

CC&Rs-Condo Declaration
Timberleaf HOA

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR TIMBERLEAF HOMEOWNER'S ASSOCIATION
Originally recorded July 25, 1990 as Document No. 90357534

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR TIMBERLEAF HOMEOWNER'S ASSOCIATION (the "Declaration"), dated this 15th day of April, 1991, is made by Chicago Title and Trust Company, as Trustee under Trust Agreement dated June 5, 1990 and known as Trust No. 1095610 ("Trustee").

RECITALS

1. All capitalized terms used herein shall have the meaning ascribed to them at the first time they are used herein or in the definition set forth in Article One below.
2. The Parcel is a tract of land located in Wheeling, Cook County, Illinois, which is legally described on Exhibit "A" attached hereto, together with rights appurtenant thereto.
3. Trustee intends to, and by Recording this Declaration does, subject and submit that portion of the Parcel known as the Subject Parcel, which is legally described on Exhibit "B" attached hereto, to the provisions of this Declaration.
4. In order to provide for necessary administration, preservation, maintenance and enhancement of those portions of the Parcel, Trustee will form the Residential Association which shall be responsible for the administration, maintenance, repair and replacement of the Common Elements and each Owner of a Dwelling Unit shall be assessed for their share of the cost thereof by the Residential Association based on their membership in the Residential Association.
5. Developer shall retain certain rights set forth in this Declaration. Prior to the Turnover Date, Developer shall retain the right to appoint all members of the Board and the right to use portions of the Parcel for the purposes set forth in Section 2.04 hereof.

NOW, THEREFORE, Trustee hereby declares as follows:

Only the real property legally described in Exhibit "B" and referred to herein as the Subject Parcel is and shall be transferred, held, sold and conveyed subject to the terms and conditions of this Declaration subject to expansion pursuant to Article Eight.

Trustee hereby further declares that the following rights, easements, covenants, restrictions, conditions, burdens, uses, privileges, charges and liens shall, subject to the ordinances and regulations adopted by the Village of Wheeling: (1) exist at all times hereafter among all parties having or acquiring any right, title or interest in or to any portion of the Subject Parcel; (2) be binding upon and inure to the benefit of each Owner; and (3) run with the land subjected to this Declaration, to be held, sold, conveyed and accepted subject hereto.

ARTICLE ONE
Definitions

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

- 1.01 ADDED DWELLING UNIT: As defined in Article Eight of this Declaration.
- 1.02 ADDED SUBJECT PARCELS: As defined in Article Eight of this Declaration.
- 1.03 BOARD: The board of directors of the Residential Association, as constituted at any time or from time to time, in accordance with the applicable provisions of the By-Laws and Article Four hereof.
- 1.04 BY-LAWS: The By-Laws of the Residential Association which are attached hereto as Exhibit "C".
- 1.05 COMMON ELEMENTS: All of the Subject Parcel, except the Dwelling Units, which property shall be conveyed to the Residential Association.
- 1.06 COMMON EXPENSES: The expenses of administration (including management and professional services), maintenance, operation, repair, replacement, waste removal, landscaping, and snow removal for the Common Elements; the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board under Article Five; any necessary utility expenses for the Common Elements; and any expenses designated as Common Expenses by this Declaration or the By-Laws; and any other

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expenses lawfully incurred by the Residential Association for the common benefit of all of the Owners.

1.07 DECLARATION: This instrument with all Exhibits attached hereto, as amended from time to time.

1.08 DEVELOPER: Capitol Homes, Ltd., an Illinois corporation, its successors and assigns.

1.09 DWELLING UNIT: A residential attached single family unit located on the Parcel designed and intended for independent residential use and such other uses permitted hereunder. Each Dwelling Unit shall consist of a residential housing unit designed or intended for use as living quarters for a single family as constructed by Developer on the land on which such Unit is located.

1.10 FAMILY: One or more persons each related to the other by blood, marriage, or law, together with their respective spouses, who are living together, and up to and including three (3) persons not so related, provided that such persons maintain a common household. A Family includes any domestic servant and not more than one gratuitous guest residing with the Family; such servant and guest shall be included in the unrelated persons allowed by this definition, and shall not be in addition thereto.

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

1.12 OWNER: A record owner, whether one or more Persons, of fee simple title to any Dwelling Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Trustee shall be deemed to be an Owner with respect to each Dwelling Unit owned by Trustee.

1.13 PARCEL: The real estate described on Exhibit "A" hereto with all improvements thereon and rights of appurtenant thereto.

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

1.15 PLAT: The proposed plat of subdivision attached and hereafter attached as Exhibit "D" hereto, and such other plats as may be made a part hereof.

1.16 RECORD: To record with the Recorder of Deeds of Cook County, Illinois.

1.17 RESIDENTIAL ASSOCIATION: The Timberleaf Homeowner's Association, an Illinois not-for-profit corporation, formed pursuant to the Illinois General Not-For-Profit Corporation Act, its successors and assigns.

1.18 SUBJECT PARCEL: That portion of the Parcel subject to the provisions of this Declaration.

1.19 SUPPLEMENTAL DECLARATIONS: As defined in Article 8 of this Declaration.

1.20 TRUSTEE: Chicago Title and Trust Company, not individually but solely as Trustee under Trust Agreement dated June 5, 1990 and known as Trust No. 1095610, its successors and assigns.

1.21 TURNOVER DATE: The date on which the right of Developer to designate the members of the Board is terminated under Section 4.05 hereof and the management of the Residential Association is transferred to the Owners by the Developer.

1.22 VOTING MEMBER: The individual who enjoys membership in the Residential Association attributable to a Dwelling Unit and who shall be entitled to vote at meetings of the Owners, as more fully set forth in Article Four hereof.

ARTICLE TWO

Scope of Declaration and Certain Property Rights

2.01 PROPERTY SUBJECT TO DECLARATION: Trustee, as the owner of fee simple title to the Subject Parcel, expressly intends to and, by Recording this Declaration, does hereby subject and submit the Subject Parcel to the provisions of this Declaration.

additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by an Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

(1) Require the Owner to remove the addition, alteration or improvement and restore the property to its original condition, all at the Owner's sole cost and expense; or

(2) If the Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Owner for reimbursement of the cost thereof as determined by the Board; or

(3) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

3.05 DAMAGE CAUSED BY OWNER: If, due to the act or neglect of an Owner a member of his Family or household pet, or of a guest or other authorized occupant or invitee of such Owner damage shall be caused to a part of the Common Elements and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and for such maintenance, repairs and replacements as may be determined by the Board, to the extent not covered by insurance, if any, carried by the Residential Association.

3.06 RESIDENTIAL USE ONLY: Except as provided in Section 2.04 hereof or as permitted by rules and regulations adopted by the Board, each Dwelling Unit shall be used only as a residence for a Family and no industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Subject Parcel; provided, however, that no Owner shall be precluded, with respect to his Dwelling Unit, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein, or (iii) handling his personal business or professional calls or correspondence therefrom.

3.07 DECORATING: Each Owner of a Dwelling Unit shall furnish and be responsible for, at his own expense, all of the decorating of the interior of his own Dwelling Unit from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. The use of and the covering of the interior surfaces of windows, whether by draperies, shades or other items visible on the exterior of the Dwelling Unit, shall be subject to the rules and regulations of the Board.

3.08 MECHANIC'S LIENS: The Board may cause to be discharged any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Subject Parcel or Common Elements, rather than against a particular Dwelling Unit. When fewer than all of the Owners are responsible for the existence of any such lien, the Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorney's fees) incurred by reason of such lien.

3.09 USE AFFECTING INSURANCE: Nothing shall be done or kept in any Dwelling Unit, or in the Common Elements which will increase the rate of insurance on the Parcel or contents thereof for residential use without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Dwelling Unit, or in the Common Elements which will result in the cancellation of insurance, or which would be in violation of any law. No waste, refuse or rubbish shall be permitted on the Common Elements, except in the facilities specifically provided therefore.

3.10 NO SIGNS: Owners shall not cause or permit anything to be placed on the outside walls of a Dwelling Unit and no sign, awning, canopy, shutter, satellite dish or antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof without the prior consent of the Board and the Village of Wheeling.

