and privileges reserved, granted or otherwise provided for herein which may be exercised by, or which benefit only, the Owner.

bb. Parcel 1. That portion of the Property described as Parcel 1 in Exhibit A, attached hereto and made a part hereof by this reference.

cc. Person. A natural person, corporation, limited liability company, partnership, trustee or other entity capable of holding title to real property.

dd. Plat. That certain Plat of Resubdivision of Willow Lakes Farm at Lake Forest dated March 25, 2008, and recorded with the Recorder of Deeds of Lake County, Illinois on August 29, 2008 as Document Number 6386247.

ee. Property. The real estate legally described on Exhibit A, attached hereto and made a part hereof by this reference.

ff. Road Easement. That certain perpetual easement and right of way for the benefit of Parcel 1 of the Property as created by that certain Special Warranty Deed dated September 29, 1966 and recorded with the Recorder of Deeds of Lake County, Illinois on September 29, 1966 as Document Number 1318323, pursuant to which the owners of Parcel 1 of the Property were granted access, ingress and egress rights over certain roadways connecting to and from the publicly dedicated roadway now known as State Highway Route 60, subject to the terms and conditions set forth in said easement and right of way.

gg. Residential Unit. A residential unit which is suitable for residence by a single family.

ii. Share. The percentage assigned to each Lot by the Developer, the numerator of which is Developer's estimate of the projected value of the Lot when improved and the denominator of which is Developer's estimate of the projected value of all of the Lots when improved, as set forth in Exhibit E, attached hereto and made a part hereof by this reference.

jj. Site Plan. The site plan for the Property attached hereto as Exhibit H, and made a part hereof by this reference.

kk. Subdivision Improvement Agreement. That Subdivision Improvement Agreement for the Willow Lakes Subdivision entered into by the City and by the Owner.

ll. Transition Event. The first to occur of the following: (i) the expiration of ten (10) years after the date of recording of this Declaration; and (ii) the date which is not later than sixty (60) days after conveyance of eighty-five percent (85%) of the Residential Units.

mm. Tree Preservation and Replacement Easement. That certain Twenty Foot Setback Easement for Trees for the benefit of Parcel 1 of the Property recorded with the Recorder of Deeds of Lake County, Illinois on October 27, 1987 as Document Number 2136690, pursuant to which the owners of Parcel 1 of the Property were granted the right to plant, replant, water, prune, care for, replace and remove trees in areas to the south and west of Parcel 1 of the Property, subject to the terms and conditions set forth in said Easement.

nn. Tree Preservation Areas. The area or areas designated on or in the Site Plan, the Plat and/or applicable ordinances of the City of Lake Forest for the preservation and replacement of trees.

2. Maintenance of the Lots and Certain Improvements Encroaching on the Common Areas

a. Each Lot Owner, at his sole cost and expense, shall maintain, repair and replace the interior components of his Residential Unit, its foundation and interior structural elements and also be responsible for all glass surfaces, window repair and exterior washing. The Association shall maintain, repair and replace all exterior elements of each Building and other Improvements on each Lot, keeping the same sightly and in good condition and repair, including, without limitation, all painting, staining, refinishing, maintenance, repair, replacement and tuckpointing of the exterior surfaces and structural components of the dwellings and garages, including, without limiting the generality of the foregoing, all sidings, outer walls, shutters, gutters, and downspouts of the dwellings and garages, all screens and doors. The Association shall have the obligation to keep the driveway and any sidewalk or walkway on each Lot or on the adjoining Common Areas which serve said Lot free and clear of ice and snow accumulation. Each Lot Owner shall be obligated to pay to the Association his share of the cost of such services as billed by the Association.

b. If any Lot Owner shall fail to fulfill the obligations with respect to his Lot, Residential Unit and the other Improvements thereon as provided in Sections 2.a and 2.b above and otherwise in this Declaration, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternate remedies, shall have the right (but not the obligation), through its employees and agents or through independent contractors, upon reasonable notice or, in the case of an emergency, without notice, to enter upon any Lot, and, if required, into any dwelling or garage, to repair and maintain the Lot and the Improvements situated thereon, to remedy the impairment of the use, enjoyment or value of the adjoining Residential Unit, and/or to repair and maintain the adjoining Residential Unit; the cost thereof shall be paid by the Lot Owner.

c. Each Lot Owner, by acceptance of a deed for his Lot, hereby covenants and agrees to pay the Association the cost of any repairs and maintenance provided for in this Section 2 upon demand and the failure of such Lot Owner to pay such costs shall carry with it the same consequences as the failure to pay any assessments levied hereunder when due, as herein provided. The Association shall have a lien upon said Lot in the amount of such costs enforceable in the manner and to the extent herein set forth in this Declaration.

d. The Association or its officers, employees, agents or contractors, may enter any Lot when necessary in connection with any maintenance, repair or other action for which the Association is responsible or which the Association has the right or duty to perform. Such entry shall be made with as little inconvenience to the Lot Owner as

practicable, and except in the event of emergency, shall be done upon reasonable notice to the Lot Owner. Any damage caused thereby shall be repaired by the Association, the cost of which shall be paid out of the Maintenance Fund.

3. Maintenance of Common Areas, Lot Landscaping and Certain Easements.

a. The construction, landscaping, operation, maintenance and replacement of the Common Areas shall be within the sole control, responsibility, and discretion of the Association. The cost of all capital improvements (other than capital improvements constructed by Developer), including fences, non-dedicated utilities and roads, whether located on or off the Property, and new construction and replacement of facilities and landscaping within the Common Areas as well as all expenses for maintenance and upkeep of the Common Areas and all real estate taxes on the Common Areas, shall be paid from the Maintenance Fund.

b. As part of the Association's responsibility for maintaining the Common Areas, the Association shall be responsible for the maintenance and upkeep of (i) the Detention Pond, (ii) the Landscaping, (iii) the Lot Landscaping, (iv) all fencing on the Property, (v) the Lift Station as defined and required pursuant to Ordinance Number \_\_\_\_\_ of the City, (vi) the No Disturbance Areas, (vii) the Tree Preservation Areas, (viii) all landscaping and/or tree maintenance obligations of the Owner under the Subdivision Improvement Agreement with the City, including, without limitation, the obligations provided for in Sections 9 and 10 of the Subdivision Improvement Agreement, and (ix) the Easement Parcels, as and to the extent required of the Owners of the Property pursuant to the Lakes Access Easement, the Road Easement, the Tree Preservation and Replacement Easement and the requirements of applicable ordinances of the City. Further, the Association shall be responsible for the upkeep, maintenance, repair, replacement and snow plowing of all secondary and emergency access roads serving the Property such that there is maintained at all times access to all of the Lot and the Common Areas using such roads, whether by City of Lake Forest emergency vehicles or otherwise. The costs and expenses of the same shall be paid from the Maintenance Fund.

c. The Association specifically shall assume on behalf of all of the Lot Owners the obligations each and every Lot Owner may have as an owner of a part of the Property, including, without limitation, as an owner of an interest in the Common Areas, pursuant to the Lakes Access Easement, the Road Easement, the Tree Preservation and Replacement Easement and any other document or instrument binding or obligating all or any part of the Property or any owner thereof. The foregoing assumption shall not, however, relieve any Lot Owner or other Person from the consequences and/or liability of such Lot Owner's or other Person's violation of the terms and conditions of the foregoing easements and other documents or instruments. The costs and expenses the Association

incurs in the performance of the obligations it assumes pursuant to this paragraph shall be paid from the Maintenance Fund.

d. If the City of Lake Forest installs a sanitary sewer to provide for connections to its sanitary sewer system through connection points along the easterly border of the Property, the Association shall pay all recapture costs and related fees and costs of physical connection on behalf of the Lot Owners. The Lot Owners shall pay their respective shares of said costs and fees through either a special assessment or increases in the regular assessments, as determined by the Board. Thereafter, the Association shall be responsible for the maintenance and upkeep of said connections and the sanitary sewer lines on and serving the Property, the costs and expenses therefrom to be paid from the Maintenance Fund.

4. Easements.

a. Developer, or upon conveyance of title to the Common Areas to the Association as provided in paragraph (g) of this Section, the Association, hereby grants to the Lot Owners, their guests and invitees, and the City, but not the public generally, easements for use and enjoyment and ingress and egress from any portions of the Property over, upon, and across the Common Areas, or portions thereof, and shall have the power to grant such easements, leases or licenses for such other purposes as may be appropriate to such Persons, and upon such terms and conditions, at such costs, if any, and for such duration as the Association deems appropriate.

b. Each Lot Owner shall maintain those portions of his Lot which contain or are part of one or more of the Easement Parcels, except as otherwise provided herein; provided, however, that the Association, in its sole discretion, shall have the authority to assume any such obligations and/or the costs associated with such obligations as it deems appropriate.

c. All easements and rights described in this Declaration are easements appurtenant, running with the land, and shall inure to the benefit of, burden and be binding upon the undersigned, its successors and assigns, and upon any owner, purchaser, mortgagee, or other Person having an interest in the Property, or any part thereof.

d. SBC, Comcast, Commonwealth Edison Company, North Shore Gas, the City of Lake Forest and all other suppliers of utilities serving the Property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair and replace conduits, cables, pipes, wires, transformers, mains, switching apparatus and other equipment, including housings for such equipment, into, over, under, on and through any non-dedicated roadways on the Property and the Easement Lot for the purpose of providing utility services to each Lot and the Common Areas whether or not annexed

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hereto. The easement granted in connection with the electrical conduits, wire and equipment is specifically granted to Commonwealth Edison Company, its successors and assigns. Every Lot Owner is also hereby granted an easement of ingress and egress over and upon any other Lot, except portions thereof improved by a Building, for any and all purposes arising out of the construction, installation, repair, maintenance, replacement and inspection of utilities servicing such Lot Owner's Lot; provided, however, that a Lot Owner shall restore to its pre-existing condition any portion of the other Lot damaged by any such construction, installation, repair, maintaining or inspection.

c. Notwithstanding any provision herein to the contrary, the easements created under this Section 4 shall be subject to: Developer's rights to (1) improve the Common Areas in accordance with such plans and specifications as it deems appropriate and (2) execute all documents and do all other acts and things affecting the Common Areas which, in Developer's opinion, are desirable in connection with Developer's rights hereunder, provided any such document or act or thing is not inconsistent with the property rights of any Lot Owner or of the Association or the terms, conditions or requirements set forth in the ordinances and codes of the City. Developer reserves the right to use any portion of the Common Areas or any Lot owned by Developer as it deems necessary in connection with the sale or rental of Improvements being constructed or to be constructed within the Property, including but not limited to parking for sales personnel and sales prospects.

f. If (3) by reason of design, construction, location, repair, settlement, shifting or movement, any Residential Unit, other dwelling, garage or other Improvement as originally constructed by Owner on any Lot overhangs or otherwise encroaches or shall hereafter encroach upon any other Lot or the Common Areas, or (4) by reason of the design or construction of utility, ventilation, and exhaust systems, as originally constructed by Owner, any mains, pipes, ducts or conduits servicing any Lot or more than one Lot, encroach or shall hereafter encroach upon any part of any other Lot, then, in any such case, perpetual easements for the maintenance of such encroachment together with the right to enter upon such other Lot to maintain, repair, and replace such encroachment are hereby established and shall exist for the benefit of such Lot so long as such Residential Unit, other dwelling, garage, or other Improvement shall remain standing; provided, however, that if any such dwelling, garage or other Improvement is partially or totally destroyed and thereafter repaired or rebuilt, the same encroachment may be re-established and the easements herein granted for the maintenance, repair and replacement thereof shall continue in force.

g. At such time as this Declaration is first recorded or as soon thereafter as Developer shall deem appropriate and in its absolute discretion, Developer will cause to be conveyed to the Association and the Association shall accept title to the Common Areas, as amended from time to time, together with such facilities and improvements as

Developer may elect to install thereon and subject to such easements as Developer may cause to be placed thereon.

h. All Lot Owners and their guests, invitees, heirs, successors and assigns shall have and retain all of the rights and privileges granted to owners of the Property as contained and set forth in the Lakes Access Easement and the Road Easement in common with each other; provided, however, that the violation of the terms and conditions of said rights and privileges by any one Lot Owner or his family members, guests or invitees shall act to suspend or terminate such Lot Owner's (and his family members', guests' and invitees') rights and privileges for so long as such Lot Owner is a Lot Owner or occupant of a Residential Unit. Such a violation shall not act to suspend or terminate the rights and privileges of the other Lot Owners or their guests, invitees, heirs, successors and assigns. The Association shall have the right and duty to regulate the exercise of the rights and privileges contained in the Lakes Access Easement and the Road Easement and to enforce violations thereof; provided, however, that such regulations shall be promulgated and enforcement shall be carried out in non-discriminatory fashion.

l.(a) All dividing walls which straddle the boundary line between Lots and which stand partly upon one Lot and partly upon another, and all walls which serve two or more Residential Units, shall at all times be considered party walls, and each of the owners of Lots upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length of any part of the length thereof for the support of said Residential Units and for the support of any building constructed to replace the same, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon subject to the restrictions hereinafter contained.

(b) No Lot Owner nor any successor in interest to any such Lot Owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

(c) In the event of damage to or destruction of by fire or other casualty of any party wall, including the foundation thereof, the owner of any Lot upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the owner of each Lot upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

(d) The foregoing provision of this Section 4(i) notwithstanding, the owner of any Lot or other interested party shall retain the right to receive a larger contribution from

another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Lot Owner, or other interested party, to contribution from any other Lot Owner under this Section 4(i) shall be appurtenant to the land and shall pass to such Lot Owner's or other person's successors in title.

(c) The title of each Lot Owner to the portion of each party wall within such Residential Unit is subject to a cross easement in favor of the adjoining Lot Owner for joint use of said wall.

5. Owner's Rights. In addition to any rights or powers reserved in this Declaration, Owner shall have the rights and powers set forth in this Section. In the event of a conflict between the provisions of this Section and any other provisions of this Declaration, the provisions of this Section shall govern. Except as otherwise provided in this Section, Owner's rights under this Section shall terminate at such time as Owner is no longer vested with or controls title to any portion of the Property. Owner shall have the right, in its discretion, to maintain on the Property model Residential Units, improvements, sales, management, and/or administrative offices (which may be located in an improvement), displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Property for the purpose of showing the Property to prospective purchasers or lessees of Lots, all without the payment of any fee or charge whatsoever other than the assessments payable by Owner with respect to Lots owned by it. Owner, its agents, and prospective purchasers and lessees of Lots shall have a non-exclusive access easement over and across the roads, any non-dedicated roadways and walkways located on the Property for ingress and egress to and from those portions of the Property which have not been made subject to this Declaration in order to exercise the rights reserved under this Section and to park in the outdoor parking areas, for or incident to such sales or leasing purposes and, during construction by Owner, the right of ingress and egress for construction traffic and model parking in and throughout the Property in connection with such construction. Owner, its agents and contractors shall have the right to come upon the Property, to construct improvements thereon and to make alterations, repairs or improvements to the Property and shall have the right to store equipment and materials used in connection with such work on the Property without payment of any fee or charge whatsoever. The provisions of this Section shall inure to the benefit of any assignee of Owner. Except as provided above, no signs of any kind will be displayed by any Lot Owner or the Association without Owner's express written consent for a period of five years from the date hereof. In addition to the foregoing, Owner, or its agents or designees, shall have access to and ingress and egress over the Property or any part thereof for a period of seven (7) years from the date hereof, and shall have the right to use photographs or drawings of any improvements and the Property in any marketing or other materials as Owner shall choose.

6. Covenants and Restrictions as to Use and Occupancy. The Lots shall be occupied and used as follows:

a. No part of the Property shall be used for other than housing, parking, and related common purposes for which the Property was designed. Each Lot shall be used for residential purposes and for no other purposes.

b. Any outdoor parking areas shall be used for the parking of passenger automobiles, subject to such rules and regulations as the Board may prescribe. No boats, trailers, trucks, motorcycles, motor scooters, recreational vehicles, campers, or vehicles bearing signs on their exteriors or other vehicles or property of any kind shall be parked or stored thereon or on any other portion of a Lot unless permitted by such rules and regulations as may be adopted by the Board. Every Lot Owner, occupant and other person shall be responsible for his personal property in the outdoor parking areas. Neither the Board nor the Association shall be considered the bailee of any such personal property, nor shall either be responsible for any loss or damage thereof, whether or not due to the negligence of the Board and/or the Association. Notwithstanding the foregoing, Owner may use the outdoor parking areas or other areas temporarily improved for parking as parking for model units, sales offices, and construction offices.

c. There shall be no obstruction of the entryways or roads on the Common Areas nor shall ready access to a garage or entrance to any Lot be obstructed or impeded in any manner.

d. No Lot Owner shall permit anything to be done or kept on his Lot which will increase the rate charged for or cause the cancellation of insurance carried by the Association or which would be in violation of any law.

e. No animals of any kind shall be raised, bred, or kept on any Lot except dogs, cats, or other household pets may be kept subject to rules and regulations adopted by the Board, provided they are not kept, bred, or maintained for any commercial purpose.

f. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or a nuisance to other Lot Owners or occupants.

g. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any Lot, except as otherwise provided herein.

h. Subject to the provisions of Section 5, no "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Board.

i. The restrictions in subparagraphs (a) and (g) of this Section shall not, however, be construed in such a manner as to prohibit a Lot Owner from: (i) maintaining a personal professional library therein; (ii) keeping personal business records or accounts therein; or (iii) handling personal or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said paragraphs.

j. Neither the Association nor any Lot Owner shall act in any way to (i) harm, impair or remove any trees within the Tree Preservation Areas, or (ii) disturb or disrupt any part of the No Disturbance Areas.

k. No motorized watercraft, motor boats or power boats of any kind shall be used or operated on the property described in the Lakes Access Easement as "East Lake" and "West Lake," including, without limitation, jet skis, ski boats, boats powered by electric motors and boats fueled by petroleum distillates, including gasoline, diesel and other petroleum based fuels. No Lot Owner shall act in any way to violate or permit any violation of the terms and conditions of the Lakes Access Easement, and the Board shall have the authority to adopt rules and regulations regarding access to East Lake and West Lake.

l. Except for Improvements constructed by Developer, no Alterations shall be made, nor any Improvements constructed on any Lot, without the prior written approval of the Board.

m. Except as expressly provided herein, no temporary building, trailer, mobile home, recreational vehicle, tent, or other similar improvement shall be located upon the Lots.

n. The operation of "ham" or other amateur radio stations or the erection of any communication antenna, receiving or satellite dish or similar devices shall not be allowed except as under applicable law and in accordance with the rules and regulations enacted by the Board.

#### 7. Administration

a. The administration of the Common Areas, Tree Preservation Areas, No Disturbance Areas and the Easement Parcels shall be vested in the Association.

b. The duties and powers of the Association and the Board shall be those set forth in this Declaration, the By-Laws, and the Articles of Incorporation, as such Articles

may be amended from time to time upon recommendation of the Board and affirmative votes of Members whose Shares aggregate at least 66-2/3%.

c. Notwithstanding anything in this Declaration or the By-Laws to the contrary, the first and each subsequent Board and every committee thereof shall consist of, and vacancies on the Board or any such committee shall be filled by, such persons as Owner shall from time to time appoint, who may but need not be members of the Association, until the occurrence of a Transition Event. Owner shall have the right, from time to time, to remove from office any director or committee member appointed by it. Without the prior written consent of Owner, neither the Articles of Incorporation of the Association nor the By-Laws shall be amended, modified or changed in any way to diminish the authority of the Board or any committee thereof, as the case may be, during the time in which Owner has the right to appoint all members of the Board or any committee, as the case may be. Owner may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more Board or committee member, and continue to exercise its right to appoint the remaining members of the Board or the committees for the period hereinabove specified. All directors not appointed by Owner shall be elected as provided in the By-Laws.

d. All funds collected by the Association shall be held and expended for the purposes designated herein and in the Articles of Incorporation and the By-Laws. All funds shall be deemed to be held for the benefit, use and account of the Lot Owners. Upon termination of the Association, any surplus shall be distributed as provided in the By-Laws.

e. The members of the Board and each committee and the officers and employees of the Association shall not be liable to the Lot Owners for any mistake or judgment, or any acts or omissions, made in good faith as such members, officers or employees.

f. The Board, on behalf of the Association, shall have such powers as are contained in the By-Laws.

#### 8. Assessments - Maintenance Fund.

a. Each year on or before October 1st, the Board shall estimate the annual budget of common expenses including the total amount required for the cost of wages, materials, insurance, services and supplies that will be required during the ensuing calendar year for the rendering of all services by the Association as provided herein, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, if any, and it shall also notify each Lot Owner on or before October 1st in writing as to the amount of such estimate with a reasonable

itemization thereof. Such common expenses shall be assessed to the Lot Owners according to each such Lot Owner's Share, except that no such assessments shall accrue or be payable with regard to any Lot owned by Owner or Developer until the Building on such Lot is occupied by a third party for the purposes for which the residential Improvements thereon were intended (as opposed to Owner or Developer's use as a model or office in connection with the development of the Property) or Ownership of the Lot is transferred to a party other than Owner's mortgagee, whichever occurs first.

A copy of proposed annual budget shall be made available to each Lot Owner at least thirty (30) days prior to the adoption of such annual budget by the Board. The annual budget for each calendar year shall be adopted not later than the end of the prior calendar year.

On or before the first day of each and every month or calendar quarter, as the Board may determine, each Lot Owner shall pay to the Association, or as the Association may direct, one-twelfth (1/12) or one-quarter (1/4), as the case may be, of such Lot's Share of the then-duly adopted budget. On or before the first day of March of each year after the recording of this Declaration, the Board shall supply to all Lot Owners an itemized accounting of the Association's expenses for the preceding calendar year, whether paid or accrued, together with a tabulation of the amounts collected, and showing the net income or deficit plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves as provided herein shall be credited equally against the next installments due from Lot Owners under the current year's annual budget until such excess is exhausted. Any net shortage shall be divided among the Lot Owners in accordance with their Lot's respective Shares and added to each Lot Owners' installments due in the six months succeeding the rendering of the accounting, allocated between those installments as the Board, in its sole discretion, shall determine.

The Board, acting within its discretion, may build up and maintain reserves for contingencies and replacements of the facilities and Improvements, if any, located within the Common Areas or within any easements granted to the Association herein. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year (including, without limitation, any reimbursements due to the City pursuant to Section 25 of this Declaration) may be charged against such reserve or specially assessed against the Lot Owners. If the annual budget proves inadequate for any reason, including non-payment of any Lot Owner's assessment, the Board may at any time prepare an adjusted budget and levy a further assessment based thereon, which shall be assessed to and paid by the Lot Owners based on each Lot's respective Share. The Board shall serve notice of such further assessment on all Lot Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the next monthly installment which is due more than 30 days after the delivery in person of such notice of further assessment.

The failure or delay of the Board in preparing or delivering the annual or adjusted budget to the Lot Owners shall not constitute a waiver or release in any manner of the Lot Owner's obligation to pay the assessments, as herein provided, whenever the same shall

be determined, and in the absence of the preparation and delivery of any annual budget or adjusted budget, the Lot Owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period until the first monthly installment which is due more than 10 days after such new annual or adjusted budget shall have been mailed or delivered.