3.11 PETS: No animals of any kind shall be raised, bred, or kept in any Dwelling Unit, or in the Common Elements, except that dogs, cats, or other household pets may be kept in Dwelling Units, subject to rules and regulations adopted by the Board, provided they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Subject Parcel upon three (3) days' written notice from the Board.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any Person having at any time any interest or estate in a Dwelling Unit or the Subject Parcel, and their respective heirs, successors, personal representatives or assigns. Reference in any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instruments to the provisions of this Declaration shall be sufficient to create and reserve all of the easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.

2.03 EASEMENTS AND ENCROACHMENTS: In the event that, by reason of the construction, settlement or shifting of a building, or the design or construction of any building, any part of the Common Elements encroaches, or shall hereafter encroach upon any part of any building, or any part of any building encroaches or shall hereafter encroach upon any part of the Common Elements or any other building, or, if by reason of the design or construction of utility systems, any main, pipes, ducts or conduits encroach or shall hereafter encroach upon any part of any building or Dwelling Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of the Owner such building, beneficial Owner, and Common Elements, as the case may be, so long as all or any part of the building shall remain standing; provided, however, that in no event shall a valid easement for any encroachment occur due to the intentional, willful or negligent conduct of any Owner. Each Dwelling Unit is further declared to be subject to an easement in favor of any adjoining Dwelling Units to the extent necessary to permit the maintenance, supply, repair, and servicing of utility services (including the use and maintenance of the television antenna) to the various Dwelling Units located thereon.

An appurtenant easement over and on the Common Elements is hereby granted to the Village of Wheeling for the purpose of (i) affording access to authorized Village of Wheeling law enforcement officers, rescue squad personnel and fire-fighting personnel while in the pursuit of their authorized duties, and (ii) affording access to emergency vehicles onto private streets and common driveways within the Parcel. Such police or municipal enforcement officers shall be held harmless from civil or criminal liability arising from a charge of trespass for entering the Common Elements in the performance of their authorized duties, or for entering the Common Elements to enforce Village of Wheeling ordinances.

All easements and rights described herein are easements appurtenant to and running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in a Dwelling Unit or any part or portion of the Subject Parcel.

Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation to the easements and rights described in this Section, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

An appurtenant easement over and on the Common Elements is hereby granted to Developer for the purpose of making improvements on the Subject Parcel and for the purpose of doing what is reasonably necessary and proper in conjunction therewith.

2.04 DEVELOPER'S RESERVED RIGHTS: Notwithstanding any provision herein to the contrary, until such time as Trustee is no longer vested with or controls title to a Dwelling Unit, (a) Developer and its agents shall have the right to place and maintain on the Subject Parcel model Dwelling Units, sales offices, advertising signs, parking spaces, and lighting in connection therewith, at such locations and in such forms as Developer may determine, in its discretion, subject to approval by the Village of Wheeling, to be used by Developer in connection with the promotion, sale, or lease of the Dwelling Units, and (b) Developer, its agents and contractors shall have the right to enter upon the Subject Parcel for the purpose of completing construction of improvements thereto and in connection therewith may store construction equipment and materials in appropriate areas in the Common Elements or in Dwelling Units owned by Developer without payment of any fee or charge whatsoever, all of which shall comply with the requirements of any building and zoning laws and procedures of the Village of Wheeling.

2.05 OWNERSHIP OF COMMON ELEMENTS: The Common Elements shall be owned by the Residential Association. Membership to the Residential Association shall be governed pursuant to Section 4.02 hereof.

2.06 USE OF THE COMMON ELEMENTS:

(a) Subject to Section 2.07 below, each Owner shall have the right to use the Common Elements in common with all other Owners, as may be required for the purpose of ingress and egress to and from his respective Dwelling Unit except to the extent exclusive easements are granted on specific property as contained herein.

(b) Each Owner shall have the right to use the Common Elements for all purposes incident to the use, occupancy and enjoyment of his Dwelling Unit as a place of residence, and such other incidental uses permitted by this Declaration.

(c) The right to use and possess the Common Elements, shall extend to each Owner their agents, servants, tenants, Family and invitees, and such rights shall be subject to and governed by the provisions of this Declaration, the By-Laws and by the rules and regulations of the Board.

2.07 LEASE OF COMMON ELEMENTS: The Board shall have the right and authority, subject to the provisions of this Declaration and the By-Laws, to lease or grant licenses or concessions with regard to parts of the Common Elements including, without limitation, commercial and recreational areas, if any, and subject to Village of Wheeling approval. The rental or fee for and the terms of any such lease, license or concession shall be determined by the Board and any and all proceeds therefrom shall be used to pay the Common Expenses and shall be taken into account in the preparation of the annual budget.

2.08 UTILITY EASEMENTS: The Illinois Bell Telephone Company, Commonwealth Edison Company and all other public and private utilities serving the Property are hereby granted the right of access to the Subject Parcel to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment into and through the Common Elements for the purpose of providing utility services to the Dwelling Units or any other portion of the Subject Parcel.

2.09 ADDITIONAL EASEMENTS: In addition to the easements provided for herein, the Board, on behalf of all of the Owners, shall have the right and power (a) to grant such easements and/or rights-of-way with respect to the Common Elements to such entities as the Board deems necessary and proper, and/or (b) to cancel, alter, change or modify any existing easement appurtenant to the Subject Parcel, or the Dwelling Units as the Board shall, in its discretion, determine, subject to the approval of the Village of Wheeling. Without limiting the foregoing, the Board shall grant such easements as Developer or Trustee may from time to time request, including, but not limited to, such easements as may be required to construct, keep, maintain and grant access to the improvements upon the Common Elements. Each Person by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Dwelling Unit shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Residential Association and duly Recorded.

2.10 RIGHTS OF ENTRY: The Board or its agents, upon reasonable notice or, in the case of an emergency, without notice, shall have the right to enter any Dwelling Unit when necessary in connection with any maintenance, repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board as a Common Expense.

The Village of Wheeling or its agents, upon reasonable notice or, in the case of an emergency, without notice, shall have the right to enter the Common Elements or any Dwelling Unit when necessary in order to enforce certain covenants with respect to the public health, safety and welfare, and to assess liens against the Residential Association for any amounts expended.

2.11 SEPARATE MORTGAGES: Each Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his respective Dwelling Unit. No Owner shall have the right or authority to make or create, or to cause to be made or created, any mortgage or encumbrance or other lien on or affecting any other part of the Subject Parcel.

2.12 SEPARATE REAL ESTATE TAXES: Real estate taxes, special assessments and any other special taxes or charges of the State of Illinois or any duly authorized subdivision or agency thereof, are to be separately taxed to each Owner. If in any year such taxes are not separately taxed to each Owner but are taxed on the Subject Parcel as a whole, then each

Owner shall pay his proportionate share thereof. Upon the affirmative vote of Voting Members representing more than fifty percent (50%) of the votes cast, the Board, on behalf of all Owners, shall have the authority to seek relief for the Owners from any such taxes, special assessments or charges, and any real estate taxes, special assessments or similar charges relating to the Common Elements, including any expenses incurred in connection therewith, shall be a part of the Common Expenses.

2.13 LEASE OF DWELLING UNIT: Any Owner shall have the right to lease all (and not less than all) of his Dwelling Unit upon such terms and conditions as the Owner may deem advisable, provided that no Dwelling Unit shall be used or leased for transient purposes, which are hereby defined as being for a period of less than thirty (30) days or for a period of more than thirty (30) days where hotel services normally furnished by a hotel such as room service or maid service) are furnished. Any such lease shall be in writing and shall provide that the lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease.

2.14 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Common Elements, the Residential Association shall, if necessary, restore the improvements in the remaining portion of the Common Elements to conform as closely as possible to the general condition as existed prior to the taking or condemnation. Any proceeds or awards made to the Residential Association in connection with any such taking or condemnation 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 Common Expenses, or (ii) distributed to the Owners and, in the case of Owners of Dwelling Units, their respective First Mortgagees, as their interest may appear. Any portion so taken or condemned shall be deemed to have been removed from the provisions of this Declaration. 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, as a result of an occurrence covered by this Section.