At the time of closing of the sale of such Lot by the Owner, the purchaser shall pay an amount equal to two (2) times the monthly assessment to the Association to be used and applied as a working capital fund.

b. The Board shall keep full and correct books of account on such basis as the Board shall determine. Upon request of any Lot Owner or mortgagee, such books of account may be inspected by such requesting person or its representative, duly authorized in writing, at such office and at such reasonable time or times designated by the Board in writing.

c. From and after the date of any assessment against any Lot and until paid, the assessments provided for herein shall be a lien upon the Lot owned by such Lot Owner and after the recording of notice of the amount then due for which a lien claim is being asserted by the Association and the giving of at least 30 days prior written notice to all other lienholders, said lien may be foreclosed by the Association in the same manner as a mortgage of real property under the laws of the State of Illinois, and each Lot Owner for itself and its successors and assigns, hereby waives any right of redemption from foreclosure sale as may exist under Illinois law. In addition, the obligation of each Lot Owner to pay all of the assessments provided for herein shall be a personal obligation of each Lot Owner at the time the obligation is incurred and shall be deemed to be assumed as a personal obligation by anyone who succeeds to such Lot Owner's interest in the Lot or in the case where the Lot is owned by a land title holding trust, to the interest of the beneficiary under such trust; provided, however, that the obligation of any Lot Owner or trust beneficiary to pay assessments may be satisfied only out of such Lot and any improvements thereon and not from the Lot Owner's or trust beneficiary's other assets, provided further that no mortgagee shall assume any obligation to pay any assessment that is delinquent as of the date such mortgagee takes possession or accepts ownership of a Lot or appoints a receiver therefore.

d. Any lien under this Declaration shall be subordinate to any mortgage or trust deed made, owned or held by any lender recorded prior to the recording of a notice by the Association setting forth the amount due by a delinquent Lot Owner, except that the Association's lien shall not be subordinate (x) to the extent that the amount due is for services rendered after such lender (i) takes possession of the Lot, or (ii) accepts a conveyance of the Lot, or (iii) has a receiver appointed in a suit to foreclose the lien of such mortgage or trust deed or (y) after foreclosure by or conveyance to such lender, to the extent the lien for unpaid assessments represents said Lot's proportionate share of any previous unpaid assessment levied against the affected Lot prior to its foreclosure or conveyance, which unpaid assessment the Association now seeks to collect by reassessment of all Lot Owners.



e. If a Lot Owner is in default in the payment of any charges or assessments hereunder for 15 days, the unpaid balance of such charges and assessments shall bear interest at the lower of (i) the rate of two per cent (2%) per month for each month or part thereof that such amount remains unpaid or (ii) the highest lawful rate that may be charged under the Illinois usury laws to borrowers such as the Lot Owner. In addition, there shall be added to the amount due, the costs of any suit, including reasonable attorneys' fees.

f. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

g. It is understood that real estate taxes are to be separately taxed to each Lot Owner for his Lot. If for any year such taxes are not separately taxed to each Lot Owner and Owner has not otherwise collected funds from each Lot Owner toward the payment of such taxes, then the Association shall collect from each Lot Owner not separately taxed, the share of the tax bill attributable to his Lot on an equitable basis, based on the number of Lots not separately taxed. Such taxes shall be considered a common expense of each such Lot.

h. As of the date hereof, a portion of the Property ("Magnolia Lane Subparcel" is subject to that certain Declaration of Easements and Protective Covenants, Conditions and Restrictions for Conway Park at Lake Forest dated as of April 1, 1987 and recorded with the Recorder of Deeds of Lake County, Illinois as Document Number 2552398 (as amended from time to time, the "CPOA Declaration") and the owner thereof is a member of Conway Park at Lake Forest Property Owners' Association (the "CPOA Association"). Pursuant to the terms of the CPOA Declaration, members of the CPOA Association are required to pay assessments to the CPOA Association on a periodic basis. The Association shall assume the responsibility of paying all such assessments to the CPOA Association which accrue to the Common Areas and all Lots which are, in whole or in part, part of the Magnolia Lane Subparcel from the Maintenance Fund and such assessments due to the CPOA Association shall be part of the Association's annual budget. The assessments due to the CPOA Association shall be paid pro rata by each Lot Owner notwithstanding that one or more of the Lots may be, in whole or in part, part of the Magnolia Lane Subparcel. Nothing herein shall be construed as preventing the Association from petitioning or otherwise attempting to remove the Magnolia Lane Subparcel from the CPOA Association and the CPOA Declaration in accordance with the

terms of the CPOA Declaration, the right to take such action being herein reserved for the Board acting in accordance with the By-Laws.

9. Insurance.

a. The Board on behalf of the Association shall acquire and pay for out of the Maintenance Fund the following:

i. If the Common Areas contain Improvements subject to loss by fire or other casualty, a policy of insurance with respect to the Common Areas insuring against loss or damage by fire and such other hazards as the Board deems advisable, for at least 80% of the full insurable replacement cost of such Improvements. Each such insurance policy shall be written in the name of, and the proceeds thereof shall be payable to, the Association;

ii. Comprehensive public liability, directors' and officers' liability (if directors and officers' liability insurance is available at reasonable cost and the Board deems such insurance appropriate), and property damage insurance in such limits as the Board shall deem appropriate (provided the comprehensive public liability insurance shall in no event be in an amount less than \$2,000,000 per occurrence), insuring the Association, the Board, the Member, the Lot Owner, the managing agent, if any, and their respective directors, officers and agents, from any liability in connection with the Property;

iii. Workers' compensation insurance as may be necessary to comply with applicable laws; and

iv. Directors' errors and omissions insurance in such amounts as the Board deems economically feasible; and

v. Such other forms of insurance as the Board deems appropriate.

b. Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisals which the Board deems advisable in connection with any insurance, shall be an expense of the Association payable from the Maintenance Fund.

c. The Association may obtain the insurance coverage required herein in connection with and as part of a master policy of insurance maintained by or for any Lot Owner provided the cost of such coverage is no more than the estimated cost of providing the same coverage under a policy written directly for the Association.

d. Each Lot Owner shall obtain and keep in force at all times his own insurance on his Lot and all Improvements and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the liability insurance for all of the Lot Owners obtained as above provided, and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Lot Owners, except as hereinafter provided. The casualty component of such insurance shall be for not less than replacement cost. The Association shall have the right to establish minimum limits for the liability component of said insurance and to establish other reasonable rules and regulations regarding the required insurance.

e. A certificate of insurance evidencing such coverage by the Lot Owner shall be furnished to the Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event a Residential Unit or any portion thereof shall be damaged or destroyed by fire or any other casualty and the Lot Owner thereof shall cause it to be repaired, restored or reconstructed, as the case may be, the repairs, restoration or reconstruction shall be in the same architectural style and design as was originally constructed and shall conform in all respects to all applicable laws or ordinances in force at the time of such repair, restoration or reconstruction. In the event of the total or substantial destruction of all of the Residential Units, the architectural design of the Residential Units to be rebuilt and the materials to be used in constructing the same shall be agreed upon among the Lot Owners thereof; and in the absence of agreement, the rebuilt Residential Units shall be substantially similar in architectural design as the original Residential Units and shall be constructed of comparable materials and quality of construction.

f. Upon the failure of any Lot Owner to procure and maintain the insurance required in Section 9 (e) hereof or, in the event the Board, in its sole discretion, determines that the Residential Unit is underinsured, the Board shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon the Residential Units in the same manner as provided in Section \_\_\_\_\_ hereof for nonpayment of maintenance assessments.

g. In the event of such damage or destruction of a Residential Unit, the holder of the mortgage encumbering said Residential Unit shall cause the proceeds of any insurance required pursuant to Section 9 (e) hereof to be utilized in restoring the Residential Unit pursuant to the terms of this Section 9.

h. In any case in which the Lot Owner or Lot Owners concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Section 9, the Association shall cause such repairs or rebuilding to be furnished, provided and installed, in the manner as set forth in Section 9 hereof provided, however, that to the extent the insurance proceeds referred to in Section 9 are insufficient as to any Residential Unit, the particular Lot

Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the amount that cost thereof exceeds insurance proceeds, (b) interest at the rate of twelve percent (12%) per annum from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien shall be foreclosed against the Lot by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 9(h) provided for shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot.

i. Each Lot Owner hereby waives and releases any and all claims which he may have against any other Lot Owner, the Association, its directors and officers, Owner, and their respective employees and agents, for damage to Improvements, to the Common Areas, to the Lots, or to any personal property located in the Lots caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

j. In the case of a Damaged Common Improvement for which the insurance proceeds are sufficient to repair or reconstruct the Damaged Common Improvement, the proceeds shall be used by the Association to repair or reconstruct the Damaged Common Improvement.

k. In the case of Damaged Common Improvement for which the insurance proceeds are insufficient to repair or reconstruct the Damaged Common Improvement or the Damaged Common Improvement cannot be reconstructed as originally designed and built because of zoning, building or other applicable laws, ordinances or regulations, the following procedure shall be followed:

i. A meeting of the Lot Owners shall be held not later than the first to occur of (x) the expiration of thirty (30) days after the final adjustment of the insurance claims; or (y) the expiration of ninety (90) days after the occurrence which caused the damage.

ii. At the meeting, the Board shall present a plan for the repair or reconstruction of the Damaged Common Improvement and an estimate of the cost of repair or reconstruction, together with an estimate of the amount thereof which must be raised by way of special assessment and a proposed schedule for the collection of a special assessment to pay the excess cost.

iii. A vote shall then be taken on the question of whether or not the Damaged Common Improvement shall be repaired or reconstructed based on the information provided by the Board under (b) above, including the proposed special assessment. The Damaged Common Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Members representing at least three-fourths (3/4) of the votes cast.

i. If the Damaged Common Improvement is repaired or reconstructed, it shall be done in a workmanlike manner and in a manner which is substantially similar in design and construction as originally constructed, with any variations or modifications required to comply with applicable law.

ii. If the Damaged Common Improvement is not repaired or reconstructed, then the damaged portions shall be razed, or scoured and otherwise maintained in conformance with the rules or standards adopted from time to time by the Board.

j. In the case of a taking or condemnation by competent authority of any part of the Common Areas, the Association shall, if necessary, restore the Improvements in the remaining portion of the Common Areas to conform as closely as possible to the general design, structure and materials used with respect to such Improvements as they existed prior to the taking or condemnation. Any proceeds or awards paid to the Association shall be applied first to the cost of any restoration and any remaining portion of such proceeds or awards shall be, in the discretion of the Board, either (i) applied to pay the Association's expenses; or (ii) distributed to the remaining Lot Owners and their respective First Mortgagees, as their interests may appear. If part of all of one or more Lots is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Declaration and the Board shall adjust the assessment rates of the remaining Lot Owners in a just and equitable manner. The President and Secretary of the Association shall execute and record an instrument on behalf of the Association which amends this Declaration, effective as of the effective date of the taking or condemnation, to reflect the removal of property and adjustments, if any, in the assessment rates as a result of an occurrence covered by this Section.

10. Violation of Declaration. The violation or breach of any covenant, restriction or condition contained herein or rule or regulation adopted by the Association, shall give the Association the right, in addition to any other remedies provided for in this Declaration and under law, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach, and the costs of said suit, including reasonable attorneys fees, shall be awarded to the Association. Failure by the Association to enforce any covenant, restriction or lien herein contained or rule or regulation adopted by the Association shall in no

event be deemed a waiver of the right to do so thereafter, no matter how many violations or breaches may occur.

11. Grantees. Each grantee of Owner by the acceptance of a deed of conveyance, each purchaser under Articles of Agreement for Deed, and each mortgagee or trustee under trust deed, accepts the portions of the Property covered by such instrument subject to all rights, easements, covenants, restrictions, charges and liens, and the jurisdiction, rights, and powers created in or reserved by, this Declaration, as it may at any time be amended pursuant to Section 14 hereof, as though the provisions of this Declaration were recited in their entirety in each and every instrument of conveyance or Articles of Agreement for Deed; It being further agreed that at such times and to such extent as the holder of any mortgage or other security instrument in the nature of a mortgage upon any Lot or any successor of such holder shall come into actual possession or ownership (other than as security for debt) of any Lot or Lots, the said holder or such successor (as may be the case) shall succeed to all the rights and obligations of Owner of such Lot or Lots in this Declaration expressed.

12. Notices. Notices required or permitted to be given to the Association, any Lot Owner or Member may be delivered to any member of the Board, such Lot Owner or Member, as the case may be, either personally or by certified or registered mail with proper postage prepaid, addressed to such party, at the last address of such party shown in the records of the Association, and shall be effective, in the case of personal delivery, upon such delivery, and in the case of mailing, as of the date of mailing. Any mortgagee that registers with the Association by giving written notice of its interest shall receive copies of all notices sent by the Association to the Lot Owner of the encumbered Lot as the case may be. Any mortgagee that fails to register with the Association shall have no right to receive any notices whatsoever from the Association.