2.15 UTILITIES: Each Owner shall pay his own utility bill with respect to his Dwelling Unit which utilities shall be metered separately. Each Owner of a Dwelling Unit which contains an exterior hose bibb (water spout) hereby grants the Residential Association an easement and right to use the hose bibb along with the water extracted therefrom. Each Owner covenants to provide water to said hose bibbs. Each Owner of a Dwelling Unit which contains an exterior hose bibb shall be equitably compensated quarterly for the cost of the water used. The amount of the compensation shall be determined by the Board as part of the Common Expenses.

2.16 PARTY WALLS: To the extent not inconsistent with the provisions of this subsection 2.16, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply to all party walls. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the party wall in proportion to such use. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the party wall may restore it, and if the other Owner thereafter makes use of the party wall, the other Owner shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of the Owner who restores such party wall to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts or omissions. An Owner who, by his negligent or willful act, causes any party wall to be exposed to the elements, shall bear the entire cost of repair and restoration and of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this subsection 2.16 shall be appurtenant to and run with the Dwelling Unit owned by the Owner entitled to contribution and shall pass to the successors in title of such Owner entitled to such contribution. Any dispute arising concerning a party wall, or arising under the provisions of this subsection 2.16, shall be resolved by the Board, whose resolution shall be final and binding on the parties to such dispute.

2.17 EXCLUSIVE PARKING EASEMENTS: Each Owner of a Dwelling Unit except the Owners of Dwelling Units 11, 12, 19 and 33, is hereby granted an exclusive parking easement for the area 9 feet wide by 18 feet in length located tangent and directly in front of each of said Owner's garage. Each Owner of Dwelling Units 11, 12, 19 and 33 is hereby granted an exclusive parking easement for the designated parking area located tangent to the said Dwelling Unit and not otherwise assigned.

ARTICLE THREE

Use, Occupancy and Maintenance of the Property

3.01 MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON ELEMENTS:

Except as otherwise specifically provided in this Declaration, decorating, maintenance, repair and replacement of the Common Elements shall be furnished by the Board as part of the Common Expenses.

3.02 MAINTENANCE, REPAIR AND REPLACEMENT OF DWELLING UNITS:

(a) Each Owner shall furnish and be responsible, at his own expense, for all of the maintenance, repairs and replacements for his Dwelling Unit including all glass surfaces, fireplaces (including the flue, flue cap, and the chimney cap flashing), all windows, all doors, front entry and garage doors, electrical fixtures, fences, if any, patio adjacent to that Owner's Dwelling Unit, and shall keep them in good condition and repair. The Residential Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Dwelling Units (except for those repairs and maintenance designated to Owners) including, without limitation, the surface of the garage exteriors, the exterior surface of the front entry door, roofs, siding and trim, gutters and downspouts, made necessary and desirable in the sole discretion of the Residential Association as a result of natural or ordinary wear and deterioration.

(b) Whenever the Board shall determine, in its sole discretion, that any maintenance, repair or replacement of any Dwelling Unit is necessary to protect the Common Elements or any other portion of the Parcel (i) if such work is made necessary through the fault of the Owner, his family, guests or invitees, then the Board may direct the Owner thereof to perform such maintenance, repair or replacement and pay the cost thereof; or, (ii) if such work is made necessary through no fault of the Owner, then the Board may cause the work to be done and the cost thereof shall be a Common Expense. If an Owner fails or refuses to perform any such maintenance, repair or replacement within a reasonable time after being so directed by the Board pursuant to the preceding sentence, then the Board may cause such maintenance, repair or replacement to be performed at the expense of such Owner. The determination of whether or not the work is made necessary through the fault of the Owner shall be made by the Board and such determination shall be final and binding.

3.03 ARCHITECTURAL CONTROL: From and after the construction by Developer or his successors and assigns of any improvements upon the Subject Parcel, no building, fence, shed, wall or other structure shall be commenced, erected or maintained upon the Subject Parcel, nor shall any garage be enclosed, nor shall any exterior addition to or change or alteration therein be made including, but not limited to, change of color, landscaping, awnings, storm windows, storm doors and screens, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by seventy-five percent (75%) of the architectural control committee to be established by the Board. Such plans and specifications shall also comply with the requirements of any building and zoning laws and procedures of the Village of Wheeling. In the event said architectural control committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Paragraph will be deemed to have been fully complied with. All requests for approval of plans and specifications required herein must be submitted by certified mail.

3.04 ADDITIONS, ALTERATIONS OR IMPROVEMENTS:

(a) The Board may authorize and charge as a Common Expense additions, alterations or improvements to the Common Elements. Subject to the provisions of Section 6.06 hereof, the cost of any such work to the Common Elements may be paid out of a special assessment.

(b) Except as permitted no additions, alterations or improvements shall be made by an Owner to any part of the Common Elements, and no additions, alterations or improvements shall be made by an Owner to his Dwelling Unit (where such work alters the exterior appearance of the Dwelling Unit) without the prior written consent of the Board and the Village of Wheeling. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by an Owner upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Residential Association from time to time the

3.12 PROSCRIBED ACTIVITIES: No illegal, noxious or offensive activity shall be carried on in any Dwelling Unit, or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.

3.13 NO UNSIGHTLY USES: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out, exposed or stored on any part of the Dwelling Unit, or the Common Elements. The Dwelling Units, and the Common Elements shall be kept free and clean of rubbish, debris and other unsightly material. No temporary building, trailer, garage or building in the course of construction or other temporary structure situated on the Subject Parcel shall be used, temporarily or permanently, as a residence.

3.14 OPERATION OF EQUIPMENT: No Owner shall overload the electrical wiring in any Dwelling Unit or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

3.15 TRASH: No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate, except building materials during the course of construction of any approved structure, on the Subject Parcel. All trash and trash containers must be stored within the Dwelling Unit except on those days when the trash pick-up is scheduled. The Board, at its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same.

3.16 PIPES: No water pipes, sewer pipes or drainage pipes shall be installed or maintained on the Subject Parcel above the surface of the ground, except hoses and moveable pipes used for irrigation purposes and sump pump discharges.

3.17 FLAGPOLES: No flagpoles shall be installed upon any portion of any Dwelling Unit, or the Common Elements unless installed and approved by the Board and the Village of Wheeling.

3.18 RECREATIONAL VEHICLES AND PARKING: No trailers, boats, motorhomes, trucks or other recreational or commercial vehicles shall be placed or parked upon any portion of any Dwelling Unit or the Common Elements other than an Owner's commercial van which is used for primary transportation which may be stored in an Owner's garage. Storage of vehicles or recreational vehicles are not allowed in designated parking areas.

3.19 ADVERTISING BY OWNER: No signs (excepting "For Sale" or "For Rent" signs) or other advertising device of any nature shall be placed upon any Dwelling Unit, or the Common Elements, except name and address plates or address plates, none of which shall exceed 120 square inches, without the prior written consent of the Board. The Board may establish other criteria with respect to form and location of such signs. Notwithstanding the foregoing, Developer reserves the right to erect such signs, whose size and design shall not be subject to the foregoing restrictions, as he may deem necessary on Dwelling Units, or on the Common Elements until all Dwelling Units proposed to be built on the Subject Parcel are sold by Developer.

3.20 POWER DRIVEN VEHICLES: No machinery or power driven vehicles (i.e. snowmobiles, go carts, minibikes, etc.) shall be placed or operated upon any portion of the Common Elements, except such machinery and vehicles which are normally used in connection with residential property.

3.21 DRAINAGE: No person shall obstruct, alter or in any way modify the established drainage pattern from, on or over the Subject Parcel, nor shall any person obstruct, alter or in any way modify any drainage swales, devices and/or facilities now installed or to be installed by Developer. Developer reserves the right to itself or to the Board to enter upon the Subject Parcel to correct, as it may deem necessary, any drainage condition.

3.22 RULES AND REGULATIONS: The use and enjoyment of the Subject Parcel and the Dwelling Units shall be subject to reasonable rules and regulations duly adopted by the Board from time to time; provided that no rule or regulation shall be effective unless and until at least ten (10) days notice thereof is given to all Owners.