13. Rights of First Mortgages. In addition to all other rights of First Mortgagees pursuant to this Declaration, and notwithstanding any other provisions herein to the contrary:

a. Except as provided in Section 15 below, unless Eligible Mortgage Holders representing Lots holding at least 51% of the Shares shall have given their prior written approval, the Association shall not be entitled to amend or supplement any of the provisions of this Declaration which deal with the following matters:

- i. voting rights;
- ii. assessments, assessment liens, or subordination of assessment liens;
- iii. reserves for maintenance, repair, and replacement of Common Areas;

- iv. responsibility for maintenance and repairs;
  - v. reallocation of interests in the Common Areas, or to their use;
  - vi. boundaries of any Lot;
  - vii. convertibility of Lots into Common Areas or vice versa;
  - viii. expansion or contraction of the Property or the addition, annexation;
  - ix. insurance or fidelity bonds;
  - x. leasing of Lots;
  - xi. imposition of any restrictions on a Lot Owner's right to sell or transfer his or its Lot;
  - xii. a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder;
  - xiii. restoration or repair of Improvements to the Lots or Common Areas (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
  - xv. any action to terminate the legal status of the Association after substantial destruction or condemnation occurs; or
  - xvi. any provisions that expressly benefit mortgage holders, insurers, or guarantors.
- b. Each Eligible Mortgage Holder shall have one vote for each Lot encumbered by its mortgage.
- c. First Mortgagees shall have the right to examine the books and records of the Association at reasonable times during normal business hours.
- d. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance

coverage on the lapse of a policy for the Common Areas, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

e. Any First Mortgagee, at its written request, shall be entitled to written notice from the Board of any default by the mortgagor of such Lot in the performance of such mortgagor's obligations hereunder or under the By-Laws or rules and regulations of the Association which is not cured within thirty (30) days.

f. Neither Owner nor the Association shall cancel (or cause to be canceled) the terms of this Declaration or dissolve (or cause to be dissolved) the Association without the prior written consent of Eligible Mortgage Holders representing Lots holding at least 75% of the Shares.

#### 14. Amendments.

a. The provisions of Section 1, Section 4, paragraph (d) of Section 7, Section 17 and this Section of this Declaration may be amended only by an instrument in writing setting forth such amendment, signed and acknowledged by the duly authorized officers of the Association, all of the Lot Owners and all First Mortgagees having liens of record against any Lots.

b. Amendments to divide or combine Lots as provided in Section 16 hereof shall be approved in accordance with the terms of such Section.

c. Amendments to designate previously undesignated portions of the Property as either Lots or Common Areas shall be effective upon recording an instrument in writing signed and acknowledged by Owner including amended Exhibits as appropriate. Each Lot Owner's Share shall automatically adjust when and as the number of Lot Owners changes.

d. All other provisions of this Declaration may be amended by an instrument in writing setting forth such amendment, signed and acknowledged by the duly authorized officers of the Association and accompanied by a certificate signed by such officers stating that Lot Owners whose Shares aggregate at least 75% of the Shares have approved such amendment, provided, no amendment to Section 1 and 8 a may be adopted without the consent of Lot Owner. Notwithstanding the foregoing, however, until the first annual meeting of Lot Owners is called, Owner, or its successors or assigns, shall have the right from time to time to change or modify this Declaration; provided that such right shall only be exercised (i) to conform the Declaration to the requirements of FHLMC, FNMA, HUD, FHA or VA, or (ii) to correct clerical or typographical errors in the Declaration. In furtherance of the foregoing, a power coupled with an interest in



hereby reserved and granted to Owner to make any change or modification as authorized hereunder on behalf of each Lot Owner as attorney-in-fact for such Lot Owner. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to Owner as aforesaid. In addition, an amendment to Section 5, Section 7(c) or Section 15 shall be effective without Owner's consent.

e. Notwithstanding any provision to the contrary in this Section 14 or in Section 7, no amendment to this Declaration or its exhibits that affects any rights of the City as set forth in this Declaration at the time of its initial recordation shall be effective unless such amendment is approved by a resolution of the corporate authorities of the City.

f. All amendments shall be effective upon recording in the office of the Recorder of Deeds of Lake County, Illinois.

15. Intentionally Omitted.

16. Division or Combination of Lots.

a. Any Lot Owner or Lot Owners may, with the consent of the Association, divide or combine any Lot or Lots owned by it or them; provided such division or combination also is permitted pursuant to the applicable zoning and building ordinances of the City. The Board on behalf of the Association, shall withhold its consent if it believes such division or combination not to be in the interest of the Association. The Share of the Lot or Lots which have been created by such division or combination, as the case may be, shall be allocated by the Lot Owner or Lot Owners of such Lots on an equitable basis. Any such division or combination shall be subject to such reasonable rules and regulations as the Committee may adopt with respect thereto.

b. The legal description of the Lots, as divided or combined under paragraph (a) of this Section 16 and their reallocated Shares shall be set forth in an amendment to this Declaration signed by such affected Lot Owner or Lot Owners and duly authorized officers of the Association, and which amendment shall amend Exhibit A to reflect the revised legal descriptions of the Lots. Said division or combination shall be effective upon the recording of such amendment to Declaration in the office of the Recorder of Deeds of Lake County, Illinois.

17. Lease of Lots. Any lease agreement between a Lot Owner and a lessee shall be in writing, shall be for a term of not less than one (1) year, and shall provide that the terms of such lease are subject in all respects to the provisions of this Declaration and the Articles of

Incorporation, By-Laws and rules and regulations of the Association and that failure by the lessee to comply with the terms of such documents, rules and regulations shall be a default under the lease. Other than the foregoing, there is no restriction on the right of any Lot Owner, including Owner, to lease any Lot it owns.

18. Remedies

a. In the event of a violation by a Lot Owner of the provisions, covenants or restrictions of this Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the Board, upon not less than ten (10) days' prior written notice, shall have the right to enter upon that part of the Property where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach. Any and all expenses in connection with the exercise of the right provided by this Section shall be charged to and assessed against the violating Lot Owner.

b. If any Lot Owner (either by his own conduct or by the conduct of any other occupant of his Lot) shall violate any of the covenants or restrictions or provisions of this Declaration, the By-Laws, or the rules or regulations adopted by the Board, and such violation shall not be cured within thirty (30) days after notice in writing from the Board, or shall reoccur more than once thereafter, then the Board shall have the power to issue to said defaulting Lot Owner a 10-day notice in writing to terminate the rights of said defaulting Lot Owner to continue as a Lot Owner and to continue to occupy, use, or control his Lot and thereupon an action may be filed by the Board against said defaulting Lot Owner for a decree declaring the termination of said defaulting Lot Owner's right to occupy, use or control the Lot owned by him on account of said violation, and ordering that all the right, title, and interest of said defaulting Lot Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and other terms as the court shall determine equitable. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Lot Owner in the decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the defaulting Lot Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Lot and to immediate possession of the Lot sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the Lot so purchased subject to this Declaration.

c. In addition to or in conjunction with the remedies set forth above, in the event of a violation by a Lot Owner of this Declaration, the By-Laws, or rules and regulations of the Board, the Board or its agents shall have the right to bring an action at

law or in equity against the Lot Owner and/or others as permitted by law including, without limitation, (i) to foreclose the lien against the Lot (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof, (iv) for any combination of the remedies set forth in this Section 18, or (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Section 18 may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

d. All expenses incurred by the Board in connection with the actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Section, including without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest legal contract rate of interest then permitted in Illinois until paid but not to exceed eighteen percent (18%) per annum, shall be charged to and assessed against the defaulting Lot Owner, and the Association shall have a lien for all the same upon his Lot.

e. The provisions contained in this Declaration and the rules and regulations adopted hereunder may be enforced by any proceeding at law or in equity by any aggrieved Lot Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Lot to enforce any lien created hereunder.

19. General Provisions. Owner hereby reserves the right, from time to time, for and on behalf of the Association, to engage a manager for the Association and its property during all or any portion of the period during which Owner has the right to appoint directors as provided in Section 7(c). Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

20. Severability. The invalidity of any restriction hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and all of the terms hereof are hereby declared to be severable.

21. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purposes. The terms and provisions of this Declaration shall control in the event of any inconsistency between this Declaration, on the one hand, and the Articles of Incorporation and the By-Laws on the other hand.

22. Trustees. If title to any Lot should be conveyed to a land title holding trust under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against such Lot. No claims shall be made against any such title holding trustee personally for payment of any such obligations, lien or indebtedness, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien upon the Lot, notwithstanding any transfer of the beneficial interest or title in such Lot.

23. Violation of Certain Rules. If any of the options, privileges, covenants, or rights created by this Declaration should be unlawful or void for violation of (a) the rule against perpetuities or some other or analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of Richard Cheney, the now incumbent Vice President, or George W. Bush, the now incumbent President, of the United States.

24. Abrogation of the Declaration. This Declaration may be abrogated upon recommendation by the Board and approval of all Lot Owners, and all mortgagees with then existing recorded liens on the Property. Such abrogation shall be evidenced by an instrument setting forth such abrogation signed by the duly elected officers of the Association, all Lot Owners and any such mortgagees, and shall be effective upon recording of the same in the office of the Recorder of Deeds of Lake County, Illinois. All property then owned by the Association shall be disposed of as provided in the By-Laws.

All covenants created pursuant to Section 4 of this Declaration and in use as of the date of the recording of such instrument shall remain in full force and effect until vacated by all parties having an interest therein.

25. Rights of the City. Notwithstanding any other provision in this Declaration, the City shall have the right (but not the obligation) to enforce, or cure any violation of, the provisions of Sections 3, 4, 6, or 7(a) of this Declaration. In furtherance of the foregoing, the City shall have the right (but not the obligation) either to: (a) enter upon the Property (either directly or through its agents) to take corrective action to cure any such violations; or (b) to enforce this Declaration (i) against any Lot Owner in the same manner as the Association pursuant to this Declaration, or (ii) against the Association by any means that the City may elect in its sole discretion. In the event that the City undertakes any such corrective or enforcement action, the Association shall be required to reimburse the City for any and all of the City's costs or expenses incurred in connection therewith (including without limitation costs of collection and reasonable attorneys' fees). Any such reimbursement shall be due within 30 days after the City

delivers notice to the Association in the manner set forth in this Declaration. If the Association fails to reimburse the City within such 30-day time period, the City shall be entitled to interest on any amounts overdue at a rate of 12% per annum.

26. Transferability of Owner's Rights. All Owner's Rights shall be mortgageable, pledgeable, assignable or transferable. The Owner shall have the right to assign some or all of the Owner's Rights reserved or granted hereunder to Owner, subject to the following:

a. Owner may assign to a Person which acquires title to a portion of the Property the non-exclusive right to exercise some or all of the Owner's Rights, subject to such terms, conditions and limitations as the Owner shall deem appropriate.

b. Any Owner's Rights may be collaterally assigned by the Owner to a lender which makes a development or construction loan to Owner with respect to a portion of the Property.

27. Limitation of Liability. The liability of Owner under this Declaration shall be limited to and enforceable solely against the interest of the Owner in the Property and not against any other assets of Owner.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed on the day and year first above written.

LAKE FOREST ESTATES, L.L.C., an Illinois limited liability company

By: CENTRUM LAKE FOREST, L.L.C., an Illinois limited liability company, its Operating Member

By:   
Name: John McInerney  
Title: Manager

STATE OF ILLINOIS )  
COUNTY OF Cook ) ss

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that John McInerney as one of the Managers of Centrum Lake Forest, L.L.C., an Illinois limited liability company and the Operating Member of Lake Forest Estates, L.L.C., an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such

Manager he signed and delivered the said instrument as a Manager of said limited liability company as his free and voluntary act, and as the free and voluntary act and deed of said limited liability company, as the Operating Member of Lake Forest Estates, L.L.C., an Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20 day of November, 2008.

*Tiffany Rae Serene*



Notary Public

CONSENT OF MORTGAGEE

Wells Fargo Bank, N.A. ("Lender"), holder of a note secured by a mortgage on the Property dated December 21, 2006 and recorded with the Recorder of Deeds of Lake County, Illinois on January 3, 2007 as Document No. 2007-6116235, hereby consents to the execution of and recording of the foregoing Declaration of Easements, Restrictions and Covenants for The Residences at Willow Lakes Homeowners Association.

IN WITNESS WHEREOF, Lender has caused this instrument to be signed by its duly authorized officers on its behalf on this 24<sup>th</sup> day of November, 2008.