3.23 STORAGE IN GARAGE: No Owner shall allow the storage of household goods or other material within any garage on the Subject Parcel in such a manner as to prevent use of the garage as a designated off-street parking space.

3.24 FENCING: No Owner shall be permitted to install individual fencing on his Dwelling Unit or on the Common Elements. All fences must be approved by the Board and the Village of Wheeling. In addition, the Association hereby agrees that in the event the current fence which is located approximately 10 feet south of the south property line of the east end of the Parcel is removed in its entirety then the Association shall erect a six foot high and 110 foot long stockade fence, subject to approval by the Village, along said property line of the Parcel.

ARTICLE FOUR
The Residential Association

4.01 **THE ASSOCIATION:** Developer will cause the Residential Association to be incorporated as a not-for-profit corporation. The Residential Association shall be the governing body for all of the Owners and for the administration and operation of the Parcel as provided in this Declaration and the By-Laws.

4.02 **MEMBERSHIP:**

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

(b) One individual shall be designated as the "Voting Member" for each Unit Ownership. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Dwelling Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Dwelling Unit shall be designated by such Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Dwelling Unit as the Voting Member for such Dwelling Unit.

4.03 **THE BOARD:** From and after the Turnover Date (as hereinafter defined), the Board shall consist of that number of Voting Members provided for in the By-Laws. The Board shall be elected at each annual meeting of the Owners as provided in the By-Laws.

4.04 **VOTING RIGHTS:** Whenever a vote of the Owners of the Residential Association is required, at any meeting of such Owners or otherwise, such votes shall be cast by the Voting Members or their proxies and each Voting Member shall be entitled to one vote per Dwelling Unit.

4.05 **DEVELOPER'S RIGHTS:** Notwithstanding any of the other provisions of this Declaration or the By-Laws to the contrary, the first and all subsequent Boards shall consist solely of three (3) individuals designated by Developer, which individuals may but need not be Owners, until the first to occur of any of the following (the "Turnover Date"):

(a) Sixty (60) days after Trustee has conveyed to purchasers for value 75% of the number of Dwelling Units;

(b) The expiration of three (3) years from the date of the Recording of this Declaration; or

(c) Developer elects to terminate its sole control by written notice of such election to the Owners.

At least twenty-one (21) days prior to the Turnover Date, Developer shall give written notice to each Owner of the Turnover Date and indicate the time and place when the Developer shall turn the operation and management of the Residential Association over to the Owners. At the indicated time and place Developer shall assist all Owners present or voting by proxy in electing a new Board and the Owners shall thereafter be responsible for operating, managing and governing the Residential Association in accordance with this Declaration. Developer shall continue to operate and manage the Residential Association until the new Board is elected. At the time control of the Board is transferred from Developer to the Owners, the Developer hereby guarantees that the capital reserve account shall have a balance of at least \$2,000 and the operating account shall have a sufficient amount to satisfy the monthly budget. In the event the capital reserve account has a balance of less than \$2,000, or the operating account is insufficient to pay the monthly budget then Developer will fund the amount of such deficit on the Turnover Date.

4.06 **MANAGING AGENT:** Developer (or an entity controlled by Developer) may be engaged by the Residential Association to act as the managing agent for the Residential Association and as managing agent (after the Turnover Date) may be paid a reasonable fee for its services as set forth in a written agreement between the Residential Association and Developer (or an entity controlled by Developer). The term of any management agreement shall not exceed one year and shall be terminable (i) for cause by the Residential Association

on thirty (30) days written notice, or (ii) without cause or payment of a termination fee by either party on ninety (90) days written notice.

4.07 DIRECTOR AND OFFICER LIABILITY: Neither the directors nor the officers of the Residential Association shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers, except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Residential Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, against all contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Residential Association, or arising out of their status as directors or officers, unless any such contract or act shall have been made criminally, fraudulently or with gross negligence.

It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorneys fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director or officer may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer.

ARTICLE FIVE Insurance

5.01 INSURANCE: The Board shall have the authority to and shall obtain the following:

(a) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Common Elements, or upon, in or about the streets and passageways and other areas adjoining the Parcel, in such amounts as the Board shall deem desirable.

(b) Such workmen's compensation insurance as may be necessary to comply with applicable laws.

(c) Employer's liability insurance in such amount as the Board shall deem desirable.

(d) Fidelity bond indemnifying the Residential Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Residential Association or of any other person handling the funds of the Residential Association, the Board or the Owners in such amount as the Board shall deem desirable.

(e) Directors' and Officers' liability insurance in an amount not less than \$1,000,000.00 for each Director and/or Officer for any action, claim, suit or proceeding filed against such Director and/or Officer arising from any act or omission of such Director and/or Officer in that capacity.

(f) Such other insurance in such reasonable amounts as the Board shall deem desirable.

Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be Common Expenses.

5.02 INSURANCE TRUSTEE/USE OF PROCEEDS: The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine, consistent with the provisions of this Declaration. The fees of such corporate trustee shall be Common Expenses. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Common Elements. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire

into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the board or the corporate trustee.

5.03 OWNER'S RESPONSIBILITY: Each Owner shall be responsible for and shall provide his own hazard and property damage insurance covering his own Dwelling Unit and the contents of his Dwelling Unit and furnishings and personal property therein, his personal property stored elsewhere on the Subject Parcel, and his personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as above provided. The Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Owners. Each Owner shall procure and maintain in full force at all times insurance covering his Dwelling Unit consisting of, or providing all the protections afforded by, the insurance now generally described in an "all risk" policy to one hundred percent (100%) of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than one thousand dollars (\$1,000.00) and naming the Residential Association as an additional insured on each policy. Such insurance shall be written by companies reasonably acceptable to the Residential Association. A certificate of insurance evidencing such coverage shall be furnished to the Residential Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Residential Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event a Dwelling Unit or any portion thereof shall be damaged or destroyed by fire or other casualty and the 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 Dwelling Units, the architectural design of the Dwelling Units to be rebuilt and the materials to be used in constructing the same shall be agreed upon among the Owners thereof, and in the absence of agreement, the rebuilt Dwelling Units shall be substantially similar in architectural design as the original Dwelling Units and shall be constructed of comparable materials and quality of construction.

5.04 WAIVER OF SUBROGATION: Each Owner hereby waives and releases any and all claims which he may have against any other Owner, the Residential Association, its directors and officers, Trustee, Developer, the manager and the managing agent, if any, and their respective employees and agents for damage to the Common Elements, the Dwelling Units, or to any personal property located therein or thereon 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.

5.05 REPAIR OR RECONSTRUCTION:

(a) In the case of damage by fire or other disaster to any portion of the Common Elements where the insurance proceeds plus the Capital Reserve (as defined herein at (6.07) covering the damaged improvements are sufficient to repair or reconstruct the damaged Common Element, then the proceeds and, if necessary, the Capital Reserve shall be used to make such repairs or reconstruction.

(b) In the case of damage by fire or other disaster to any portion of the Common Elements where the insurance proceeds plus the Capital Reserve covering the damaged improvements are insufficient to complete repair or reconstruction the following procedure shall be followed:

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

(2) At the meeting, the Board shall present 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.

(3) A vote shall then be taken on the question of whether or not the portion of the Common Elements shall be repaired or reconstructed based on the information provided by the Board under Subsection (2) above, including the proposed special assessment. The portion of the Common Elements shall be repaired or reconstructed only upon the affirmative vote of Voting Members representing 75% of the votes cast.

(4) If the Voting Members do not vote to repair or reconstruct the portion of the Common Elements at the meeting provided for in (1) above, then the Board may, at its discretion, call another meeting or meetings of the Owners to reconsider the question of whether or not the portion of the Common Elements shall be repaired or reconstructed.

(c) If the portion of the Common Elements is repaired or reconstructed, it shall be done in a workmanlike manner substantially similar in design and construction to the original construction.

(d) If the portion of the Common Elements is not repaired or reconstructed, then the structure shall be razed, or secured and otherwise maintained, in conformance with the rules or standards adopted from time to time by the Board and upon approval by the Village of Wheeling.