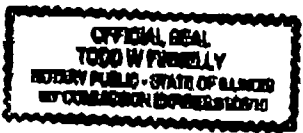
WELLS FARGO BANK, N.A., a national banking association

By: [Signature]  
Name: MILDA S RASZKIEWICZ  
Title: SVP

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

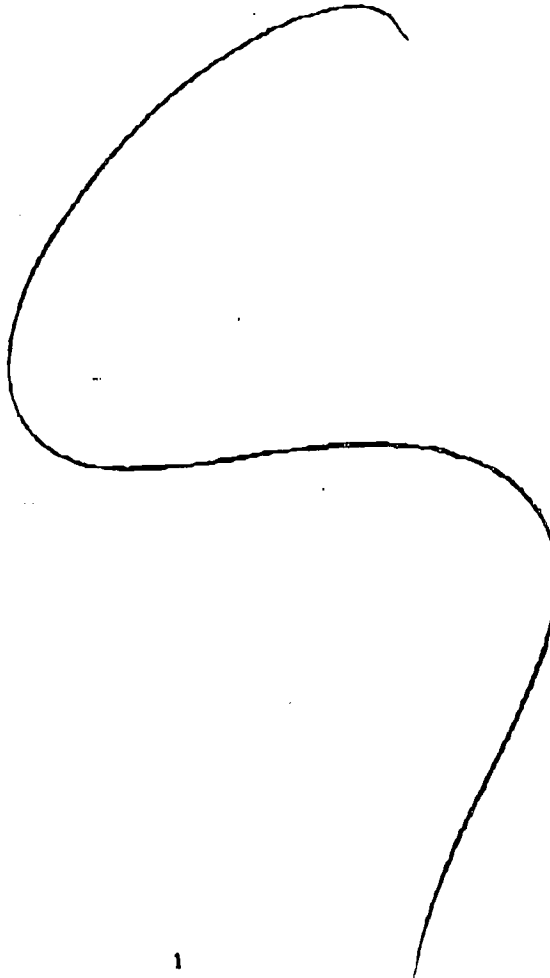
I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that MILDA S. RASZKIEWICZ, a VICE PRESIDENT of Wells Fargo Bank, N.A., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument as his or her free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24<sup>th</sup> day of November, 2008.



[Signature]  
Notary Public

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**  
**SEE ATTACHED**



1



**PARCEL 1:**

LOTS 1 THROUGH 53 IN THE RESUBDIVISION OF LOT 1 IN THE FINAL PLAT OF WILLOW LAKES FARM AT LAKE FOREST, BEING A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 30, TOWNSHIP 44 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF RESUBDIVISION RECORDED AUGUST 29, 2008 AS DOCUMENT 0286247, IN LAKE COUNTY, ILLINOIS.

**PARCEL 2:**

A PERPETUAL EASEMENT AND RIGHT OF WAY FOR THE BENEFIT OF PARCEL 1, AS CONVEYED AND GRANTED TO MARSHALL FIELD, JR., BY CITY NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE, BY THAT CERTAIN DEED DATED MARCH 29, 1954, AND RECORDED WITH THE RECORDER OF DEEDS OF LAKE COUNTY, ILLINOIS, AS DOCUMENT NO. 819877, FROM TIME TO TIME, AND AT ALL TIMES, TO GO UPON, PASS OVER AND REPASS, BY ANY MEANS WHATSOEVER FOR PURPOSES OF PLEASURE OR RECREATION, AND FOR THE PURPOSE OF MAINTAINING, RESTORING, AND REPAIRING THE LAKES HERENAFTER REFERRED TO, AND ANY DAMS, BRIDGES OR OTHER IMPROVEMENTS AT ANY TIME, UPON, APPURTENANT OR INCIDENT TO THE PROPERTY KNOWN AND DESCRIBED AS EAST LAKE AND WEST LAKE, BEING LOCATED IN THE SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 44 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS, SUCH EASEMENT AND RIGHT OF WAY TO BE HELD AND ENJOYED IN COMMON, HOWEVER, WITH LAKE FOREST ACADEMY, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, LOCATED IN LAKE COUNTY, ILLINOIS, ITS SUCCESSORS, GRANTEEES AND ASSIGNS, OWNERS, TENANTS AND OCCUPIERS, FROM TIME TO TIME, OF ALL OR ANY PART OF THE PREMISES OWNED BY SAID LAKE FOREST ACADEMY AT THE TIME OF DELIVERY OF THAT CERTAIN DEED DATED MARCH 5, 1951, AND RECORDED WITH THE RECORDER OF DEEDS OF LAKE COUNTY, ILLINOIS, AS DOCUMENT 721888, AND ITS RESPECTIVE AGENTS, EMPLOYEES, SERVANTS, FAMILIES, GUESTS AND OTHER LICENSEES, AND IN COMMON WITH THE OWNERS, TENANTS AND OCCUPIERS FROM TIME TO TIME OF ALL OR ANY PART OF THE PREMISES CONVEYED TO SAID MARSHALL FIELD, JR., BY SAID DEED RECORDED AS DOCUMENT 819877, AND THEIR RESPECTIVE AGENTS, EMPLOYEES, SERVANTS, FAMILIES, GUESTS AND LICENSEES, SUBJECT TO THE AGREEMENT BETWEEN SAID LAKE FOREST ACADEMY AND THE GRANTEE UNDER SAID DEED RECORDED AS DOCUMENT NO. 721888 AND TO THE AGREEMENT BETWEEN THE GRANTEE AND MARSHALL FIELD, JR., UNDER SAID DEED RECORDED AS DOCUMENT 819877, THEIR RESPECTIVE HEIRS, DEVISEES, GRANTEEES, SUCCESSORS AND ASSIGNS, THAT THEY SHALL AT NO TIME OPERATE ANY MOTOR OR POWER BOATS ON SAID LAKES AND SHALL AT NO TIME DISCHARGE ANY SEWAGE FROM THEIR RESPECTIVE PROPERTIES INTO SAID EAST LAKE OR WEST LAKE.

**PARCEL 3:**

A PERPETUAL EASEMENT AND RIGHT OF WAY OVER AND ACROSS THE PREMISES HERENAFTER DESCRIBED FOR THE BENEFIT OF PARCEL 1 TO CONNECT A ROAD LOCATED AT APPROXIMATELY THE SOUTHEAST CORNER OF SAID PARCEL 1 WITH STATE BOND ISSUE ROUTE 68A, AND FROM TIME TO TIME, AND AT ALL TIMES, TO GO UPON, PASS OVER AND REPASS, (BY ANY MEANS WHATSOEVER AND FOR ANY LAWFUL PURPOSE, INCLUDING FOR THE PURPOSE OF MAINTAINING, REPAIRING AND RESTORING THE ROADWAY, PARKWAY-LANDSCAPING AND RAIL FENCE LOCATED WITHIN OR ALONG THIS PARCEL 3) THE PREMISES LEGALLY DESCRIBED AS FOLLOWS: A TRACT OF LAND 35 FEET IN WIDTH LYING WESTERLY OF AND ADJOINING THE WESTERLY LIMITS OF THE PREMISES CONVEYED BY MARSHALL FIELD, JR. AND KATHERINE W. FIELD, HIS WIFE, TO JAMES A. CAMPBELL AND ELDA C. CAMPBELL, HIS WIFE, BY SPECIAL WARRANTY DEED DATED JULY 1, 1953 AND RECORDED JULY 27, 1953, AS DOCUMENT 876386, BETWEEN THE SOUTHERLY LINE OF THE PREMISES HERENAFTER DESCRIBED AS PARCEL 1 AND THE SOUTH LINE OF THE SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 44 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LAKE COUNTY, ILLINOIS, WHICH WESTERLY LIMITS OF THE PREMISES CONVEYED TO JAMES A. CAMPBELL AND ELDA C. CAMPBELL, HIS WIFE, ARE DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE SOUTHERLY WATER'S EDGE OF EAST LAKE, SAID POINT BEING 471.67 FEET WEST OF THE EAST LINE AND 1,134.89 FEET NORTH OF THE SOUTH LINE OF SAID

CECALD

SOUTH EAST 1/4 OF SECTION 36, MEASURED PERPENDICULARLY TO SAID LINES; TURNING THENCE SOUTH 23 DEGREES 30 MINUTES WEST, A DISTANCE OF 212.13 FEET TO A POINT; THENCE SOUTHERLY (ALONG A LINE 16 FEET EASTERLY FROM THE CENTER LINE OF A WINDING PRIVATE ROAD TO THE PRESENT HIGHWAY ON THE SOUTH LINE OF THE SOUTH EAST 1/4 OF SAID SECTION 36) ALONG THE ARC OF A CIRCLE CONVEX TO THE EAST, HAVING A RADIUS OF 193.00 FEET, A DISTANCE OF 82.31 FEET TO A POINT OF TANGENT; THENCE SOUTH 4 DEGREES 19 MINUTES 10 SECONDS EAST, A DISTANCE OF 86.27 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE WEST, HAVING A RADIUS OF 206.00 FEET, A DISTANCE OF 122.00 FEET TO A POINT OF TANGENT; THENCE SOUTH 29 DEGREES 3 MINUTES EAST, A DISTANCE OF 81.03 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 397.83 FEET, A DISTANCE OF 84.48 FEET TO A POINT OF TANGENT; THENCE SOUTH 16 DEGREES 41 MINUTES 36 SECONDS EAST, A DISTANCE OF 164.70 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE EAST, HAVING A RADIUS OF 116.90 FEET, A DISTANCE OF 112.28 FEET TO A POINT OF TANGENT; THENCE SOUTH 30 DEGREES 20 MINUTES 40 SECONDS WEST A DISTANCE OF 79.67 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE WEST, HAVING A RADIUS OF 118.11 FEET, A DISTANCE OF 84.86 FEET TO A POINT OF TANGENT; THENCE SOUTH 1 DEGREE 52 MINUTES 10 SECONDS EAST, A DISTANCE OF 83.81 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE SOUTH EAST 1/4 OF SAID SECTION 36; AS CREATED BY SPECIAL WARRANTY DEED DATED SEPTEMBER 29, 1868 AND RECORDED SEPTEMBER 29, 1868 AS DOCUMENT 1318323, IN LAKE COUNTY, ILLINOIS.

## PARCEL 4:

A PERPETUAL EASEMENT AND RIGHT OF WAY FOR THE BENEFIT OF PARCEL 1 FOR THE PURPOSE OF CONTINUING THE USE, AND PRESENTLY PROVIDING FOR THE FUTURE MAINTENANCE, REPAIR, AND REPLACEMENT, OF THE EXISTING WATER, GAS, ELECTRICITY, TELEPHONE AND OTHER UTILITY PIPES, LINES AND CONDUITS RUNNING TO SAID PARCEL 1 (AS SHOWN ON THE SKETCH ATTACHED TO THE SPECIAL WARRANTY DEED RECORDED SEPTEMBER 29, 1868 AS DOCUMENT 1318323 AS EXHIBIT "A"), FROM AND OVER THE PREMISES DESCRIBED IN CONVEYANCE DATED SEPTEMBER 29, 1868, AND RECORDED SEPTEMBER 29, 1868 AS DOCUMENT 1318324 FROM GERTRUDE B. ADAM, A SPINSTER, TO CHICAGO TITLE AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER A TRUST AGREEMENT DATED APRIL 1, 1867 AND KNOWN AS TRUST NO. 38942, AS CREATED BY SPECIAL WARRANTY DEED DATED SEPTEMBER 29, 1868 AND RECORDED SEPTEMBER 29, 1868, AS DOCUMENT 1318323, IN LAKE COUNTY, ILLINOIS.

## PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCEL 7, TO GO OVER, PASS OVER AND REPASS, BY ANY MEANS WHATSOEVER, FOR THE SOLE PURPOSE OF PLANTING, RE-PLANTING, WATERING, PRUNING, CARING FOR, REPLACING AND REMOVING AND IN ANY MANNER OTHERWISE DEALING WITH TREES UPON AND WITHIN THE 20 FOOT PARCEL OF LAND LYING SOUTHERLY AND WESTERLY ALONG AND CONTIGUOUS TO THE SOUTHERN AND WESTERN BOUNDARIES OF PARCEL 7, AS CONTAINED IN THE AGREEMENT MADE BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1867 AND KNOWN AS TRUST NO. 38942, CONWAY FARMS, AN ILLINOIS GENERAL PARTNERSHIP, AND CHARLES C. FITZGERALD, JR., RECORDED OCTOBER 27, 1881 AS DOCUMENT 2196600, IN LAKE COUNTY, ILLINOIS.

**EXHIBIT**

**LEGAL DESCRIPTION OF COMMON AREAS**

**LOT 1 IN THE RESUBDIVISION OF LOT 1 IN THE FINAL PLAT OF WILLOW LAKES FARM AT LAKE FOREST, BEING A SUBDIVISION OF THE SOUTHEAST ¼ OF SECTION 36, TOWNSHIP 44 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF RESUBDIVISION RECORDED AUGUST 29, 2008 AS DOCUMENT 6986247, IN LAKE COUNTY, ILLINOIS.**

EXHIBIT C-1

EASEMENT PARCEL

The portions of the Property over which easements were granted pursuant to the Plat recorded in the Office of the Recorder of Deeds of Lake County, Illinois on December 28, 2006 as Document No. 611253 and the Plat recorded August 29, 2008 as Document No. 6386247.

EXHIBIT C-2

LAKES ACCESS EASEMENT PARCEL

A PERPETUAL EASEMENT AND RIGHT-OF-WAY FOR THE BENEFIT OF PARCEL 1, AS CONVEYED AND GRANTED TO MARSHALL FIELD, JR., BY CITY NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE, BY THAT CERTAIN DEED DATED MARCH 23, 1954, AND RECORDED WITH THE RECORDER OF DEEDS OF LAKE COUNTY, ILLINOIS, AS DOCUMENT NUMBER 819877, FROM TIME TO TIME, AND AT ALL TIMES, TO GO UPON, PASS OVER AND REPASS, BY ANY MEANS WHATSOEVER FOR PURPOSES OF PLEASURE OR RECREATION, AND FOR THE PURPOSE OF MAINTAINING, RESTORING, AND REPAIRING THE LAKES HEREINAFTER REFERRED TO, AND ANY DAMS, BRIDGES OR OTHER IMPROVEMENTS AT ANY TIME, UPON, APPURTENANT OR INCIDENT TO THE PROPERTY KNOWN AND DESCRIBED AS EAST LAKE AND WEST LAKE, BEING LOCATED IN THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 44 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN LAKE COUNTY, ILLINOIS. SUCH EASEMENT AND RIGHT-OF-WAY TO BE HELD AND ENJOYED IN COMMON, HOWEVER, WITH LAKE FOREST ACADEMY, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, LOCATED IN LAKE COUNTY, ILLINOIS, ITS SUCCESSORS, GRANTEEES AND ASSIGNS, OWNERS, TENANTS AND OCCUPIERS, FROM TIME TO TIME, OF ALL OR ANY PART OF THE PREMISES OWNED BY SAID LAKE FOREST ACADEMY AT THE TIME OF DELIVERY OF THAT CERTAIN DEED DATED MARCH 5, 1951, AND RECORDED WITH THE RECORDER OF DEEDS OF LAKE COUNTY, ILLINOIS, AS DOCUMENT NUMBER 722686, AND ITS RESPECTIVE AGENTS, EMPLOYEES, SERVANTS, FAMILIES, GUESTS AND OTHER LICENSEES, AND IN COMMON WITH THE OWNERS, TENANTS AND OCCUPIERS FROM TIME TO TIME, OF ALL OR ANY PART OF THE PREMISES CONVEYED TO SAID MARSHALL FIELD, JR., BY SAID DEED RECORDED AS DOCUMENT NUMBER 819877, AND THEIR RESPECTIVE AGENTS, EMPLOYEES, SERVANTS, FAMILIES, GUESTS, AND LICENSEES, SUBJECT TO THE AGREEMENT BETWEEN SAID LAKE FOREST ACADEMY AND THE GRANTEE UNDER SAID DEED RECORDED AS DOCUMENT NUMBER 722686 AND TO THE AGREEMENT BETWEEN THE GRANTOR AND MARSHALL FIELD, JR., UNDER SAID DEED RECORDED AS DOCUMENT NUMBER 819877, THEIR RESPECTIVE HEIRS, DEVISEES, GRANTEEES, SUCCESSORS AND ASSIGNS, THAT THEY SHALL AT NO TIME OPERATE ANY MOTOR OR POWER BOATS ON SAID LAKES AND SHALL AT NO TIME DISCHARGE ANY SEWAGE FROM THEIR RESPECTIVE PREMISES INTO SAID EAST LAKE OR WEST LAKE.

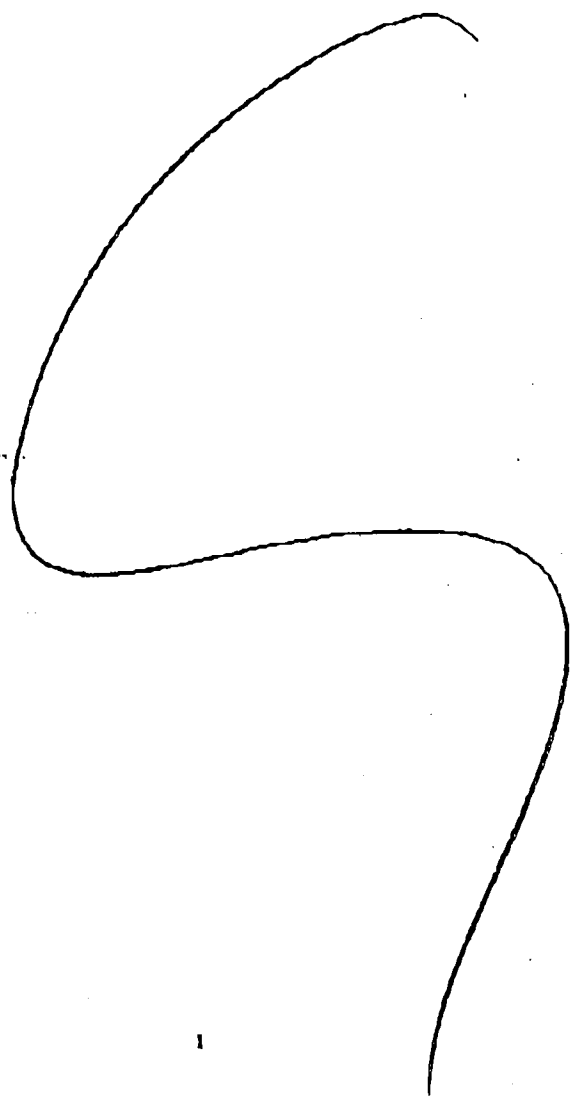
EXHIBIT C-3

ROAD EASEMENT PARCEL

PARCEL 3:

A PERPETUAL EASEMENT AND RIGHT-OF-WAY OVER AND ACROSS THE PREMISES HEREINAFTER DESCRIBED FOR THE BENEFIT OF PARCEL 1 TO CONNECT A ROAD LOCATED AT APPROXIMATELY THE SOUTHEAST CORNER OF SAID PARCEL 1 WITH STATE BOND ISSUE ROUTE 59A AND FROM TIME TO TIME, AND AT ALL TIMES, TO GO UPON, PASS OVER AND REPASS, (BY ANY MEANS WHATSOEVER AND FOR ANY LAWFUL PURPOSE, INCLUDING FOR THE PURPOSE OF MAINTAINING, REPAVING AND RESTORING THE ROADWAY, PARKWAY-LANDSCAPING AND RAIL FENCE LOCATED WITHIN OR ALONG THIS PARCEL 3) THE PREMISES LEGALLY DESCRIBED AS FOLLOWS: A TRACT OF LAND 35 FEET IN WIDTH LYING WESTERLY OF AND ADJOINING THE WESTERLY LIMITS OF THE PREMISES CONVEYED BY MARSHALL FIELD, JR., AND KATHERINE W. FIELD, HIS WIFE, TO JAMES A. CAMPBELL AND ELDA C. CAMPBELL, HIS WIFE, BY SPECIAL WARRANTY DEED DATED JULY 1, 1955, AND RECORDED JULY 27, 1955, AS DOCUMENT NUMBER 675355, BETWEEN THE SOUTHERLY LINE OF THE PREMISES HEREINABOVE DESCRIBED AS PARCEL 1 AND THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 44 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LAKE COUNTY, ILLINOIS, WHICH WESTERLY LIMITS OF THE PREMISES CONVEYED TO JAMES A. CAMPBELL AND ELDA C. CAMPBELL, HIS WIFE, ARE DESCRIBED AS FOLLOWS: COMMENCING AT A POINT OF THE SOUTHERLY WATER'S EDGE OF EAST LAKE, SAID POINT BEING 541.62 FEET WEST OF THE EAST LINE AND 1,134.69 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 36, MEASURED PERPENDICULARLY TO SAID LINES; RUNNING THENCE SOUTH 23 DEGREES 30 MINUTES WEST, A DISTANCE OF 212.13 FEET TO A POINT; THENCE SOUTHERLY (ALONG A LINE 15 FEET EASTERLY FROM THE CENTER LINE OF A WINDING PRIVATE ROAD TO THE PRESENT HIGHWAY ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36) ALONG THE ARC OF A CIRCLE CONVEX TO THE EAST, HAVING A RADIUS OF 193.00 FEET, A DISTANCE OF 42.31 FEET TO A POINT OF TANGENT; THENCE SOUTH 4 DEGREES 19 MINUTES 10 SECONDS EAST, A DISTANCE OF 96.27 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE WEST, HAVING A RADIUS OF 296.00 FEET, A DISTANCE OF 122.60 FEET TO A POINT OF TANGENT; THENCE SOUTH 28 DEGREES 3 MINUTES EAST, A DISTANCE OF 81.92 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 391.63 FEET, A DISTANCE OF 84.46 FEET TO A POINT OF TANGENT; THENCE SOUTH 15 DEGREES 41 MINUTES 35 SECONDS EAST, A DISTANCE OF 164.75 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE EAST, HAVING A RADIUS OF 116.90 FEET, A DISTANCE OF 112.29 FEET TO A POINT OF TANGENT; THENCE SOUTH 39 DEGREES 20 MINUTES 40 SECONDS WEST A DISTANCE OF 79.57 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE WEST, HAVING A RADIUS OF 118.11 FEET, A DISTANCE OF 84.96 FEET TO A POINT OF TANGENT; THENCE SOUTH 1 DEGREE 52 MINUTES 10 SECONDS EAST, A DISTANCE OF 93.81 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, AS CREATED BY SPECIAL

WARRANTY DEED DATED SEPTEMBER 29, 1966 AND RECORDED SEPTEMBER 29, 1966 AS  
DOCUMENT NUMBER 1318323, IN LAKE COUNTY, ILLINOIS.



1

EXHIBIT C-4

## TREE PRESERVATION AND REPLACEMENT EASEMENT PARCEL

EASEMENT FOR THE BENEFIT OF PARCEL 1, TO GO OVER, PASS OVER AND REPASS, BY ANY MEANS WHATSOEVER, FOR THE SOLE PURPOSE OF PLANTING, REPLANTING, WATERING, PRUNING, CARING FOR, REPLACING AND REMOVING AND IN ANY MANNER OTHERWISE DEALING WITH TREES UPON AND WITHIN THE 20 FOOT PARCEL OF LAND LYING SOUTHERLY AND WESTERLY ALONG AND CONTIGUOUS TO THE SOUTHERN AND WESTERN BOUNDARIES OF PARCEL 1, AS CONTAINED IN THE AGREEMENT MADE BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1957 AND KNOWN AS TRUST NUMBER 38942, CONWAY FARMS, AN ILLINOIS GENERAL PARTNERSHIP, AND CHARLES C. FITZMORRIS, JR., RECORDED OCTOBER 27, 1981 AS DOCUMENT 2136690, IN LAKE COUNTY, ILLINOIS.