ARTICLE SIX

Assessments

6.01 CREATION OF LIEN AND PERSONAL OBLIGATION: Developer, for each Dwelling Unit hereby covenants, and each Owner shall be and is deemed to covenant and hereby agrees to pay to the Residential Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Dwelling Unit and shall be a continuing lien upon the Dwelling Unit against which each such assessment is made. Each such assessment, or other charge or payment, together with such interests and costs, shall also be the personal obligation of the Owner at the time when the assessment or other charge or payment becomes due.

6.02 PURPOSE OF ASSESSMENTS: The assessments levied by the Residential Association shall be exclusively for the purposes of promoting the recreation, health, safety and welfare of members of the Residential Association, to administer the affairs of the Residential Association and to pay the Common Expenses and any other expenses that are the obligation of the Residential Association hereunder.

6.03 ANNUAL ASSESSMENT: Each year on or before November 1, and at least thirty (30) days before final adoption thereof, the Board shall furnish each Owner with a proposed budget for the ensuing calendar year which shall show the following, with reasonable explanations and itemizations:

(a) The estimated expenses required to pay for the purposes listed in 6.02 above;

(b) The estimated amount, if any, to maintain adequate reserves for Common Expenses including, without limitation, amounts to maintain the Capital Reserve;

(c) The amount of the "Annual Assessment," which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus excess funds, if any, from the current year's operation; and

(d) That portion of the Annual Assessment which shall be payable by an Owner each month until the next Annual Assessment or revised Annual Assessment becomes effective, which monthly portion shall be equal to one-twelfth (1/12th) of the Annual Assessment divided equally among each Owner.

6.04 PAYMENT OF ANNUAL ASSESSMENT: On or before the 1st day of January of the ensuing year, and on or before the 1st day of each and every month thereafter until the effective date of the next Annual Assessment or revised Annual Assessment, each Owner shall pay to the Residential Association, or as it may direct, that portion of the Annual Assessment which is payable by such Owner under Section 6.03(d) hereof.

6.05 REVISED ANNUAL ASSESSMENT: If the Annual Assessment proves to exceed funds reasonably needed, then the Board may decrease the assessments payable under Section 6.03(d) hereof as of the first day of a month by the giving of written notice thereof (together with a revised budget for the balance of the year and reasons for the decrease) not less than ten (10) days prior to the effective date of the revised Annual Assessment.

*Budget
Notice
July 1993*

6.06 SPECIAL ASSESSMENT: The Board may levy a special assessment as provided in this Section (i) to pay for build up reserves to pay extraordinary expenses incurred (or to be incurred) by the Residential Association for a specific purpose including, without limitation, to make additions, alterations or improvements to the Common Elements, or (ii) to cover an unanticipated deficit under the current or prior year's budget. Any special assessment which will require the aggregate payment with respect to a Dwelling Unit of the greater of (a) \$300 or (b) five (5) times the most recent monthly assessment shall be subject to approval by the affirmative vote of Voting Members representing at least 2/3 of the total votes. Each Owner shall be responsible for the payment of an equal share of the amount of the special assessment. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the amount and reasons therefor, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.07 CAPITAL RESERVE: The Residential Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Residential Association, as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Residential Association in connection with its duties hereunder. The Capital Reserves may be built up by special assessment or out of the Annual Assessment as provided in the budget.

6.08 INITIAL CONTRIBUTION: Upon the closing of the first sale of each Dwelling Unit by Developer to a purchaser for value (the "First Sale"), the purchasing Owner shall make a contribution to the Residential Association in an amount equal to One Hundred Thirty and 00/100 Dollars (\$130.00). Said amount shall be held and used by the Residential Association for its initial operating costs and reserve.

6.09 NONPAYMENT OF ASSESSMENTS: Any assessments or other charges or payments which an Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid within fifteen (15) days after the due date, it shall bear interest from the due date at the lower of (i) the default rate as determined by the Board or (ii) the highest legal rate then permitted in Illinois, and the Board (i) may bring an action against the Owner personally obligated to pay the same, together with interest, costs and reasonable attorneys' fees of any such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action, and (ii) may enforce and foreclose any lien which it has or which may exist for its benefit. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by non-use, abandonment or transfer of his Dwelling Unit.

6.10 ASSOCIATION'S LIEN SUBORDINATED TO MORTGAGES: The lien on each Dwelling Unit provided for in Section 6.01 hereof for assessments or other charges or payments shall be subordinate to the lien of any first mortgage given by a "Bona Fide" lender on a Dwelling Unit recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in Section 6.01 hereof shall not be affected by any transfer of title to the Dwelling Unit. Where title to a Dwelling Unit is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure, such transfer of title shall to the extent permitted by law extinguish the lien for any assessments or other charges or payments under Section 6.01 hereof which became due prior to (i) the date of the transfer of title, or (ii) the date on which the transferee comes into possession of the Dwelling Unit, whichever occurs first. However, the transferee of a Dwelling Unit shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Dwelling Unit has been extinguished pursuant to the preceding sentence which are reallocated among the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Dwelling Unit as provided in Section 6.01 hereof.

ARTICLE SEVEN Remedies for Breach or Violation

7.01 SELF-HELP BY BOARD: In the event of a violation by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the Board, upon not less than ten (10) days prior written notice, shall have the right to enter upon that part of

the Parcel 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 Owner.

7.02 INVOLUNTARY SALE: If any Owner of a Dwelling Unit (either by his own conduct or by the conduct of any other occupant of his Dwelling Unit) 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 violations 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 Owner a ten (10) day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Dwelling Unit, and thereupon an action may be filed by the Board against said defaulting Owner for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Dwelling Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in his Dwelling Unit shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the defaulting Owner from reacquiring his interest at the judicial sale. 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 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 Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Dwelling Unit and to immediate possession of the Dwelling Unit 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 Dwelling Unit so purchased subject to this Declaration.

7.03 FORCIBLE ENTRY AND DETAINER: In the event that an Owner of a Dwelling Unit is delinquent in payment of his proportionate share of the Common Expenses or any other charges or payments required to be paid by the Owner hereunder, the Board shall have the right to take possession of the Owner's Dwelling Unit and to maintain for the benefit of all other Owners an action for possession in the manner prescribed under Illinois law.

7.04 LEASING OR OTHER ALIENATION: Any Owner other than the Trustee, Developer and/or their respective successors, assigns or designees who sells, leases, devises or makes a gift of his Dwelling Unit (or any lessee of any Dwelling Unit who assigns or sublets such Dwelling Unit) shall give to the Board written notice of such sale, lease, gift or other alienation. The right of an Owner to sell, transfer or otherwise convey his Dwelling Unit shall not be subject to any right of first refusal or similar restriction. However, the Board may require that any lease entered into by an Owner have a minimum initial term of up to one (1) year.

7.05 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, in the event of a violation by an 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 Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Ownership, (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 Article, or (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

7.06 COSTS AND EXPENSES: All expenses incurred by the Board in connection with any actions, proceedings or self-help in connection with exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the lower of (i) the default rate as determined by the Board or (ii) the highest legal contract rate of interest then permitted in Illinois until paid, shall be charged to and assessed against the defaulting Owner, and the Residential Association shall have a lien for all the same upon his Dwelling Unit, as the case may be, as provided in Section 6.01 hereof.

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

ARTICLE EIGHT
Annexing Additional Property

8.01 IN GENERAL: Developer reserves the right at any time and from time to time prior to the Turnover Date to annex, add and subject additional portions of the Parcel ("Added Subject Parcels") to the provisions of this Declaration as the Subject Parcel by Recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Developer shall be limited to any number of Supplemental Declarations not to exceed five. Any portion of the Parcel which is subjected to this Declaration by a Supplemental Declaration shall be incorporated as the Subject Parcel; and any Dwelling Units added shall be referred to as "Added Dwelling Units". After the expiration of the Turnover Date Developer may exercise the rights described herein to annex, add and subject additional portions of the Parcel to the provisions of this Declaration, provided that the consent of two thirds (2/3) (by number) of the Owners of all Dwelling Units then subject to this Declaration is first obtained.

8.02 POWER TO AMEND: Subject to the limitations contained in Section 8.01, Developer hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 8.01, which amends or supplements Exhibit "B". Exhibit "B" may only be amended or supplemented to add portions of the Parcel to Exhibit "B" and shall not be amended to reduce or remove any real estate which is described in Exhibit "B" immediately prior to the Recording of such Supplemental Declaration. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Subject Parcel or the rights and obligations of Owners or any part or parts of the Added Subject Parcels as the Developer deems necessary or appropriate.

8.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the recording of a Supplemental Declaration by Developer which annexes and subjects Added Subject Parcels, or Added Dwelling Units to this Declaration, as provided in this Article, then:

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

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

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Subject Parcels (including the Added Dwelling Units, if any) made subject to this Declaration by any such Supplemental Declaration and the Owners, mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Subject Parcels were subjected to this Declaration at the time of the Recording hereof; and

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any charges made to a Dwelling Unit or its Owner prior to such Recording.

ARTICLE NINE

[INTENTIONALLY OMITTED]

ARTICLE TEN
Amendments

10.01 SPECIAL AMENDMENT: Developer and/or Trustee reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal

National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Dwelling Units, (iii) to bring this Declaration into compliance with all applicable statutes, or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Developer and/or Trustee to vote in favor of, make or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to Developer and/or Trustee to vote in favor of, make, execute and Record Special Amendments. The reserved rights of Developer and Trustee under this Section shall terminate at such time as Trustee or Developer no longer holds or controls title to a Dwelling Unit.

10.02 AMENDMENT BY OWNERS: Subject to the provisions of Sections 10.01 and 11.01 hereof, the provisions of this Declaration may be amended, modified, enlarged or otherwise changed in whole or in part by the affirmative vote of Owners (either in person or by proxy) of at least two-thirds of the total number of Owners or by an instrument executed by at least two-thirds of the Owners; except that (i) the provisions relating to the rights of Developer or Trustee may be amended only upon the written consent of Developer, (ii) the provisions of Article Eleven, Section 6.10 hereof or any other provisions which specifically grant rights to First Mortgagees may be amended only with the written consent of all First Mortgagees, (iii) the provisions of this Section may be amended only by the affirmative vote of all Voting Members (either in person or by proxy) or with the written consent of all Owners and (iv) any amendments relating to the Common Elements or facilities, or the maintenance thereof or the changing of the plans or concept of the development of the Subject Parcel shall only be made with the approval of the Village of Wheeling. No amendment shall become effective until Recorded. In addition to the foregoing, the written approval of the Village of Wheeling shall be required before any amendment of or change in covenants, restrictions or by-laws relating to Common Elements, the maintenance thereof or the plans for the Subject Parcel shall become effective.

ARTICLE ELEVEN
First Mortgagees' Rights

11.01 FIRST MORTGAGEES' CONSENT: The prior written approval of all First Mortgagees will be required for any of the following:

- (a) The abandonment or termination of the ownership and governance provisions contained herein;
- (b) The abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements, except for the dedication of portions of the Common Elements or the granting of easements for public utilities or for other public purposes consistent with the intended use of the Subject Parcel;
- (c) The sale of the Subject Parcel;
- (d) The removal of a portion of the Subject Parcel from the provisions of this Declaration; or
- (e) The use of hazard insurance proceeds for losses to the Common Elements for other than the repair, replacement or reconstruction of such Common Elements; provided, however, that such consent of First Mortgagees will not be required with respect to any action which occurs as a result of (i) substantial damage due to fire or other casualty (including, without limitation, action taken pursuant to Section 5.05 hereof); or (ii) a taking of a portion or all of the Subject Parcel by condemnation or eminent domain (including, without limitation, action taken pursuant to Section 2.14 hereof).

11.02 NOTICE TO FIRST MORTGAGEES: Upon the specific written request of a First Mortgagee to the Board, the First Mortgagee shall receive some or all of the following as designated by the First Mortgagee:

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

(b) Any audited or unaudited financial statements of the Residential Association which are prepared for the Residential Association and distributed to the Owners;

(c) Copies of notices of meetings of the Owners and the right to be represented at any such meetings by a designated representative;

(d) Notice of the decision of the Owners to make any material amendment to this Declaration, the By-Laws or the Articles of Incorporation of the Residential Association;

(e) Notice of substantial damage to or destruction of any Dwelling Unit or any part of the Common Elements;

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Subject Parcel;

(g) Notice of any default of the Owner of the Dwelling Unit which is subject to the First Mortgagee's mortgage, where such default is not cured by the Owner within thirty (30) days after the giving of notice by the Residential Association to the Owner of the existence of the default;

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

(i) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Residential Association; and

(j) Any proposed action that requires the consent of a specified percentage of eligible First Mortgagees.

The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Residential Association. Failure of the Residential Association to provide any of the foregoing to a First Mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Residential Association need not inquire into the validity of any request made by a First Mortgagee hereunder, and in the event of multiple requests from purported First Mortgagees of the same Dwelling Unit, the Residential Association shall honor the most recent request received.

11.03 INSURANCE PROCEEDS CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of substantial damage to, or destruction of, any part of the Subject Parcel, or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Subject Parcel, any such distribution shall be made to the Owners and their respective First Mortgages, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Dwelling Unit with respect to any such distribution to or with respect to such Dwelling Unit; provided, however, that nothing in this Section shall be construed to deny to the Residential Association the right to apply any such proceeds to repair or replace damaged portions of the Subject Parcel or to restore what remains of the Parcel after condemnation or taking by eminent domain of a part of the Subject Parcel.

ARTICLE TWELVE Miscellaneous

12.01 SEVERABILITY: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions or reservations, by legislation, judgment or court order, shall not affect liens, charges, rights, benefits and privileges and other provisions of this Declaration which shall remain in full force and effect.

12.02 NOTICES: Any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Owner as it appears on the records of the Residential Association at the time of such mailing, or upon personal delivery to the Owner's Dwelling Unit.

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

12.04 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (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 Walter Payton, the greatest running back in the history of the National Football League.

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

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

12.07 SUBORDINATE TO VILLAGE ORDINANCES. All of the terms, conditions, rights, liabilities and provisions of this Declaration are and shall always be subject and subordinate to any ordinances, rules or regulations of the Village of Wheeling, and to the extent there is any conflict or inconsistency between provisions of this Declaration and said ordinances, rules and regulations, the ordinances, rules and regulations of the Village of Wheeling shall be applicable and shall supersede this Declaration.

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

IN WITNESS WHEREOF, Trustee has caused this instrument to be executed as of the day and year first above written.

JUN 11 1991

CHICAGO TITLE AND TRUST
COMPANY, as Trustee under Trust
agreement dated June 5, 1990 and
known as Trust No. 1095610
AND NOT PERSONALLY

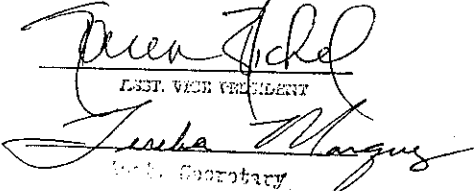

Lisa Margus
1st. Secretary

EXHIBIT "C"

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

ARTICLE I
NAME OF CORPORATION

The name of this corporation is The Timberleaf Homeowners Association.

ARTICLE II
PURPOSE AND POWERS

2.01 PURPOSES: The purposes of this Residential Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare of the members of the Residential Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit C to the Declaration of Covenants, Conditions, Restrictions and Easements for The Timberleaf Homeowners Association ("Declaration"). All terms used herein shall have the meanings set forth in the Declaration.

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

ARTICLE III
OFFICES

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

3.02 PRINCIPAL OFFICE: The Residential Association's principal office shall be maintained on the Subject Parcel.

ARTICLE IV
MEETINGS OF MEMBERS

4.01 VOTING RIGHTS: There shall be one individual with respect to each Dwelling Unit who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Dwelling Unit is one individual then such individual shall be the Voting Member. If the Record ownership of a Dwelling Unit shall be in more than one individual, or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board may, at its election, recognize an individual Owner of the Dwelling Unit as the Voting Member for such Dwelling Unit. Any or all members may be present at any meeting of the Owners, but the voting rights shall be vested exclusively in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution. Each Voting Member shall be entitled to one vote per Dwelling Unit.