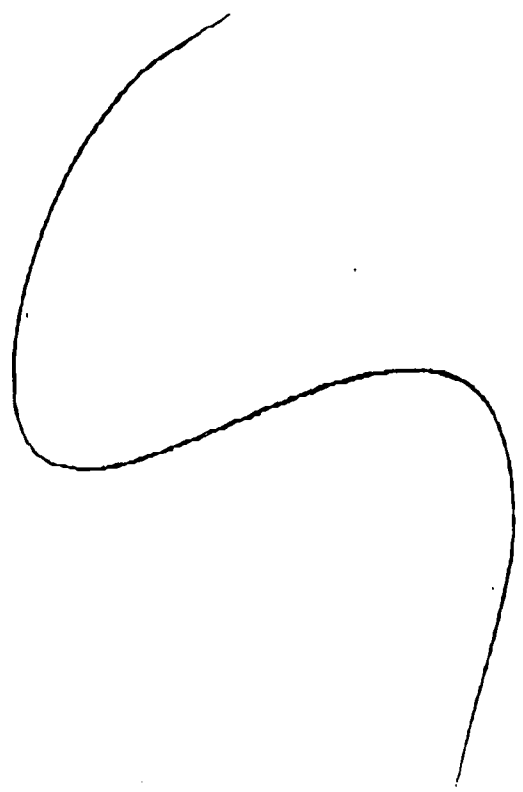
**EXHIBIT C-1****OTHER BASEMENT PARCELS**

A PERPETUAL BASEMENT AND RIGHT-OF-WAY FOR THE BENEFIT OF PARCEL 1 FOR THE PURPOSE OF CONTINUING THE USE, AND PRESENTLY PROVIDING FOR THE FUTURE MAINTENANCE, REPAIR AND REPLACEMENT, OF THE EXISTING WATER, GAS, ELECTRICITY, TELEPHONE AND OTHER UTILITY PIPES, LINES AND CONDUITS RUNNING TO SAID PARCEL 1 (AS SHOWN ON THE SKETCH ATTACHED TO THE SPECIAL WARRANTY DEED RECORDED SEPTEMBER 29, 1966 AS DOCUMENT 1318323 AS EXHIBIT A). FROM AND OVER THE PREMISES DESCRIBED IN CONVEYANCE DATED SEPTEMBER 29, 1966, AND RECORDED SEPTEMBER 29, 1966, AS DOCUMENT 1318324 FROM GERTRUDE M. ADAM, A SPINSTER, TO CHICAGO TITLE AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER A TRUST AGREEMENT DATED APRIL 1, 1957 AND KNOWN AS TRUST NUMBER 38942 AS CREATED BY SPECIAL WARRANTY DEED DATED SEPTEMBER 29, 1966 AND RECORDED SEPTEMBER 29, 1966, AS DOCUMENT 1318323, IN LAKE COUNTY, ILLINOIS.

EXHIBIT D

ARTICLES OF INCORPORATION OF THE RESIDENCES AT WILLOW LAKES HOMEOWNERS  
ASSOCIATION

SEE ATTACHED



FORM NFP 102.10  
ARTICLE OF INCORPORATION  
General Not For Profit Corporation Act  
File # 68912809

Filing Fee: 880  
Approved By: MJE

FILED  
OCT 09 2008  
James White  
Secretary of State

Article 1.  
Corporate Name: THE RESIDENCES AT WILLOW LAKES HOMEOWNERS ASSOCIATION

Article 2.  
Registered Agent: MARY KOBERSTEIN

Registered Office: 226 W HUBBARD ST FL 4  
CHICAGO IL 60664-4816 COOK COUNTY

Article 3.  
The first Board of Directors shall be 3 in number, their Names and Addresses being as follows:  
JOHN MCLINDEN 226 W. HUBBARD CHICAGO, IL 60664  
ARTHUR SLAVEN 226 W. HUBBARD CHICAGO, IL 60664  
NICK STOCKING 226 W. HUBBARD CHICAGO, IL 60664

Article 4. Purpose(s) for which the Corporation is organized:  
Administration and operation of property owned on a condominium basis or by a homeowners association.

Is this Corporation a Condominium Association as established under the Condominium Property Act?  Yes  No  
Is this a Cooperative Housing Corporation as defined in Section 218 of the Internal Revenue Code of 1984?  Yes  No  
Is this Corporation a Homeowner's Association, which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure?  Yes  No

Article 5. Name & Address of Incorporator  
The undersigned Incorporator hereby declares, under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

TIFFANY SERENS 226 W HUBBARD 4TH FL  
Name Street  
OCTOBER 08 2008  
Date Month & Day Year CHICAGO, IL 60664  
City, State, ZIP

THIS DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED, AS PROVIDED BY SECTION 101.10 OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE. FOR FURTHER INFORMATION CONTACT YOUR COUNTY RECORDER OF DEEDS OFFICE.  
This document was created electronically at www.eboardinstitute.com

EXHIBIT E

## BY-LAWS OF THE RESIDENCES AT WILLOW LAKES HOMEOWNERS ASSOCIATION

ARTICLE I  
PURPOSES

The purposes of The Residences at Willow Lakes Homeowners Association (the "Association") are as stated in its Articles of Incorporation. Committees appointed by the Board shall also have such powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois.

ARTICLE II  
OFFICES

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

ARTICLE III  
MEMBERS

**SECTION 1. CLASSES OF MEMBERS, MEMBERSHIP AND TERMINATION THEREOF.** The Association shall have one (1) class of Members. The designation of such class and the qualifications of the Members of such class shall be as follows:

Each Lot Owner as defined and set forth in the Declaration of Easements, Covenants and Restrictions for the Residences at Willow Lakes Homeowners Association to which these By-Laws are attached as Exhibit E (the "Declaration") shall automatically be a Member of the Association, which membership shall terminate upon the sale or other disposition of such Member's Lot, at which time the new Lot Owner shall automatically become a Member of the Association. Such termination shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association. Furthermore, such termination shall not impair any rights or remedies which the Board or others may have against such former Lot Owner and Member arising out of, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be issued by the Association.

**SECTION 2. VOTES AND VOTING RIGHTS.**

A. The total number of votes of all Members shall be 100. Each Member shall be entitled to the number of votes equal to the Share of his Lot at the time any matter is submitted to a vote of the Members.

B. If a Lot is owned by more than one (1) person, the voting rights with respect to such Lot shall not be divided, but shall be exercised as if the Lot Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Lot Owner.

C. If a Lot is sold by a Member other than Developer pursuant to an installment sales contract, the purchaser of such Lot shall, during times as he or she resides on the Lot, be counted towards a quorum for purposes of election of the Board, be allowed to serve on the Board, and shall have the exclusive right to vote on behalf of such Lot, unless the seller has retained any of those rights in writing. In no event may such a seller and such a purchaser both be counted towards a quorum, be permitted to vote, or be elected to serve on the Board.

D. Any specified percentage of the Members, whether majority or otherwise, for purposes of voting and for any other purpose, wherever provided in these By-Laws or the Declaration, shall mean such percentage of the total number of votes hereinabove set forth.

SECTION 3. TRANSFER OF MEMBERSHIP. Membership in the Association is not transferable or assignable, except as provided in ARTICLE III, SECTION 1 hereof.

#### ARTICLE IV MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. The initial meeting of Members to elect an initial Board shall be held in accordance with the provisions of Article V, Section 4 hereof. Thereafter, an annual meeting of the Members shall be held on the first Tuesday of June in each year for the purpose of electing directors (subject to the provisions of Article V of these By-Laws) and for the transaction of such other business as may come before the meeting. If such day is a legal holiday, the meeting shall be held on the next succeeding business day. If the annual meeting shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the Members called as soon thereafter as is convenient.

SECTION 2. SPECIAL MEETING. Special meetings of the Members may be called by the President, by a majority of the members of the Board or by not less than thirty-three and one-third per cent (33-1/3%) of the Members. Notices for special meetings shall specify the matters to be considered at such special meetings, and such special meetings shall be limited to consideration of the matters so specified in the notices.

**SECTION 3. PLACE AND TIME OF MEETING.** All meetings of the Members shall take place at 8:00 P.M. in some section of the Property designated by the person or persons calling the meeting, or at such other reasonable place or time designated by the person or persons calling the meeting.

**SECTION 4. NOTICE OF MEETINGS.** Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary, or the officers or persons calling the meeting. If mailed, the notice of a meeting shall be deemed delivered one (1) day after it is deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

**SECTION 5. QUORUM.** The Members holding 25% of the votes which may be cast at any meeting shall constitute a quorum at such meeting, provided that if an insufficient number of Members are present to constitute a quorum, a majority of the Members present at the meeting may adjourn the meeting from time to time without further notice.

**SECTION 6. PROXIES.** At any meeting of Members, a Member entitled to vote may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. If a Lot is owned by a land trust and the trustee designates a person to cast votes on behalf of such Member, then such designation shall remain in effect until a subsequent designation document is filed with the Association. If a Lot is owned by Developer or some other legal entity other than a trust or individual, the duly appointed agent of such Lot Owner shall be entitled to cast votes on behalf of such Member.

#### **ARTICLE V BOARD OF DIRECTORS**

**SECTION 1. GENERAL POWERS.** The affairs of the Association shall be managed by its Board. Except as expressly provided to the contrary in the Declaration or in these By-Laws, all of the rights, powers, options, duties and responsibilities of the Association shall be performed by the Board, provided the Board may delegate specific power and responsibilities to committees composed of less than all members of the Board established by resolution of the Board.

#### **SECTION 2. SPECIFIC POWERS.**

A. The Board, on behalf of the Association, shall have the power without the approval of the Members:

- i. To engage the services of a manager or managing agent, who may be any person, firm or corporation (including Developer or a related Person), upon such terms and compensation as the Board deems fit, and to remove such manager or managing agent at any time, in accordance with the terms of any management agreement executed from time to time by the Board;
- ii. To engage the services of any persons (including but not limited to accountants and attorneys) deemed necessary by the Board at such compensation as the Board deems reasonable, for the operation, repair, maintenance and management of the Common Areas and to carry on the business of the Association, and to remove, at any time, any such personnel;
- iii. To establish and maintain one or more bank accounts or other depository arrangements for the deposit of any funds paid to, or received by, the Association;
- iv. To borrow funds to pay for capital improvements and the costs of operation or to meet its obligations, which debts may be secured by giving one or more mortgages or trust deeds against all or part of the Common Areas or by giving a security interest in such other property owned by the Association as the Board deems appropriate;
- v. To enter into contracts and, generally to have all powers necessary or incidental to the operation and management of the Association and the Common Areas, or as may be appropriate to carry out all functions authorized to the Association hereunder, including, without limitation, contracts for refuse collection and snow removal for each Lot on behalf of each Lot Owner, the Common Areas and, if necessary, the public rights-of-way dedicated and shown on the Plat;
- vi. To protect the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacement;
- vii. To adopt reasonable rules and regulations to effectuate the purposes and powers of the Association and for the operation and use of the Property and to amend such rules and regulations from time to time, including the reallocation of responsibility for the maintenance of various aspects of the Property.;
- viii. To purchase, own, lease, sell or otherwise deal in and with tangibles, intangibles, personality or real estate in furtherance of its duties and functions;
- ix. To levy and collect, after notice and an opportunity to be heard, reasonable fines from Members for violation of the Declaration, By-Laws, rules or regulations of the Association; and



x. To do all other acts to be done by the Association in furtherance of this Declaration and the By-Laws except in such cases where approval of the Lot Owners or Members is specifically required.

B. The Association shall provide or cause to be provided, and paid for, in addition to the manager, managing agent or other personnel and/or services and materials above provided for, the following:

i. Such insurance as the Board is required or permitted to obtain pursuant to the terms of the Declaration; and

ii. Any other materials, supplies, equipment, furnishings, labor, services, maintenance, repairs and replacements, decorating, cleaning, structural alterations, landscaping, refuse collection, and snow and ice removal, that the Board deems proper for the maintenance and operation of the Common Areas, Lots, the Easement Parcels, and adjoining public streets, alleys, and packways, including all work required by all applicable laws. All work shall be performed in accordance with all applicable law.

C. No judicial or administrative proceedings shall be commenced or prosecuted by the Association without first holding a special meeting of the Members and obtaining the affirmative vote of Members representing at least seventy-five percent (75%) of the total votes represented by all Members to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the provision of the Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover unpaid assessments or other charges or to foreclose a lien for unpaid assessments or other charges) or (b) counterclaims brought by the Association in proceedings instituted against it.