4.02 PLACE OF MEETING; QUORUM: Meetings of the Owners shall be held at the principal office of this Residential Association, or at such other place in the Village of Wheeling as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Voting Members serving from time to time who represent at least twenty percent (20%) of the votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of the Voting Members representing a majority of the total votes present at such meeting. The affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes of Voting Members shall be required for the following action: (a) merger or consolidation of the Residential Association; (b) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Residential Association; and (c) the purchase or sale of land or of units on behalf of all Owners.

4.03 ANNUAL MEETINGS: Within twelve (12) months of the issuance by the Village of Wheeling of an informed general occupancy certificate for any Dwelling Unit, an informal general meeting of the Owners shall be held upon not less than ten (10) nor more than thirty (30) days' written notice given by Developer. Similar meetings shall be held not less than annually until the first formal meeting of the Residential Association after the Turnover Date is held, and during such meetings the Owners shall elect potential future Board of Director candidates who would form an informal board and meet semiannually with the first Board in accordance with Article Five hereof. Thereafter, there shall be an annual meeting of the Owners on the first Tuesday of March of each succeeding year at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board given to the Owners not less than ten (10) nor more than thirty (30) days prior to the date fixed for said meeting.

4.04 SPECIAL MEETINGS: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, upon request of a majority of the Board or by Voting Members representing at least twenty percent (20%) of the votes.

4.05 NOTICE OF MEMBERSHIP MEETING: Written notice of any membership meeting shall be mailed or delivered giving Owners not less than ten (10) nor more than thirty (30) days notice of the time, place and purposes of the meeting.

ARTICLE V BOARD OF DIRECTORS

5.01 IN GENERAL: The affairs of the Residential Association and the direction and administration of the Subject Parcel shall be vested in the Board, which shall consist of five (5) persons ("Directors"). The Board shall have all of the powers granted to it under the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois.

5.02 DEVELOPER DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the Owners after the Turnover Date the Board shall consist of three (3) persons from time to time designated by Developer. Such persons may but need not be Owners and such persons shall serve at the discretion of Developer. During such period the Voting Members may elect from among the Owners that number of non-voting counselors to the Board as Developer may, in its sole discretion, permit.

5.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Owners after the Turnover Date the Voting Members shall elect a full Board in the manner hereinafter provided to replace the Developer designated Board established under Section 5.02 hereof. From and after such meeting, each member of the Board shall be an Owner or a Voting Member. Within sixty (60) days after the election of a majority of the Board other than Developer, Developer shall deliver to the Board:

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

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

(c) All Residential Association funds and bank accounts; and

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

5.04 ELECTION: At the first meeting of the Owners after the Turnover Date and at each subsequent annual meeting of the Owners, the Voting Members shall elect a full board of Directors. Each Director shall hold office until the next annual meeting of the Owners or until his successor shall have been elected and qualified. Directors may succeed themselves in office. In all elections for members of the Board, each Voting Member shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of votes to which such Voting Member is entitled (but cumulative voting shall not be permitted). The five Owners of Dwelling Units receiving the highest number of votes shall be deemed to be elected.

5.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the Owners, at such place as shall be fixed by the Directors at the annual meeting of the Owners, and no notice shall be necessary to the Directors in order legally to constitute such meeting provided a majority of the whole Board shall be present.

5.06 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four (4) such meetings shall be held during each fiscal year.

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

5.08 NOTICE OF BOARD MEETINGS: Notice of each meeting of the Board shall be mailed to each Director at least forty-eight (48) hours prior to the meeting, and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened.

5.09 OPEN MEETINGS: Each meeting of the Board shall be open to all Owners and, if required under the terms of this Declaration, as amended from time to time, notice of such meetings shall be mailed at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of persons who attend meetings, and those who do not comply with such rules may be removed from the meeting.

5.10 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

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

5.12 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by the affirmative vote of Voting Members representing at least fifty-one percent (51%) of the votes at any annual meeting or at a special meeting called for such purpose. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be either an Owner or a Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns or is removed may be elected by the Voting Members at any annual meeting or at any special meeting called for such purpose, and any successor so elected shall serve the balance of his predecessor's term.

5.13 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Declaration, these By-Laws and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

(a) To engage the services of a manager or managing agent to assist the Residential Association in performing and providing such services as the Residential Association is required to provide to its members under the Declaration;

(b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Residential Association;

(c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Elements for which the Residential Association is responsible under the Declaration and these By-Laws;

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

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

- (f) To set, give notice of and collect assessments from the Owners as provided in the Declaration;
- (g) To pay the Common Expenses;
- (h) To adopt rules and regulations as provided in the Declaration;
- (i) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws;
- (j) To own, convey, encumber, lease or otherwise deal with Dwelling Units or other real property conveyed or purchased by the Residential Association; and
- (k) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Subject Parcel.

ARTICLE VI OFFICERS

6.01 OFFICERS: The officers of the Residential Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the board. Officers may succeed themselves in office. The President, Secretary and Treasurer shall be Directors, and all other officers may but need not be Directors.

6.02 VACANCY OF OFFICE: Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

6.03 POWERS OF OFFICERS: The respective officers of the Residential Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois Not-For-Profit Corporation including, without limitation, the following:

- (a) The President shall be the Chief Executive Officer of the Residential Association, shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws, as provided for in the Declaration and these By-Laws;
- (b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;
- (c) The Secretary shall keep minutes of all meetings of the Owners and of the board, shall have custody of the Residential Association seal, shall have charge of such other books, papers and documents as the Board may prescribe and shall be responsible for giving and receiving all notices to be given to or by the Residential Association under the Declaration or these By-Laws.
- (d) The Treasurer shall be responsible for Residential Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Residential Association books of accounts kept for such purpose.

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the affirmative vote of Voting Members representing more than fifty percent (50%) of the votes.

ARTICLE VII COMMITTEES DESIGNATED BY BOARD

7.01 BOARD COMMITTEES: The Board, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Residential Association; provided, however, the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.02 SPECIAL COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the Residential Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners and the President of the Residential Association shall appoint the members

thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Residential Association shall be served by such removal.

7.03 TERM: Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

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

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

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

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

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.01 CONTRACTS: The Board may authorize any officer or officers, agent or agents of the Residential 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 Residential Association, and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Residential Association.

8.02 PAYMENTS: All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Residential Association shall be signed by such officer or officers, agent or agents of the Residential Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice-President of the Residential Association.

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

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

ARTICLE IX FISCAL MANAGEMENT

9.01 FISCAL YEAR: The fiscal year of the Residential Association shall begin on the first day of January each year, except the first fiscal year of the Residential Association shall begin at the date of incorporation, and shall end on the last day of December of such year.

9.02 ANNUAL STATEMENT: Within a reasonable time after the close of each fiscal year the Board shall furnish each Owner with a statement of the income and disbursements of the Residential Association for such fiscal year including, without limitation, a statement of (i) the net excess or deficit of income with respect to expenditures for Common Expenses, (ii) all additions made to the Capital Reserve, and (iii) all expenditures made out of the Capital Reserve.

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

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

(b) A brief description of any expenditures for major repairs, alterations, additions, improvements or maintenance to the Common Elements which are anticipated

within the period of twelve (12) months from the date of the statement, including, without limitation, expenditures with respect to streets, street signs, pools, sidewalks, parking areas and buildings upon the Subject Parcel; and

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

9.04 ASSESSMENT PROCEDURE: Annual assessments and special assessments shall be made and collected as provided in Article Six of the Declaration, and the provisions of Article Six are incorporated herein by reference.

ARTICLE X BOOKS AND RECORDS

The Residential Association shall keep correct and complete books and records of account in accordance with generally accepted accounting principles consistently applied and shall also keep minutes of the proceedings of its members, the Board and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Residential Association a record giving the names and addresses of the members. All books and records of the Residential Association may be inspected by any Owner, or his agent, mortgagee or attorney, for any proper purpose at any reasonable time. The Residential Association shall cause its books and records to be audited not less than annually by an independent certified public accountant.

ARTICLE XI SEAL

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Residential Association and the words "Corporate Seal, Illinois."

ARTICLE XII AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time by the affirmative vote of Voting Members representing more than fifty percent (50%) of the votes, provided that Section 5.02 hereof or any other provisions relating to the rights of Developer may not be amended without the written consent of Developer, and provided further that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration. These By-Laws may also be amended by Developer for the purposes and by the procedure set forth in Section 10.01 of the Declaration. No amendment to these By-Laws shall become effective until Recorded.

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PARCEL

LOTS 1 THROUGH 11 IN STRONGATE RESUBDIVISION BEING A SUBDIVISION IN SECTION 2, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(THE ABOVE DESCRIBED PROPERTY CONSISTS OF 3.8115 ACRES AND IS LOCATED SOUTH OF STRONG AVENUE, ALONG ELEVENTH STREET AND A PORTION OF TENTH AND TWELFTH STREETS, WHEELING, ILLINOIS).

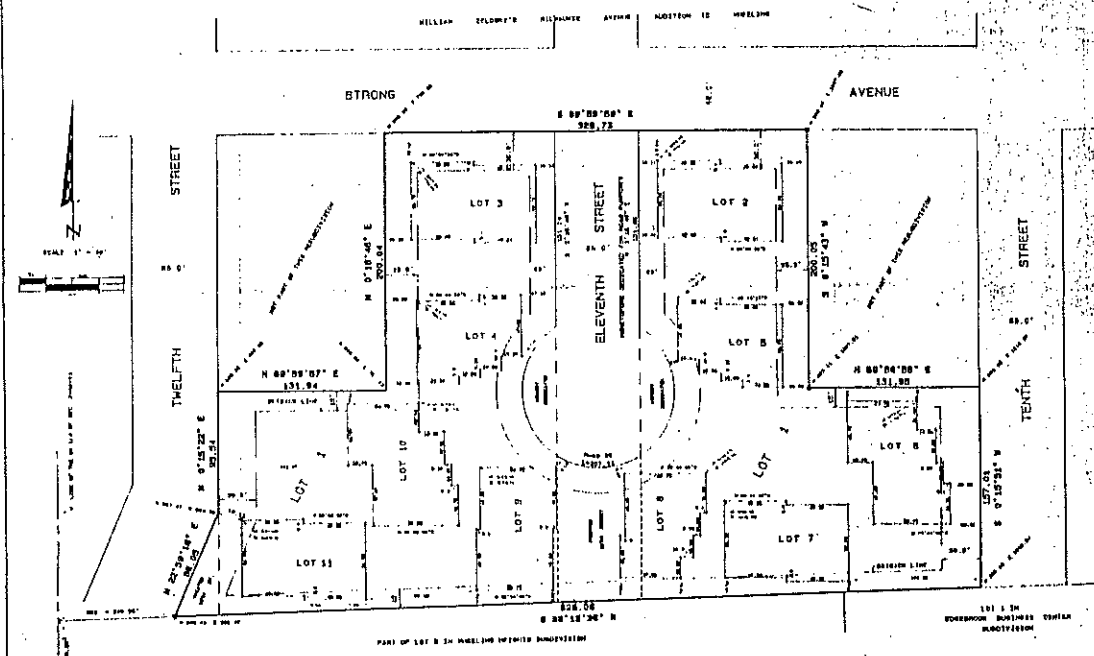
EXHIBIT "B"

LEGAL DESCRIPTION OF THE SUBJECT PARCEL

LOTS 1, 10 AND 11 IN STRONGATE RESUBDIVISION BEING A SUBDIVISION IN SECTION 2, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

STRONG GATE RESUBDIVISION

BEING A RESUBDIVISION OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.



LEGEND

— Easement Easement
 --- Easement Easement

NOTE:

UPON COMPLETION OF CONSTRUCTION, PROGRESS AS SHOWN AND
 SHOW FIRST AT ALL CORNERS AND POINTS OF CHANGE IN
 ALIGNMENT SHALL BE SET.

SURVEYORS CERTIFICATE

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Charles J. Dawson, Surveyor, do hereby certify that I, Charles J. Dawson, an Illinois professional land surveyor, have surveyed and monumented the property hereinafter described as follows:
 LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, AND THE STRONG AVENUE STREET LINE
 BEING A RESUBDIVISION OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
 AS SHOWN BY THE LAMINATED PLAT, WHICH IS A TRUE AND CORRECT REPRESENTATION OF SAID SURVEY AND MONUMENTATION. ALL DISTANCES AND BEARINGS TO FIRST AND SECOND POINTS OF MONUMENTATION, BEARING OF SAID STREETS AND ALIGNED THEREWITH, AS SHOWN BY SAID PLAT, BEING AS FOLLOWS:
 STRONG AVENUE STREET LINE, BEARING $E 89^{\circ}08'08'' E$, DISTANCE 368.72 .
 THELPH STREET, BEARING $N 0^{\circ}18'04'' E$, DISTANCE 101.94 .
 ELEVENTH STREET, BEARING $N 0^{\circ}18'04'' E$, DISTANCE 101.94 .
 TENTH STREET, BEARING $N 0^{\circ}18'04'' E$, DISTANCE 101.94 .
 I ALSO CERTIFY THAT THE PROPERTY SHOWN ON THE PLAT HEREIN IS WITHIN THE CORPORATE LIMITS OF THE VILLAGE OF WHEELING, WHICH HAS CAUSED A VILLAGE PLAN TO BE DRAWN AND ADEQUATE MONUMENTATION AND MONUMENTS TO BE SET.
 GIVEN UNDER MY HAND AND SEAL THIS 25th DAY OF JANUARY, A.D. 1924, AT COOK COUNTY, ILLINOIS.
Charles J. Dawson
 ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1024.

COUNTY CLERK

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, John J. ..., County Clerk, do hereby certify that I have received from Charles J. Dawson, a duly licensed land surveyor, a true and correct copy of the plat hereinafter described, and that the same has been duly recorded in my office.
 GIVEN UNDER MY HAND AND SEAL OF THE COUNTY OF COOK, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
John J. ...
 COUNTY CLERK

VILLAGE COLLECTOR

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Robert Flathowski, Village Collector, do hereby certify that I have received from Charles J. Dawson, a duly licensed land surveyor, a true and correct copy of the plat hereinafter described, and that the same has been duly recorded in my office.
 GIVEN UNDER MY HAND AND SEAL OF THE VILLAGE OF WHEELING, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
Robert Flathowski
 VILLAGE COLLECTOR

ENGINEER

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, John J. ..., Engineer, do hereby certify that I have received from Charles J. Dawson, a duly licensed land surveyor, a true and correct copy of the plat hereinafter described, and that the same has been duly recorded in my office.
 GIVEN UNDER MY HAND AND SEAL OF THE COUNTY OF COOK, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
John J. ...
 ENGINEER

OWNER

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Charles J. Dawson, do hereby certify that I am the owner of the property hereinafter described, and that I have caused the same to be surveyed and monumented as shown on the plat hereinafter described.
 GIVEN UNDER MY HAND AND SEAL OF THE COUNTY OF COOK, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
Charles J. Dawson
 OWNER

NOTARY

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Charles J. Dawson, do hereby certify that I am the owner of the property hereinafter described, and that I have caused the same to be surveyed and monumented as shown on the plat hereinafter described.
 GIVEN UNDER MY HAND AND SEAL OF THE COUNTY OF COOK, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
Charles J. Dawson
 NOTARY

VILLAGE BOARD

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Charles J. Dawson, do hereby certify that I am the owner of the property hereinafter described, and that I have caused the same to be surveyed and monumented as shown on the plat hereinafter described.
 GIVEN UNDER MY HAND AND SEAL OF THE COUNTY OF COOK, ILLINOIS, THIS 25th DAY OF JANUARY, A.D. 1924.
Charles J. Dawson
 VILLAGE BOARD

PLAN COMMISSION

STATE OF ILLINOIS
 COUNTY OF COOK, ILL.
 I, Charles J. Dawson, do hereby certify that I am the owner of the property hereinafter described, and that I have caused the same to be surveyed and monumented as shown on the plat hereinafter described.
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Charles J. Dawson
 PLAN COMMISSION

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