SECTION 9. NUMBER, TENURE AND QUALIFICATIONS. Until the date of the first annual meeting of the Members as hereinabove provided, the number of directors shall be three (3), who shall be the directors named in the Articles of Incorporation or subsequently named or identified by Developer. Until the occurrence of the Transition Event, the directors shall be elected as provided in Section 7 of the Declaration. Commencing with the date of the first annual meeting of the Members to occur after a Transition Event, the number of directors shall be three (3), who shall be elected by the Members as provided herein. Each Director shall hold office without compensation until his successor shall have been elected and qualified. After the occurrence of a Transition Event, only a Member may be a Director of the Association. If a Member is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer, director or duly appointed agent of such corporation,

partner or duly appointed agent of such partnership, beneficiary or individual trustee of such trusts, or manager or duly appointed agent of such other legal entity, may be eligible to serve as a Director. If any such shareholder, partner, beneficiary, trustee, manager or duly appointed agent is in turn a corporation, partnership, trust, or other legal entity, then any shareholder, officer, or director of such corporation or partner of such partnership, beneficiary, or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a Director.

**SECTION 4. ELECTION.** Upon the occurrence of a Transition Event, Developer shall give at least twenty-one (21) days notice to the Members of the meeting to elect the initial Board, and Developer shall, upon request by any Member, provide the names, addresses and Share of each Member within three (3) working days of such request. At the initial meeting of the Members after the occurrence of a Transition Event to elect an initial Board, the five (5) candidates receiving the highest total votes shall be elected to a term expiring at the first annual meeting. At the first annual meeting, the three (3) persons receiving the highest total of votes shall serve for a term of two (2) years; the two (2) persons with the next highest totals shall serve a term of one (1) year. Upon the expiration of the terms of officers of the Board members elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. If there is a vacancy being filled for which the Director originally elected was scheduled to serve for an additional year, the term shall be for one (1) year and shall be filled by the candidate receiving the lowest total votes from among the newly elected directors.

**SECTION 5. REGULAR MEETINGS.** A regular annual meeting of the Board shall be held without further notice other than this By-Law, immediately after, and at the same place as, the annual meeting of Members. The Board may provide by regulations that the Board may, from time to time, adopt the time and place for the holding of additional regular meetings of the Board without other notice than such regulation. All Members shall have the right to attend all regular meetings, but shall not have the right to participate therein.

**SECTION 6. SPECIAL MEETINGS.** Special meetings of the Board may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board may fix any reasonable place and time as the place and time for holding any special meeting of the Board called by them. All Members shall have the right to attend all special meetings, but shall not have the right to participate therein.

**SECTION 7. NOTICE.** Notice of any special meeting of the Board shall be given at least forty-eight (48) hours prior to the date of such meeting by written notice delivered personally or sent by mail to each Director and to each Member. If mailed, such notice shall be deemed to be delivered one (1) day after it is deposited in the United States mail addressed to the Director or Member at his or its address as it appears on the records of the Association with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business

because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws. Copies of notices shall be posted in conspicuous places on the Property at least forty-eight (48) hours prior to the meeting, and the Board may designate one or more locations on the Property where such notices shall be posted.

If a Special Meeting of the Board is called to deal with any matter, for which a delay of two (2) days to comply with the notice requirements herein contained might result in damage to property or injury to any person, then the notice provisions herein contained shall be deemed waived if every Director receives actual notice of such meeting and a good faith effort is made to give every Member actual notice.

**SECTION 8. QUORUM.** A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**SECTION 9. MANNER OF ACTING.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless otherwise provided by law or by these By-Laws.

**SECTION 10. VACANCIES.** Any vacancy occurring in the Board shall be filled by a two-thirds vote of the Board. A Director elected to fill a vacancy shall be elected for a term expiring at the next annual meeting of the Members.

**SECTION 11. REMOVAL.** From and after the date of the first annual meeting of the Members to occur after a Transition Event, any Director may be removed from office by the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all the Members at a special meeting called for such purpose.

**SECTION 12. ADOPTION OF RULES AND REGULATIONS.** All rules and regulations or amendments thereto adopted by the Board shall be effective upon their adoption, provided that the Members may at any time, after the occurrence of the Transition Event, revoke the rule or regulation at a special meeting of the Members called for such purpose, by a vote of seventy-five percent (75%) of all the Members of the Association.

**SECTION 13. ATTENDANCE AT BOARD MEETINGS BY LOT OWNERS.** Owners may attend meetings of the Board only if and to the extent permitted by in its discretion. It is not the intention that Lot Owners shall have the right to attend meetings of the Board in the

same manner as provided for members of condominium associations under the Illinois Condominium Property Act.

#### ARTICLE VI OFFICERS

**SECTION 1. OFFICERS.** The officers of the Association shall be a President, one (1) or more Vice Presidents (the number thereof to be determined by the Board), a Treasurer and a Secretary.

**SECTION 2. ELECTION AND TERM OF OFFICE.** The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board from among the members of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

**SECTION 3. REMOVAL.** Any officer elected by the Board may be removed by a majority vote of the Board.

**SECTION 4. VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

**SECTION 5. PRESIDENT.** The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any amendments to these By-Laws or the Declaration, deeds, mortgages, contracts or other instruments which the Board has authorized to be executed; and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**SECTION 6. VICE PRESIDENT.** In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there shall be more than one (1) Vice President, the Vice Presidents, in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

**SECTION 7. TREASURER.** The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys

due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of ARTICLE VII of these By-Laws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.

**SECTION 8. SECRETARY.** The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

**ARTICLE VI**  
**CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**SECTION 1. CONTRACTS.** The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

**SECTION 2. CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

**SECTION 3. DEPOSITS.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

**SECTION 4. GIFTS.** The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

**ARTICLE VII**  
**BOOKS AND RECORDS**

**SECTION 1. DOCUMENT INSPECTION.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote and all mortgagees who have registered with the Association. The Board shall also maintain copies of the recorded declaration, By-Laws, recorded covenants, articles of incorporation and any amendments thereto. All books and records of the Association may be inspected by any Member, or his agent or attorney for any proper purpose at any reasonable time. Upon ten (10) days' prior notice to the Association, and the payment of a reasonable fee fixed by the Association not to exceed Fifteen Dollars (\$15.00), any Member shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Member, signed by a duly authorized officer of the Association. Failure of the Association to respond to a written request for records within thirty (30) days shall be deemed a denial of such request, and a Member may seek appropriate relief for properly requested records.

**SECTION 2. DOCUMENT RETENTION.** The minutes of all Board meetings shall be retained for not less than seven (7) years. Ballots and proxies shall be retained for not less than one (1) year.

**SECTION 3. DOCUMENTS AVAILABLE.** The Board shall make available for inspection by Members and prospective purchasers from Members upon demand, the following:

- A. A copy of the Declaration, other instruments and any rules and regulations;
- B. A statement of any liens, including a statement of the account of the Lot setting forth the amounts of unpaid assessments and other charges due and owing;
- C. A statement of any capital expenditures anticipated by the Association within the current or succeeding 2 fiscal years;
- D. A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board;
- E. A copy of the statement of financial condition of the Association for the last fiscal year for which such a statement is available;
- F. A statement of the status of any pending suits or judgments in which the Association is a party;

G. A statement setting forth what insurance coverage is provided for all Members by the Association; and

H. A statement that any Improvements or Alterations made to the Lot, or any part of the Common Areas assigned thereto, by the prior Members are in good faith believed to be in compliance with the Declaration.

ARTICLE IX  
FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI  
WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation, these By-Laws or the Declaration, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver, except where such person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XII  
AMENDMENTS TO BY-LAWS

These By-Laws, except this ARTICLE XII, ARTICLE XV and ARTICLE V, Section 2C, may be altered, amended or repealed and new By-Laws may be adopted by the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all of the Members, at a regular meeting or at any special meeting. This ARTICLE XII, ARTICLE XV and ARTICLE V, Section 2C, may be amended only by an instrument in writing setting forth such amendment, signed and acknowledged by the duly authorized officers of the Association, all of the Members of the Association and all mortgagees having bona fide liens of record against any Lot.

ARTICLE XIII  
TERMINATION OF THE ASSOCIATION

In the event of the abrogation of the Declaration, either pursuant to its terms or otherwise, all of the Common Areas and all other property of the Association shall continue to be held by the Association for the benefit of each of the Members in the ratio of their respective Shares. The Association shall, however, liquidate or distribute such property within two years from the date of the recording of the instrument of abrogation. After payment of all obligations of the Association and all expenses of liquidation, the cash proceeds of such liquidation, all other cash held by the Association and all property which has not been liquidated shall be distributed to the Members in proportion to their respective Shares. Any real property being distributed in liquidation shall be transferred to all of the Members as tenants in common, with each Member having an undivided interest in such property equal to such Member's Share. Upon distribution of all property, the Association shall be dissolved.

#### ARTICLE XIV INDEMNIFICATION

The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Board, member of any committee, or officer of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in his favor by reason of the fact that he or she is or was a member of the Board, member of any committee, or an officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association.



To the extent that a member of the Board, member of any committee, or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Any indemnification under the first two paragraphs of this Article shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the member of the Board, member of any committee, or officer of the Association is proper in the circumstances because such person has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the Members of the Association.

#### ARTICLE XV CONSTRUCTION

SECTION 1. Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. The Declaration and these By-Laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these By-Laws and the aforesaid Declaration, the provisions of the Declaration shall control.

SECTION 2. All words and terms used herein which are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

**EXHIBIT E**

**SHARES ASSIGNED BY LOT**

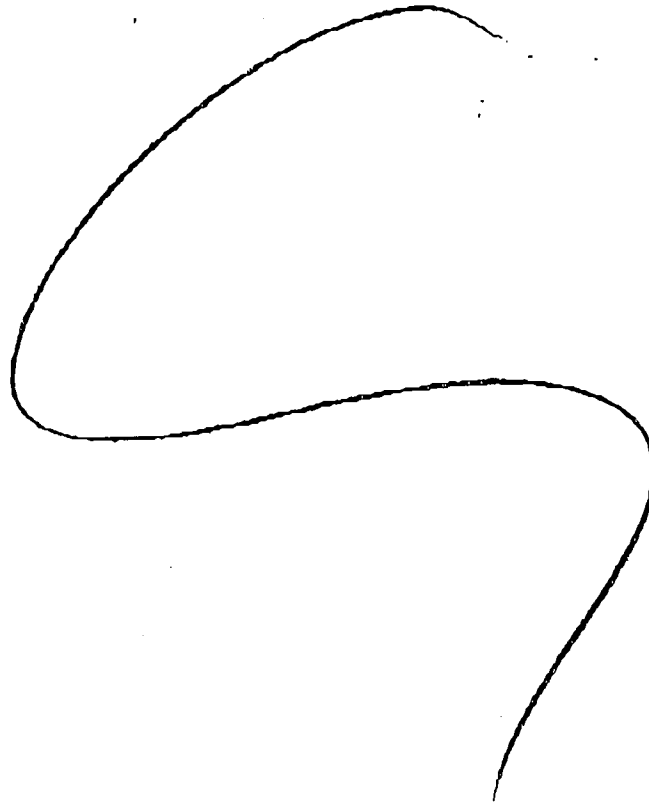
<u>Lot</u>	<u>Share</u>	<u>Lot</u>	<u>Share</u>
2	1.923077%	36	1.923077%
3	1.923077%	37	1.923077%
4	1.923077%	38	1.923077%
5	1.923077%	39	1.923077%
6	1.923077%	40	1.923077%
7	1.923077%	41	1.923077%
8	1.923077%	42	1.923077%
9	1.923077%	43	1.923077%
10	1.923077%	44	1.923077%
11	1.923077%	45	1.923077%
12	1.923077%	46	1.923077%
13	1.923077%	47	1.923077%
14	1.923077%	48	1.923077%
15	1.923077%	49	1.923077%
16	1.923077%	50	1.923077%
17	1.923077%	51	1.923077%
18	1.923077%	52	1.923077%
19	1.923077%		
20	1.923077%		100%
21	1.923077%		
22	1.923077%		
23	1.923077%		
24	1.923077%		
25	1.923077%		
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32	1.923077%		
33	1.923077%		
34	1.923077%		
35	1.923077%		

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**EXHIBIT G**

**SITE PLAN**

See following enc (1) page



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benzton.doc

